



CAUTION

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Thank you for your assistance.

Archives and Records Staff

MF113637

#7828 held to 100' below Wolfcamp
#7871 held to 100' below Wolfcamp
DRR Leases B+C good to 10/26/20
D+E good to 11/1/20

State Lease	Control	Base File	County
MF113637	07-109489	106922	REEVES
MF113637	07-109498	106687	REEVES

Survey	T & P RY CO	
Block	57	
Block Name		
Township	3-S	
Section/Tract	44, 46	
Land Part		
Part Description		
Acres	90	
Depth Below	Depth Above	Depth Other

Leasing: [Signature]
Analyst: [Signature]
Maps: [Signature]
GIS: MC
DocuShare: _____

Name	PETROHAWK PROPERTIES LP
Lease Date	9/9/2011
Primary Term	5 yrs
Bonus (\$)	\$55,000.00
Rental (\$)	\$0.00
Lease Royalty	0.1250

Contents of Mineral File Number:

113637

1. RAL Review	04/27/11	22. Reconciliation Billing	6/26/19
2. Lease A	11/07/11	scanned PJ	7-2-2019
3. Lease B	01/23/12	scanned PJ	7-15-2019
4. Lease C	12/16/11	SEE MF 112680 #23 Division Order	
5. Lease D	02/09/12	scanned PJ	9-12-2019
6. Lease E	02/09/12	23. DRR FORM	9/28/20
7. Bonus & fees	01/19/12	scanned PJ	10-6-2020
8. Rental	11/05/14	24. Letter accepting DRR FORM	6/11/21
9. Lease Plat	03/01/14	25. Surface Damage Pmt	10-12-2021
10. Final Ltr	03/01/14	Scanned KW	11-3-2021
Sec # 8 in M-112680 For the		26. Recon Billing	12/27/2021
State Blake 57-T3-46 Unit # 7828		Scanned KW	12-28-2021
11. Ltr. From BHP	7/24/16	27. Surface Damage Pmt	3-28-2022
12. Ltr. to BHP	7/29/16	Scanned JG	3/29/2022
13. Pooling Agmt. Packet # 7871		28. Division Order	4-29-2022
State Whiteacre 57-T3-44 Unit 7/29/16		Scanned sm	05/04/2022
14. Ltr. From BHP	9/16/16	29. Partial Release Request Ltr	10-16-23
15. Recorded State Whiteacre Unit 9/16/16		29. Partial Release - Depths	
Scanned KW	10-26-2016	(see MF 112680 #26 for Partial Release - Depths)	
16. Division Order	12-12-16		
17. Division Order	12-12-16	Scanned sm	09/12/2024
18. Recon Billing	10/3/17		
scanned PJ	10-9-2017		
19. Ltr. From BHP	10/31/17		
20. 1st Amd to State Whiteacre #7871	10/31/17		
scanned PJ	11-6-2017		
21. DRR payments - leases B, C, D & E	11/3/19		
scanned PJ	5-22-2019		

RAL REVIEW SHEET

Transaction # 7266 **Geologist:** R. Widmayer
Lessor: Pollan, Rondald C., Individually and as Trustee of the Polla **Lease Date:** 4/20/2011 **UE** ☐
Lessee: Petrohawk Properties, LP **Gross Acres:** 925
Net Acres: 33.958

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	07-109498	106687		46	57	03S	T & P RY CO	3035
"	07-109489	106922		44	"	"	"	3036

TERMS OFFERED

TERMS RECOMMENDED

Primary Term: 5 years
Bonus/Acre: \$2,000.00
Rental/Acre: \$1.00
Royalty: 1/4

Primary Term: 5 years
Bonus/Acre: \$2,000.00
Rental/Acre: \$1.00
Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF106884	Anadarko Petroleum Corporation	6/20/2006	5 years	\$280.00	\$20.00	1/4	Last Lease
Pending	Petrohawk Properties	2-24-11	5Yrs	\$1500.00	\$1.00	1/4	2 Miles NE

* See 44 + 46 are Broken Down into 5 ac + 10 ac lots

* Will have 6 min. file #'s

Comments: Rentals paid for years 2 & 3. 4 to pay 5 at \$2000.00.

Approved: TH 4/27/11

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: 27-Apr-11

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

Applicant:	Petrohawk Properties, LP	County:	REEVES
Prim. Term:	5 years	Bonus/Acre	\$2,000.00
Royalty:	1/4	Rental/Acre	\$1.00

Consideration

Recommended: [Signature] Date: 4/27/11

Not Recommended: _____

Comments: Rentals paid for years 2 & 3. 4 to pay 5 at \$2000.00.

✓ Lease Form

Recommended: [Signature] Date: 4/27/11

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner

Date: 5-2-11

Recommended: [Signature]

Not Recommended: _____

Bill Warnick, General Counsel

Date: 5/4/11

Recommended: [Signature]

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 5/4/11

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner

Date: 5/6/11

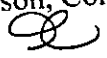
Approved: [Signature]

Not Approved: _____

1.
File No. 113637

BAL Review

Date Filed: 04/27/11
Jerry E. Patterson, Commissioner

By 

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

MF 113637A

The State of Texas



Rentals Paid 2nd & 3rd yr

4th yr Rental of 2000.00 per ac
Paid 5th yr

Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 9th day of September, 2011, between the State of Texas, acting by and through its agent, FREDRIC A. PAQUETTE and wife DONNA L. PAQUETTE of 169 SWINOMISH DRIVE, LA CONNER, WASHINGTON 98257

(Give Permanent Address)

said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP

of 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

(Give Permanent Address)

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

45.0 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

TRACT 1: 15.0 acres, more or less, being all of Lots 3, 4 and 7, Block 11;
TRACT 2: 5.0 acres, more or less, being all of Lot 8, Block 13;
TRACT 3: 25.0 acres, more or less, being all of Lots 4, 5, 6, 7 and 8, Block 14; and

45.0 acres, more or less, situated in the Subdivision of Section 46, Block 57, Township 3, Abstract 3035, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

TRACT 1: 10.0 acres, more or less, being all of Lots 4 and 5, Block 11;
TRACT 2: 30.0 acres, more or less, being all of Lots 3, 4, 5, 6, 7 and 8, Block 15;
TRACT 3: 5.0 acres, more or less, being all of Lot 5, Block 16,

containing 90.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: FIFTEEN THOUSAND AND 00/100
Dollars (\$15,000.00)

To the owner of the soil: FIFTEEN THOUSAND AND 00/100
Dollars (\$15,000.00)

Total bonus consideration: THIRTY THOUSAND AND 00/100
Dollars (\$30,000.00)

The total bonus consideration paid represents a bonus of TWO THOUSAND AND 00/100 Dollars (\$2,000.00) per acre, on 15.00 net acres.

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

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 Bank, at PAY DIRECTLY TO OWNER OF THE SOIL or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: _____
Dollars (\$ _____)

To the State of Texas: REFER TO ADDENDUM PARAGRAPH 40 (THIS IS A PAID UP LEASE)
Dollars (\$ _____)



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

11.11.11

Total Delay Rental: _____
Dollars (\$ _____)

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

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

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

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

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

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

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

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

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

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

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

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



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11.4.11

cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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

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

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

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

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

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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit

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pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

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

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

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

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,

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fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph.

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

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

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

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

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

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

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

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

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

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

35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement.



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or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.

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

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

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.

ADDENDUM PROVISIONS - #40 AND 41

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of two thousand dollars (\$2,000.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to September 9, 2014, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

41. If, at the expiration of the primary term, this lease is being maintained in force under any provision of the lease, or within 180 days prior to the expiration of the primary term Lessee has completed a well as a dry hole or commenced a well on the leased premises or lands pooled therewith, or Lessee is then engaged in operations on the leased premises or lands pooled therewith, Lessee agrees to begin a continuous drilling program within 180 days after the end of the primary term or within 180 days after completion of such well or the cessation of such operations, whichever is the later date; and thereafter to carry on the continuous drilling program on the leased premises or lands pooled therewith until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the succeeding well. Should Lessee fail to begin the continuous drilling program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration unit surrounding each well then producing, capable of producing or upon which operations are being conducted, limited, respectively, to those depths from the surface down to the stratigraphic equivalent of the depth 100 feet below the base of the deepest penetrated formation. As used in this paragraph: i) the term "commission" means the Railroad Commission of the State of Texas or any successor agency, ii) the term "proration unit" means any acreage designated as a drilling unit or production unit in accordance with the rules of the commission (or any other governmental authority having jurisdiction) or any unit formed by pooling as provided in this lease or otherwise, iii) the terms "commenced" and "commencement" mean the date when a well is spudded, and iv) the terms "completed" and "completion" mean the date the initial potential test report is filed with the commission, if a productive well, or the date the plugging report is filed with the commission, if a dry hole, in either event no later than 60 days after the drilling rig has been released. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the leased premises to and from lands that remain subject to this lease, or lands pooled therewith, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the leased premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

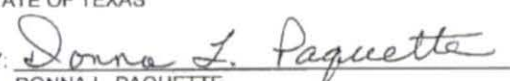
STATE OF TEXAS

BY: 
FREDRIC A. PAQUETTE

Individually and as agent for the State of Texas

Date: 17 oct 2011

STATE OF TEXAS

BY: 
DONNA L. PAQUETTE

Individually and as agent for the State of Texas

Date: 10/17/2011

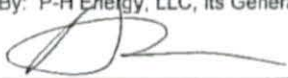


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LESSEE: PETROHAWK PROPERTIES, LP

By: P-H Energy, LLC, Its General Partner



BY: D.R. Deffenbaugh

Title: Vice President - Land

Date: 10-20-11

STATE OF OKLAHOMA

COUNTY OF TULSA

BEFORE ME, the undersigned authority, on this day personally appeared D.R. Deffenbaugh known to me to be the person whose name is subscribed to the foregoing instruments as Vice President - Land of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas 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 corporation.

Given under my hand and seal of office this 20th day of October, 2011.



Rita Kay Walker
Notary Public in and for Oklahoma

STATE OF WA

COUNTY OF Skagit

BEFORE ME, the undersigned authority, on this day personally appeared FREDRIC A. PAQUETTE and DONNA L. PAQUETTE, known to me to be the person whose name is subscribed to the foregoing instruments, 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 17 day of October, 2011.



SSA
Notary Public in and for WA

THE STATE OF TEXAS

COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and

County and State do hereby certify that the foregoing is a true and correct copy of

Oil & Gas Lease dated Sept. 9, 2011

Filed for record in my office this 3rd day of Nov, 2011

at 8:30 P M, under Clerk's File No. 2881, to be recorded in the

Records of Reeves County, Texas.

CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas

this 3rd day of November, 2011

By Dianne O. Florez Dianne O. Florez, COUNTY CLERK, REEVES COUNTY, TEXAS



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

11.2.11

2.

File No. 113637

Lease A

Date Filed: 11/07/11
 Jerry E. Patterson, Commissioner

By _____

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

MF 113637B

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 26th day of October, 2011, between the State of Texas, acting by and through its agent, CHARLES W. FAYNE, divorced from Hilda Fayne, dealing herein with his separate property of 41032 Riverbend Lane, Ahwahnee, California 93601 said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP of 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

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

45.0 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

- TRACT 1: 15.0 acres, more or less, being all of Lots 3, 4 and 7, Block 11;
- TRACT 2: 5.0 acres, more or less, being all of Lot 8, Block 13;
- TRACT 3: 25.0 acres, more or less, being all of Lots 4, 5, 6, 7 and 8, Block 14; and

45.0 acres, more or less, situated in the Subdivision of Section 46, Block 57, Township 3, Abstract 3035, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

- TRACT 1: 10.0 acres, more or less, being all of Lots 4 and 5, Block 11;
- TRACT 2: 30.0 acres, more or less, being all of Lots 3, 4, 5, 6, 7 and 8, Block 15;
- TRACT 3: 5.0 acres, more or less, being all of Lot 5, Block 16,

containing 90.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: TEN THOUSAND AND 00/100
Dollars (\$10,000.00)

To the owner of the soil: TEN THOUSAND AND 00/100
Dollars (\$10,000.00)

Total bonus consideration: TWENTY THOUSAND AND 00/100
Dollars (\$20,000.00)

The total bonus consideration paid represents a bonus of TWO THOUSAND AND 00/100 Dollars (\$2,000.00) per acre, on 10.000 net acres.

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

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 _____ Bank, at _____ PAY DIRECTLY TO OWNER OF THE SOIL or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: _____
Dollars (\$ _____)

To the State of Texas: REFER TO ADDENDUM PARAGRAPH 40 (THIS IS A PAID UP LEASE)
Dollars (\$ _____)

Total Delay Rental: _____
Dollars (\$ _____)

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft on Lessee, or any

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assignée of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

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

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

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

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

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

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

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

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

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

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

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

10. (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of



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

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

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

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

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

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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for

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production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN

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THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.

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

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

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.

ADDENDUM PROVISIONS - #40 AND 41

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of two thousand dollars (\$2,000.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to October 26, 2014, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

41. If, at the expiration of the primary term, this lease is being maintained in force under any provision of the lease, or within 180 days prior to the expiration of the primary term Lessee has completed a well as a dry hole or commenced a well on the leased premises or lands pooled therewith, or Lessee is then engaged in operations on the leased premises or lands pooled therewith, Lessee agrees to begin a continuous drilling program within 180 days after the end of the primary term or within 180 days after completion of such well or the cessation of such operations, whichever is the later date; and thereafter to carry on the continuous drilling program on the leased premises or lands pooled therewith until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the succeeding well. Should Lessee fail to begin the continuous drilling program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration unit surrounding each well then producing, capable of producing or upon which operations are being conducted, limited, respectively, to those depths from the surface down to the stratigraphic equivalent of the depth 100 feet below the base of the deepest penetrated formation. As used in this paragraph: i) the term "commission" means the Railroad Commission of the State of Texas or any successor agency, ii) the term "proration unit" means any acreage designated as a drilling unit or production unit in accordance with the rules of the commission (or any other governmental authority having jurisdiction) or any unit formed by pooling as provided in this lease or otherwise, iii) the terms "commenced" and "commencement" mean the date when a well is spudded, and iv) the terms "completed" and "completion" mean the date the initial potential test report is filed with the commission, if a productive well, or the date the plugging report is filed with the commission, if a dry hole, in either event no later than 60 days after the drilling rig has been released. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the leased premises to and from lands that remain subject to this lease, or lands pooled therewith, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the leased premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

STATE OF TEXAS
BY: 
CHARLES W. FAYNE
Individually and as agent for the State of Texas

Date: 23 11 11

LESSEE: PETROHAWK PROPERTIES, LP

By: P-H Energy, LLC, Its General Partner


BY: D.R. Deffenbaugh
Title: Vice President - Land

Date: 12-7-11



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STATE OF OKLAHOMA
COUNTY OF TULSA

BEFORE ME, the undersigned authority, on this day personally appeared D.R. Deffenbaugh
known to me to be the person whose name is subscribed to the foregoing instruments as Vice President - Land
of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas 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 corporation.

Given under my hand and seal of office this 7th day of December, 2011.



Rita Kay Walker
Notary Public in and for Oklahoma

STATE OF VICTORIA
COUNTY OF AUSTRALIA

BEFORE ME, the undersigned authority, on this day personally appeared CHARLES W. FAYNE, known to me to be the person whose name
is subscribed to the foregoing instruments, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 25th day of NOVEMBER, 2011.

David Shes
Notary Public in and for _____

of Suit
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

LYNDA SLAVINSKIS
of Suite 1/269A High St Ashburton VIC 3147
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
Oil & Gas Lease dated Oct. 26, 2011
filed for record in my office this 1st day of Jan. 2012 at
9.46 A.M., under Clerk's File No. 178, to be recorded in the

Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 1st day of January, 2012.

By Dianne O. Florez Deputy, Dianne O. Florez
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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

File No. 113637

Lease B

Date Filed: 01/23/12
Jerry E. Patterson, Commissioner

By [Signature]

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Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

MF 113637C

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 26th day of October, 2011, between the State of Texas, acting by and through its agent, PHILIP B. FAYNE, husband of Carol Fayne, dealing herein with his separate property of 41032 Riverbend Lane, Ahwahnee, California 93601 said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP of 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

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

45.0 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

TRACT 1: 15.0 acres, more or less, being all of Lots 3, 4 and 7, Block 11;
TRACT 2: 5.0 acres, more or less, being all of Lot 8, Block 13;
TRACT 3: 25.0 acres, more or less, being all of Lots 4, 5, 6, 7 and 8, Block 14; and

45.0 acres, more or less, situated in the Subdivision of Section 46, Block 57, Township 3, Abstract 3035, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

TRACT 1: 10.0 acres, more or less, being all of Lots 4 and 5, Block 11;
TRACT 2: 30.0 acres, more or less, being all of Lots 3, 4, 5, 6, 7 and 8, Block 15;
TRACT 3: 5.0 acres, more or less, being all of Lot 5, Block 16;

containing 90.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: TEN THOUSAND AND 00/100
Dollars (\$10,000.00)

To the owner of the soil: TEN THOUSAND AND 00/100
Dollars (\$10,000.00)

Total bonus consideration: TWENTY THOUSAND AND 00/100
Dollars (\$20,000.00)

The total bonus consideration paid represents a bonus of TWO THOUSAND AND 00/100 Dollars (\$2,000.00) per acre, on 10.000 net acres.

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

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 _____ Bank, at _____ PAY DIRECTLY TO OWNER OF THE SOIL, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: _____
Dollars (\$ _____)
To the State of Texas: REFER TO ADDENDUM PARAGRAPH 40 (THIS IS A PAID UP LEASE)
Dollars (\$ _____)
Total Delay Rental: _____
Dollars (\$ _____)

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any

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assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

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

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

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

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

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

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

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

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

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

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

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

10. (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of

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all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

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

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

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

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

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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for

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production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. **EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF**

110101



Agaves County
Clerks Office

THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.

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

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

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.

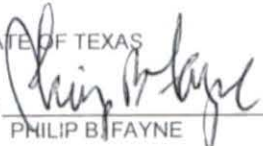
39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease 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.

ADDENDUM PROVISIONS - #40 AND 41

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of two thousand dollars (\$2,000.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to October 26, 2014, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

41. If, at the expiration of the primary term, this lease is being maintained in force under any provision of the lease, or within 180 days prior to the expiration of the primary term Lessee has completed a well as a dry hole or commenced a well on the leased premises or lands pooled therewith, or Lessee is then engaged in operations on the leased premises or lands pooled therewith, Lessee agrees to begin a continuous drilling program within 180 days after the end of the primary term or within 180 days after completion of such well or the cessation of such operations, whichever is the later date; and thereafter to carry on the continuous drilling program on the leased premises or lands pooled therewith until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the succeeding well. Should Lessee fail to begin the continuous drilling program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration unit surrounding each well then producing, capable of producing or upon which operations are being conducted, limited, respectively, to those depths from the surface down to the stratigraphic equivalent of the depth 100 feet below the base of the deepest penetrated formation. As used in this paragraph: i) the term "commission" means the Railroad Commission of the State of Texas or any successor agency, ii) the term "proration unit" means any acreage designated as a drilling unit or production unit in accordance with the rules of the commission (or any other governmental authority having jurisdiction) or any unit formed by pooling as provided in this lease or otherwise, iii) the terms "commenced" and "commencement" mean the date when a well is spudded, and iv) the terms "completed" and "completion" mean the date the initial potential test report is filed with the commission, if a productive well, or the date the plugging report is filed with the commission, if a dry hole, in either event no later than 60 days after the drilling rig has been released. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the leased premises to and from lands that remain subject to this lease, or lands pooled therewith, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the leased premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

STATE OF TEXAS
BY: 
PHILIP B. FAYNE
Individually and as agent for the State of Texas

Date: NOV 14, 11

LESSEE: PETROHAWK PROPERTIES, LP

By: P-H Energy, LLC, Its General Partner


BY: D.R. Deffenbaugh
Title: Vice President - Land

Date: 11-18-11

11-01-11



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

STATE OF OKLAHOMA
COUNTY OF TULSA

BEFORE ME, the undersigned authority, on this day personally appeared D.R. Deffenbaugh
known to me to be the person whose name is subscribed to the foregoing instruments as Vice President - Land
of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas 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 corporation.

Given under my hand and seal of office this the 18th day of November, 2011.

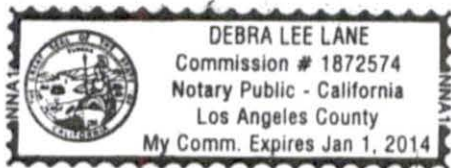


Rita Kay Walker
Notary Public in and for Oklahoma

STATE OF California
COUNTY OF Los Angeles

BEFORE ME, the undersigned authority, on this day personally appeared PHILIP B. FAYNE, known to me to be the person whose name is
subscribed to the foregoing instruments, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 14th day of November, 2011.



Debra Lee Lane
Notary Public in and for State of California

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
Oil & Gas Lease dated 04-26-2011
filed for record in my office this 7th day of Dec. 2011 at
3:45 P.M., under Clerk's File No. 8781, to be recorded in the
OPR
Records of Reeves County, Texas.
TO CERTIFY WHICH, With my hand and official seal at Pecos, Texas
this 7th day of December, 2011
By Dianne O. Florez
Dianne O. Florez, County Clerk
REEVES COUNTY, TEXAS



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

11.07.11

4.

File No. 113637

Lease C

Date Filed: 12/16/11
Jerry E. Patterson, Commissioner

Bv _____

By _____, Director of Disability:

_____ **by job** **8107**
Department of Health and Human Services

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

MF 113637D

12-01-081
RECEIVED
REEVES COUNTY, TEXAS
NOV 03, 2012 10:03:11 AM

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 11TH day of November, 2011, between the State of Texas, acting by and through its agent, LEWIS DOUGLAS ZIETZ, husband of Barbara A. Zietz, dealing herein with his separate property of 1107 SPY GLASS DRIVE, ARNOLD, MARYLAND 21012

(Give Permanent Address)

said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP of 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

(Give Permanent Address)

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

45.0 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

TRACT 1: 15.0 acres, more or less, being all of Lots 3, 4 and 7, Block 11;
TRACT 2: 5.0 acres, more or less, being all of Lot 8, Block 13;
TRACT 3: 25.0 acres, more or less, being all of Lots 4, 5, 6, 7 and 8, Block 14; and

45.0 acres, more or less, situated in the Subdivision of Section 46, Block 57, Township 3, Abstract 3035, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

TRACT 1: 10.0 acres, more or less, being all of Lots 4 and 5, Block 11;
TRACT 2: 30.0 acres, more or less, being all of Lots 3, 4, 5, 6, 7 and 8, Block 15;
TRACT 3: 5.0 acres, more or less, being all of Lot 5, Block 16,

containing 90.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: TEN THOUSAND DOLLARS AND 00/100
Dollars (\$10,000.00)

To the owner of the soil: TEN THOUSAND DOLLARS AND 00/100
Dollars (\$10,000.00)

Total bonus consideration: TWENTY THOUSAND DOLLARS AND 00/100
Dollars (\$20,000.00)

The total bonus consideration paid represents a bonus of TWO THOUSAND AND 00/100 Dollars (\$2,000.00) per acre, on 10.00 net acres.

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

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 _____ Bank, at PAY DIRECTLY TO OWNER OF THE SOIL or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil _____
Dollars (\$ _____)

To the State of Texas: REFER TO ADDENDUM PARAGRAPH 40 (THIS IS A PAID UP LEASE)
Dollars (\$ _____)

214 3

Total Delay Rental: _____

Dollars (\$ _____)

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

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

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

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

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

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

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

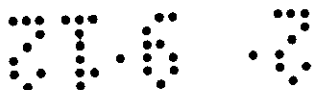
6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of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

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

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

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

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



cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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

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

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

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

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

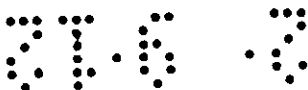
13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit



pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

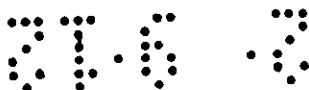
22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

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

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

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

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



fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph.

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

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

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

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

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

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

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

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

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

34. POOLING. Lessee is hereby granted the right to pool or utilize 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 utilizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.154. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws, those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement.



or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.

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

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

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.

ADDENDUM PROVISIONS - #40 - #42

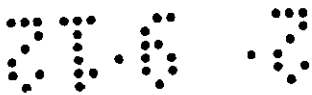
40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of two thousand dollars (\$2,000.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to November 11, 2014, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

41. If, at the expiration of the primary term, this lease is being maintained in force under any provision of the lease, or within 180 days prior to the expiration of the primary term Lessee has completed a well as a dry hole or commenced a well on the leased premises or lands pooled therewith, or Lessee is then engaged in operations on the leased premises or lands pooled therewith, Lessee agrees to begin a continuous drilling program within 180 days after the end of the primary term or within 180 days after completion of such well or the cessation of such operations, whichever is the later date; and thereafter to carry on the continuous drilling program on the leased premises or lands pooled therewith until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the succeeding well. Should Lessee fail to begin the continuous drilling program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration unit surrounding each well then producing, capable of producing or upon which operations are being conducted, limited, respectively, to those depths from the surface down to the stratigraphic equivalent of the depth 100 feet below the base of the deepest penetrated formation. As used in this paragraph: i) the term "commission" means the Railroad Commission of the State of Texas or any successor agency, ii) the term "proration unit" means any acreage designated as a drilling unit or production unit in accordance with the rules of the commission (or any other governmental authority having jurisdiction) or any unit formed by pooling as provided in this lease or otherwise, iii) the terms "commenced" and "commencement" mean the date when a well is spudded, and iv) the terms "completed" and "completion" mean the date the initial potential test report is filed with the commission, if a productive well, or the date the plugging report is filed with the commission, if a dry hole. In either event not later than 60 days after the drilling rig has been released. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the leased premises to and from lands that remain subject to this lease, or lands pooled therewith, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the leased premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above.

42. The following provisions apply notwithstanding any other provisions in this lease to the contrary and shall prevail over any other language to the extent of any conflict:

(A) The amount upon which royalties are to be paid shall be determined without deduction for any "Costs." As used in this leases, "Costs" is defined to include all the costs of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, or otherwise making the oil, gas and other products hereunder ready for sale or use.

(B) As used in paragraphs 4(A), (B), and (C), "value" shall be determined without deduction of any Costs.



IN WITNESS WHEREOF, this instrument is executed on the date first above written.

STATE OF TEXAS

BY:

Lewis Douglas Zietz
LEWIS DOUGLAS ZIETZ
Individually and as agent for the State of Texas

Date:

1/17/2012

LESSEE: PETROHAWK PROPERTIES, LP

By: P-H Energy, LLC, Its General Partner

BY: D.R. Deffenbaugh

Title: Vice President - Land

Date:

2-1-12

STATE OF OKLAHOMA

COUNTY OF TULSA

BEFORE ME, the undersigned authority, on this day personally appeared D.R. Deffenbaugh
known to me to be the person whose name is subscribed to the foregoing instruments as Vice President - Land
of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas 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 corporation.

Given under my hand and seal of office this the 1st day of February, 2012



Notary Public in and for

Rita Kay Walker
Oklahoma

STATE OF

MARYLAND

COUNTY OF

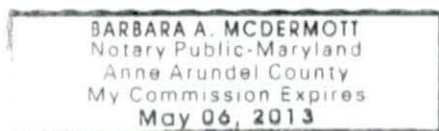
ANNE ARUNDEL

BEFORE ME, the undersigned authority, on this day personally appeared LEWIS DOUGLAS ZIETZ, known to me to be the person whose
name is subscribed to the foregoing instruments, and acknowledged to me that he executed the same for the purposes and consideration therein
expressed.

Given under my hand and seal of office this the 17 day of JANUARY, 2012

Notary Public in and for

Barbara A. McDermost



12-01051
DIANNE O. FLOREZ
COUNTY CLERK

2012 Feb 06 at 04:34 PM

HEWES COUNTY, TEXAS

BY: Dianne O. Florez DEPUTY

216 3

File No. 113637Lease DFiled: 02/09/12

JERRY E. PATTERSON, Commissioner

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Flores, 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
Oil & Gas Lease dated Nov. 11, 2011 at
4:30 M., under Clerk's File No. 012-01051, to be recorded in the
Official Public Records

Records of Reeves County, Texas.

this 6th day of Feb., 2012.
 TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas

By _____, Deputy.

Dianne O. Flores
 DIANNE O. FLORES, COUNTY CLERK
 REEVES COUNTY, TEXAS

5. 3. 7. 3.

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

MF 13637E

12-04050
FILED FOR RECORD
REEVES COUNTY, TEXAS
NOV 03 2012 11:41:11 AM

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 11TH day of November, 2011, between the State of Texas, acting by and through its agent, WILLIAM H. ZIETZ, husband of Jean Zietz, dealing herein with his separate property of 1301 SOUTH ARLINGTON RIDGE ROAD, PENTHOUSE #1, ARLINGTON, VIRGINIA 22202 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP of 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee. (Give Permanent Address)

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

45.0 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

TRACT 1: 15.0 acres, more or less, being all of Lots 3, 4 and 7, Block 11;
TRACT 2: 5.0 acres, more or less, being all of Lot 8, Block 13;
TRACT 3: 25.0 acres, more or less, being all of Lots 4, 5, 6, 7 and 8, Block 14; and

45.0 acres, more or less, situated in the Subdivision of Section 46, Block 57, Township 3, Abstract 3035, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below:

TRACT 1: 10.0 acres, more or less, being all of Lots 4 and 5, Block 11;
TRACT 2: 30.0 acres, more or less, being all of Lots 3, 4, 5, 6, 7 and 8, Block 15;
TRACT 3: 5.0 acres, more or less, being all of Lot 5, Block 16.

5
containing 90.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: TEN THOUSAND DOLLARS AND 00/100
Dollars (\$10,000.00)

To the owner of the soil: TEN THOUSAND DOLLARS AND 00/100
Dollars (\$10,000.00)

Total bonus consideration: TWENTY THOUSAND DOLLARS AND 00/100
Dollars (\$20,000.00)

The total bonus consideration paid represents a bonus of TWO THOUSAND AND 00/100 Dollars (\$2,000.00) per acre, on 10.00 net acres.

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

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 DIRECTLY TO OWNER OF THE SOIL Bank, at PAY DIRECTLY TO OWNER OF THE SOIL or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below, in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: _____
Dollars (\$ _____)

To the State of Texas: REFER TO ADDENDUM PARAGRAPH 40 (THIS IS A PAID UP LEASE)
Dollars (\$ _____)



Total Delay Rental: _____
Dollars (\$ _____)

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

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

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

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

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

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

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

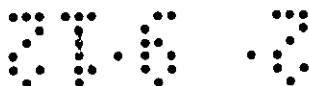
6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of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

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

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

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

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



cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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

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

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

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

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

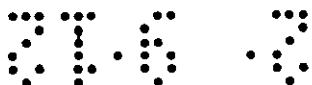
13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit



pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

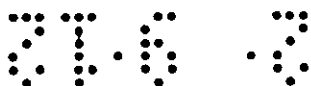
22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

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

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

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

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



fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph.

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

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

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

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

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

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

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

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

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

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

35. **INDEMNITY.** Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement.



or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.

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

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

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.

ADDENDUM PROVISIONS - #40 - #42

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of two thousand dollars (\$2,000.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to November 11, 2014, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

41. If, at the expiration of the primary term, this lease is being maintained in force under any provision of the lease, or within 180 days prior to the expiration of the primary term Lessee has completed a well as a dry hole or commenced a well on the leased premises or lands pooled therewith, or Lessee is then engaged in operations on the leased premises or lands pooled therewith, Lessee agrees to begin a continuous drilling program within 180 days after the end of the primary term or within 180 days after completion of such well or the cessation of such operations, whichever is the later date; and thereafter to carry on the continuous drilling program on the leased premises or lands pooled therewith until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the succeeding well. Should Lessee fail to begin the continuous drilling program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration unit surrounding each well then producing, capable of producing or upon which operations are being conducted, limited, respectively, to those depths from the surface down to the stratigraphic equivalent of the depth 100 feet below the base of the deepest penetrated formation. As used in this paragraph: i) the term "commission" means the Railroad Commission of the State of Texas or any successor agency, ii) the term "proration unit" means any acreage designated as a drilling unit or production unit in accordance with the rules of the commission (or any other governmental authority having jurisdiction) or any unit formed by pooling as provided in this lease or otherwise, iii) the terms "commenced" and "commencement" mean the date when a well is spudded, and iv) the terms "completed" and "completion" mean the date the initial potential test report is filed with the commission, if a productive well, or the date the plugging report is filed with the commission, if a dry hole, in either event no later than 60 days after the drilling rig has been released. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the leased premises to and from lands that remain subject to this lease, or lands pooled therewith, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the leased premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above.

42. The following provisions apply notwithstanding any other provisions in this lease to the contrary and shall prevail over any other language to the extent of any conflict:

(A) The amount upon which royalties are to be paid shall be determined without deduction for any "Costs." As used in this leases, "Costs" is defined to include all the costs of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, or otherwise making the oil, gas and other products hereunder ready for sale or use.

(B) As used in paragraphs 4(A), (B), and (C), "value" shall be determined without deduction of any Costs.



IN WITNESS WHEREOF, this instrument is executed on the date first above written.

STATE OF TEXAS

BY: William H. Zietz
WILLIAM H. ZIETZ
Individually and as agent for the State of Texas

Date: 1/18/12

LESSEE: PETROHAWK PROPERTIES, LP

By: P-H Energy, LLC, its General Partner

BY: D.R. Deffenbaugh

Title: Vice President - Land

Date: 2-1-12

STATE OF OKLAHOMA

COUNTY OF TULSA

BEFORE ME, the undersigned authority, on this day personally appeared D.R. Deffenbaugh
known to me to be the person whose name is subscribed to the foregoing instruments as Vice President - Land
of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas 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 corporation.

Given under my hand and seal of office this the 1st day of February, 2012



Rita Kay Walker
Notary Public in and for Oklahoma

STATE OF Virginia

COUNTY OF Alexandria

BEFORE ME, the undersigned authority, on this day personally appeared WILLIAM H. ZIETZ, known to me to be the person whose name is
subscribed to the foregoing instruments, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 18 day of January, 2012



Ximena Brito
Notary Public in and for Suntrust Bank

12-01950
DIANNE O. FLOREZ
COUNTY CLERK
2012 Feb 06 at 04:34 PM
REEVES COUNTY, TEXAS

By: Eleana Horvath DEPUTY

216 3

File No. 113637

Lease E

Date Filed: 02/09/12

Jerry E. Patterson, Commissioner

By [Signature]

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of

Oil + Gas Lease dated 11-11-11

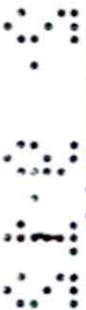
Filed for record in my office this 6th day of Feb, 2012 at 4:31 PM, under Clerk's File No. 12-01050, to be recorded in the

Official Public Records

Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 6th day of Feb, 2012

By [Signature], Deputy,
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



PETROHAWK ENERGY CORPORATION

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

CHECK NO.

163510

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
1201-AP-677	01/16/12	CKREQ-TEXAS .GENERAL.LA ND.OFFICE-0 1/16/12B	20000.00	0.00		20000.00
Soil Owners: Lewis Douglas Zietz 5.0 Net Ac. (1/9 Interest in 90 Acres Only) William H Zietz 5.0 Net Ac. (1/9 Interest in 90 Acres Only)						
VENDOR				CHECK DATE	TOTAL	181 + 20,000.00
26956 TEXAS GENERAL LAND OFFICE				01/17/12		

JANUARY 11, 2012 REQUEST

SECTION 10, BLOCK 55, Township 5, T & P RR Co. Survey, Reeves County, Texas

Lessor	Gross Ac	Interest	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Kisten Slaughter Rogers	640	1/288	2.22222222	\$2,500.00	\$2,777.78	\$2,777.78	\$5,555.56
Beverly Ann Brunson	640	3/823	2.33333333	\$2,500.00	\$2,916.67	\$2,916.67	\$5,833.33
TOTALS			4.55555556		\$5,694.45	\$5,694.45	\$11,388.89

SECTION 44, BLOCK 57, Township 3, T & P RR Co. Survey, Reeves County, Texas

Lessor	Gross Ac	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Lewis Douglas Zietz	640	5.00000000	\$2,000.00	\$5,000.00	\$5,000.00	\$10,000.00
William H. Zietz	640	5.00000000	\$2,000.00	\$5,000.00	\$5,000.00	\$10,000.00
TOTALS		10.00000000		\$10,000.00	\$10,000.00	\$20,000.00

SECTION 46, BLOCK 57, Township 3, T & P RR Co. Survey, Reeves County, Texas

Lessor	Gross Ac	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Lewis Douglas Zietz	640	5.00000000	\$2,000.00	\$5,000.00	\$5,000.00	\$10,000.00
William H. Zietz	640	5.00000000	\$2,000.00	\$5,000.00	\$5,000.00	\$10,000.00
TOTALS		10.00000000		\$10,000.00	\$10,000.00	\$20,000.00

Total Amount paid by check	\$25,694.45
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PETROHAWK ENERGY CORPORATION

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

12704033

CHECK NO.

158535

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
1112-AP-140	11/30/11	CKREQ-TEXAS .GENERAL.LA ND.OFFICE-1 1/30/11-3	20000.00	0.00		20000.00
Soil Owners: Philip B. Fayne 5.0 Net Ac. (1/9 interest in 90 acres only). Charles W. Fayne 5.0 Net Ac. (1/9 interest in 90 acres only)						
VENDOR				CHECK DATE	TOTAL	
26956 TEXAS GENERAL LAND OFFICE				12/01/11	X 20,000.00	

PETROHAWK ENERGY CORPORATION

1000 LOUISIANA STREET, SUITE 6000 • HOUSTON, TX 77002 832-204-2787

12704033

CHECK NO.

158535

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
1112-AP-140	11/30/11	CKREQ-TEXAS .GENERAL.LA ND.OFFICE-1 1/30/11-3	20000.00	0.00		20000.00
Soil Owners: Philip B. Fayne 5.0 Net Ac. (1/9 interest in 90 acres only). Charles W. Fayne 5.0 Net Ac. (1/9 interest in 90 acres only)						
RAL Bonus MF NA CID 121 RAL GLA 1046004 ELOR						
VENDOR				CHECK DATE	TOTAL	
26956 TEXAS GENERAL LAND OFFICE				12/01/11	X 20,000.00	

COPY

121

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

BULO-200

PETROHAWK ENERGY CORPORATION ACCOUNTS PAYABLE DISBURSEMENT ACCOUNT 1000 LOUISIANA STREET, SUITE 6000 HOUSTON, TX 77002 832-204-2787		12704033	WELLS FARGO BANK N.A. VAN WERT, OH 43081 60,322/412	158535
DATE 12/01/11		CONTROL 59165		
PAY Twenty thousand dollars and 00 cents				
TO THE ORDER OF TEXAS GENERAL LAND OFFICE 1700 NORTH CONGRESS AVE AUSTIN, TX 78701		AMOUNT *****20,000.00 VOID AFTER 180 DAYS		
				

158535

MF 113637

Commissioner of the General Land Office

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
5/2/2011	Bill		2,568,528.22	2,568,528.22		2,568,528.22
				Check Amount		2,568,528.22

5/2/2011

1211709924

IberiaBank

2,568,528.22

re. Oil, Gas and Mineral Leases
Reeves County, Texas

MF-112637

Dear Drew:

(over paid by net ac. \$7,500.00 OR in warranty on lease) 22,500.00

Enclosed herewith, please find one (1) check, made payable to the Commissioner of the General Land Office including a copy of said check. Also enclosed is a report prepared for you containing a calculated breakdown of the interests and properties the check covers.

<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
05/02/2011	7828	\$2,568,528.22

Please sign and return the copy of the check to me in the enclosed prepaid envelope.

I trust that you will not hesitate to call me with any questions that you may have concerning this matter.

Sincerely yours,

Natalie Holeman

Natalie Holeman

encl.

see 46 → \$233,748.00
see 44 → \$107,082.00
\$340,830.00
OK ✓

all of the share
amount
3

E/2 OF SECTION 46, BLOCK 71, PSL, BEING 350 ACRES

Lessor	Gross Ac	Net Ac.	Interest	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Jocelyn M. Greeman	350	116.66666667	1/3	\$900.00	\$52,500.00	\$52,500.00	\$105,000.00
Clifford P. Robertson, III	350	116.66666667	1/3	\$900.00	\$52,500.00	\$52,500.00	\$105,000.00
Carol Hall Majzlin	350	116.66666667	1/3	\$900.00	\$52,500.00	\$52,500.00	\$105,000.00
TOTALS		350.00000000	1.00		\$157,500.00	\$157,500.00	\$315,000.00

SECTION 46, BLOCK 57, TOWNSHIP 3, T&P RR CO SURVEY

Lessor	Gross Ac	Net Ac.	Interest	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Rita Hankins Thompson	640	30	3/64	\$2,000.00	\$30,000.00	\$30,000.00	\$60,000.00
Lowry Lewis	640	27.5	4/93	\$2,000.00	\$27,500.00	\$27,500.00	\$55,000.00
Linda Lewis	640	27.5	4/93	\$2,000.00	\$27,500.00	\$27,500.00	\$55,000.00
Ronald C. Pollan	640	11.875	1/54	\$2,000.00	\$11,875.00	\$11,875.00	\$23,750.00
Sam Winkler Estate	640	102.5	4/25	\$2,000.00	\$102,500.00	\$102,500.00	\$205,000.00
Kelly H. Baxter Estate	640	21.873	3/88	\$2,000.00	\$21,873.00	\$21,873.00	\$43,746.00
R B Holloway	640	5	1/128	\$2,000.00	\$5,000.00	\$5,000.00	\$10,000.00
Frederic Paquette	640	7.5	1/85	\$2,000.00	\$7,500.00	\$7,500.00	\$15,000.00
TOTALS		233.748	0.37		\$233,748.00	\$233,748.00	\$467,496.00

SECTION 44, BLOCK 57, TOWNSHIP 3, T&P RR CO SURVEY

Lessor	Gross Ac	Net Ac.	Interest	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Ronald C. Pollan	640	22.083	1/29	\$2,000.00	\$22,083.00	\$22,083.00	\$44,166.00
Sam Winkler Estate	640	32.5	3/59	\$2,000.00	\$32,500.00	\$32,500.00	\$65,000.00
Kelly H. Baxter Estate	640	32.499	3/59	\$2,000.00	\$32,499.00	\$32,499.00	\$64,998.00
R B Holloway	640	5	1/128	\$2,000.00	\$5,000.00	\$5,000.00	\$10,000.00
Frederic Paquette	640	15	2/85	\$2,000.00	\$15,000.00	\$15,000.00	\$30,000.00
TOTALS		107.082	0.17		\$107,082.00	\$107,082.00	\$214,164.00

EXPLORATION LAND SERVICES, LLC

PO BOX 52105
LAFAYETTE, LA 70505-2105

IBERIABANK

84-7041-2652

11/4/2011

PAY TO THE
ORDER OF Commissioner of the General Land Office

\$**4,000.00

Four Thousand and 00/100***** DOLLARS

Commissioner of the General Land Office
of the State of Texas, at Austin, TX

[Signature]
AUTHORIZED SIGNATURE

MEMO

Filing Fee - 12 Leases & Processing Fee - 37 Tracts

⑈003122⑈

EXPLORATION LAND SERVICES, LLC

3122

Commissioner of the General Land Office

Date	Type	Reference	Original Amt.	Balance Due	11/4/2011 Discount	Payment
11/4/2011	Bill	Filing&ProcessingFee	4,000.00	4,000.00		4,000.00
				Check Amount		4,000.00

12703016

121

Iberia Bank

Filing Fee - 12 Leases & Processing Fee - 37 Tr

X 4,000.00

EXPLORATION LAND SERVICES, LLC

3122

Commissioner of the General Land Office

Date	Type	Reference	Original Amt.	Balance Due	11/4/2011 Discount	Payment
11/4/2011	Bill	Filing&ProcessingFee	4,000.00	4,000.00		4,000.00
				Check Amount		4,000.00

125.00
M2-113637

Delaware Basin Leasing

Iberia Bank

Filing Fee - 12 Leases & Processing Fee - 37 Tr

4,000.00

EXPLORATION LAND SERVICES, LLC

P O Box 52105 • Lafayette, Louisiana 70505-2105 • Phone: 337.234.3500 • Fax: 337.234.3525 • Email: contact@explorationland.com

November 4, 2011

Via FedEx

Mr. Drew Reid
Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building, RM 847
Austin, Texas 78701

Re: Oil, Gas and Mineral Leases
Reeves County, Texas

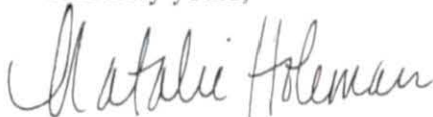
Dear Drew:

Enclosed herewith, please find twelve (12) certified copies of leases, taken in the name of the State of Texas, in favor of Petrohawk Properties, LP, listed as follows:

<u>Lease No.</u>	<u>Date</u>	<u>Lessor</u>
ELS-0032A	09/09/2011	Mary Ann Pollan Wilkerson
ELS-0032D	09/09/2011	Pollan Family Trust
ELS-0032E	09/09/2011	Pruitt Family Mineral Trust Number One
ELS-0032F	09/09/2011	Robert J. Saul
ELS-0032H	09/09/2011	Tyler Revocable Trust
ELS-0033B	09/09/2011	Linda I. Lewis
ELS-0039A	10/11/2011	Winkler Family Trust
ELS-0039B	09/09/2011	Morris Winkler By-Pass Trust
ELS-0056J	08/12/2011	Virginia Lee Willis
ELS-0056L	08/12/2011	Robert Louis Rogers
ELS-0057	08/26/2011	Estate of M.G. Baker
ELS-0059	09/09/2011	Fredrick A. Paquette ✓

Also enclosed, please find a check in the amount of \$4,000.00. This amount covers the filing fees for the 12 leases @ \$25/per lease and 37 tracts @ \$100/per tract, which covers all required fees associated with the above listed leases. Please be advised that the filing fees for the tracts under lease ELS-0032A, D, E, F, H & ELS-0033B were previously paid by check number 3090, issued October 25, 2011 and the filing fees for the tracts under leases ELS-0056J & L were previously paid by check number 3052, issued October 10, 2011. I trust that you will not hesitate to call me with any questions that you may have concerning this matter.

Sincerely yours,



Natalie Holeman

encl.

File No. 113637

Bonus & fees

Date Filed: 01/19/12

Jerry E. Patterson, Commissioner

By 

15700206

Check No.: 203487
Payment Type: DELAY RENTAL

Period Covered: 09/09/2014-09/09/2016
Payment Amount: \$15,000.00

Lease Number: 1044424/002 LSE

Original Lessor: FREDRIC A PAQUETTE ET UX

Lease Effective Date: 09/09/2011

Recording Information: Book # 908 Page # 296, 7881

State: TX

County: REEVES

Check Remarks:
DELAY RENTAL FOR YRS 4, 5

45.0 ACRES, MORE OR LESS, SEC 44, BLK 57, TWN 3, A-3036, T & P RAILROAD COMPANY SURVEY, REEVES CO, TX

45.0 ACRES, MORE OR LESS, SEC 46, BLK 57, TWN 3, A-3035, T & P RAILROAD COMPANY SURVEY, REEVES CO, TX

A

121

For the Credit of:

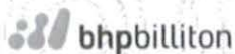
Owner: COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

(BA#):80104210

Payment Amount: \$15,000.00

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



PETROHAWK ENERGY CORPORATION
ATTN LAND ADMINISTRATION
P.O. BOX 22719
HOUSTON, TX 77027-9998

Bank of America 1455 Market St. 4th Fl
San Francisco CA 94103

32-1
1110 GL

15700206
DATE 08/14/2014 CHECK NO. 203487

AMOUNT *****\$15,000.00

VOID IF NOT CASHED WITHIN
SIX MONTHS OF ISSUE

NON TRANSFERABLE

Owner Call Center: 1-877-311-1443

PAY
TO
THE
ORDER
OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701

Daniel Powell
FACSIMILE SIGNATURE

W. L. Salley
FACSIMILE SIGNATURE

1100020348711

File No. ME113637

Rentals - Lease A - 4th & 5th yr.

Date Filed: 09/04/2014

Jerry E. Patterson, Commissioner

By JEP



Check No.: 203708
Payment Type: DELAY RENTAL

Period Covered: 10/26/2014-10/26/2016
Payment Amount: \$10,000.00

15701729

Lease Number: 1044424/005 LSE

Original Lessor: CHARLES W FAYNE

Lease Effective Date: 10/26/2011

Recording Information: Book # 918 Page # 563, 12-00172

State: TX

County: REEVES

Check Remarks:

DELAY RENTAL FOR YRS 4 & 5

SEC 44, BLK 57, TWN 3, A-3036, & SEC 46, BLK 57, TWN 3, A-3035 T&P RR CO SURVEY, REEVES CO, TX

B

121

For the Credit of:

Owner: COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

(BA#):80104210

Payment Amount: ~~\$10,000.00~~

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



PETROHAWK ENERGY CORPORATION
ATTN LAND ADMINISTRATION
P.O. BOX 22719
HOUSTON, TX 77027-9998

Bank of America 1455 Market St. 4th Fl
San Francisco CA 94103

32-1
T110 GL

DATE 09/10/2014

CHECK NO. 203708

AMOUNT *****\$10,000.00

PAY *****10000*DOLLARS AND* 00*CENTS

VOID IF NOT CASHED WITHIN
SIX MONTHS OF ISSUE

NON TRANSFERABLE

Owner Call Center: 1-877-311-1443

PAY
TO
THE
ORDER
OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701

Daniel Powell
FACSIMILE SIGNATURE

Jeffrey L. Bellamy
FACSIMILE SIGNATURE

⑈000 203 708⑈

File No. AF113637

Rentals - 4th & 5th yr.

Lease 6

Date Filed: 10/02/2014

Jerry E. Patterson, Commissioner

By JEP

70. 534

Check No.: 203707
Payment Type: DELAY RENTAL

Period Covered: 10/26/2014-10/26/2016
Payment Amount: \$10,000.00

15701728

Lease Number: 1044424/004 LSE

Original Lessor: PHILIP B FAYNE

Lease Effective Date: 10/26/2011

Recording Information: Book # 913 Page # 446, 11-08781

State: TX

County: REEVES

Check Remarks:

DELAY RENTAL FOR YRS 4 & 5

SEC 44, BLK 57, TWN 3, A-3036, & SEC 46, BLK 57, TWN 3, A-3035 T&P RR CO SURVEY, REEVES CO, TX

C

121

For the Credit of:

Owner: COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

(BA#):80104210

Payment Amount: ~~\$10,000.00~~

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



PETROHAWK ENERGY CORPORATION
ATTN LAND ADMINISTRATION
P.O. BOX 22719
HOUSTON, TX 77027-9998

Bank of America 1455 Market St. 4th Fl
San Francisco CA 94103

32-1
1110 GL

DATE 09/10/2014

CHECK NO. 203707

15701728

PAY *****10000*DOLLARS AND* 00*CENTS

AMOUNT *****\$10,000.00

VOID IF NOT CASHED WITHIN
SIX MONTHS OF ISSUE

NON TRANSFERABLE

Owner Call Center: 1-877-311-1443

PAY
TO
THE
ORDER
OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701

David Powell
FACSIMILE SIGNATURE

Jeffrey L. Sells
FACSIMILE SIGNATURE

File No. ME113637

Rentals- 4th & 5th year

Lease C

Date Filed: 10/02/2014

Jerry E. Patterson, Commissioner

By JEP

10. 5.14

Check No.: 203983
Payment Type: DELAY RENTAL

Period Covered: 11/11/2014-11/11/2016
Payment Amount: \$10,000.00

15703488

Lease Number: 1044424/007 LSE

Original Lessor: LEWIS DOUGLAS ZIETZ

Lease Effective Date: 11/11/2011

Recording Information: Book # 924 Page # 248, 12-01051

State: TX

County: REEVES

Check Remarks:

DELAY RENTAL FOR YRS 4 & 5 SEC 44 BLK 57 TWN 3, A-3036, T&P RR CO SURVEY, REEVES CO, TX AND SEC 46 BLK 57, TWN 3, A-3035, T&P RR CO SURVEY, REEVES CO, TX

For the Credit of:

Owner: COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

(BA#):80104210

Payment Amount: ~~\$10,000.00~~

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



PETROHAWK ENERGY CORPORATION
ATTN LAND ADMINISTRATION
P.O. BOX 22719
HOUSTON, TX 77027-9998

Bank of America 1455 Market St, 4th Fl
San Francisco CA 94103

32-1
1110 GL

15703488
DATE 10/19/2014 CHECK NO. 203983

AMOUNT *****\$10,000.00

PAY *****10000*DOLLARS AND* 00*CENTS

VOID IF NOT CASHED WITHIN
SIX MONTHS OF ISSUE

NON TRANSFERABLE

Owner Call Center: 1-877-311-1443

PAY
TO
THE
ORDER
OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701

Daniel Powell
FACSIMILE SIGNATURE

Jeffrey L. Bell
FACSIMILE SIGNATURE

⑈000 203983⑈

File No. ME 113637

Rentals - Lease D- 4th & 5th yrs.

Date Filed: 11/05/2014

Jerry E. Patterson, Commissioner

By JEP

Check No.: 203982
Payment Type: DELAY RENTAL

Period Covered: 11/11/2014-11/11/2014
Payment Amount: \$10,000.00

15703489

Lease Number: 1044424/006 LSE

Original Lessor: WILLIAM H ZIETZ

Lease Effective Date: 11/11/2011

Recording Information: Book # 924 Page # 241, 12-01050

State: TX

County: REEVES

Check Remarks:

DELAY RENTAL FOR YRS 4 & 5

SEC 44 BLK 57 TWN 3, A-3036, T&P RR CO SURVEY, REEVES CO, TX AND SEC 46 BLK 57, TWN 3, A-3035, T&P RR CO SURVEY, REEVES CO, TX

For the Credit of:

Owner: COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

(BA#):80104210

Payment Amount: \$10,000.00

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



PETROHAWK ENERGY CORPORATION
ATTN LAND ADMINISTRATION
P.O. BOX 22719
HOUSTON, TX 77027-9998

Bank of America 1455 Market St. 4th Fl
San Francisco CA 94103

32-1
1110 GL

DATE 10/19/2014

CHECK NO. 203982

AMOUNT *****\$10,000.00

PAY *****10000*DOLLARS AND* 00*CENTS

VOID IF NOT CASHED WITHIN
SIX MONTHS OF ISSUE

NON TRANSFERABLE

Owner Call Center: 1-877-311-1443

PAY
TO
THE
ORDER
OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701

Daniel Powell
FACSIMILE SIGNATURE

Jeffrey L. Sullivan
FACSIMILE SIGNATURE

⑈000203982⑈

File No. MF113637Rentals - lease E - 4th & 5th yrs.Date Filed: 11/05/2014

Jerry E. Patterson, Commissioner

By JEP

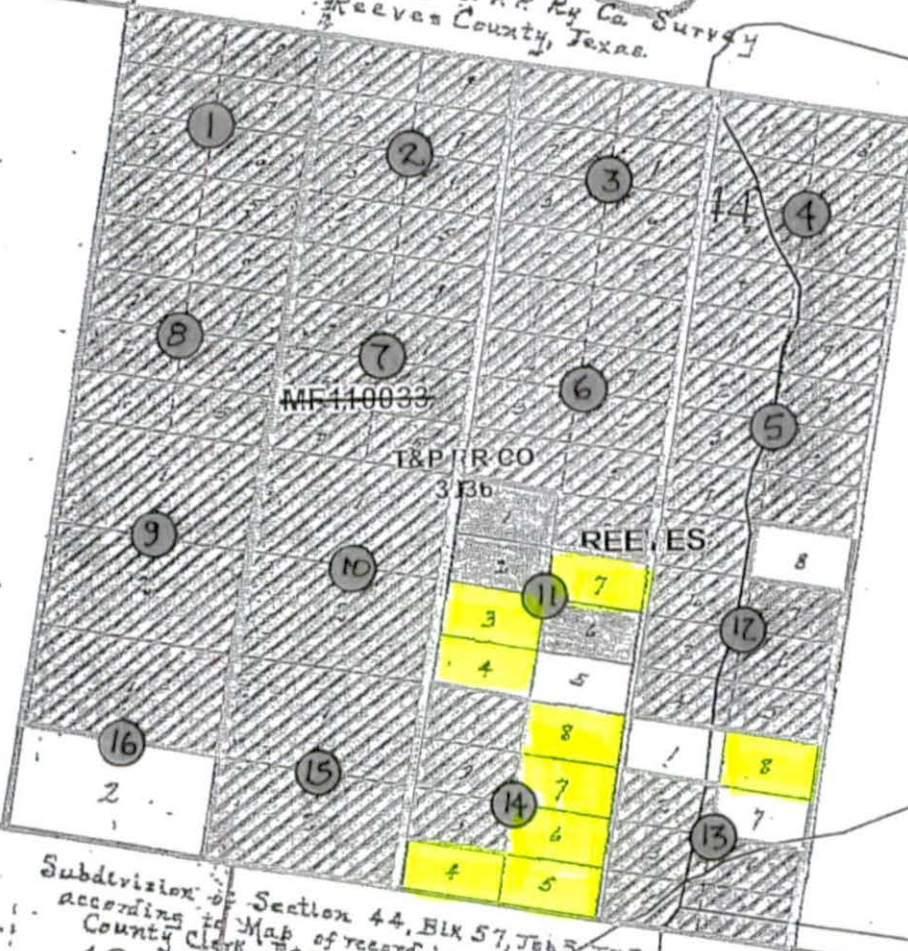
FILE COPY

1/30

T&P
RR CO
919

Block 57, Top 3, I & P Ry Co. Survey
Section 44
Reeves County, Texas.

43



T&P
RR CO
921

Subdivision of Section 44, Bk 57, Top 3, I & P Ry Co.,
according to Map of record in office of the
County Clerk, Reeves County, Texas.

19

PSL
5748

PSL
5471

16

Section 46

Block 57, Tsp 3, T. & P. Ry Co. Survey
Reeves County, Texas.

X	X	X	X	X	X	X	X
X	BLK 1	2	BLK 2	X	BLK 3	7	BLK 4
3	X	3	X	X	X	6	3
X	X	X	X	X	5	X	5
X	8	X	X	X	X	X	X
X	7	X	BLK 7	X	BLK 6	7	BLK 5
3	6	X	6	3	6	X	6
4	5	X	5	4	5	4	5
X	X	X	X	X	8	1	X
X	7	X	BLK 10	2	BLK 11	7	BLK 12
3	6	X	6	3	X	3	X
4	5	X	X	X	X	4	X
X	X	X	X	X	X	X	8
X	X	X	X	X	BLK 14	X	7
3	6	X	BLK 15	3	6	3	BLK 13
X	X	X	X	X	5	X	5

Subdivision of Section 46, Blk 57, Tsp 3, T. & P. Ry Co.,
according to Map of record in office of the
County Clerk, Reeves County, Texas.

File No. M-113637
REEVES County
LEASE PLAT
Date Filed: 03/01/16
George P. Bush, Commissioner
By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 1, 2016

Micah Strother
BHP Billiton Petroleum
PO Box 22719
Houston, Texas 77027

Re: State Lease MF 113637

Five RAL leases covering 90 ac., Sec. 44, 46,
Blk. 57, T-3, T&P Ry. Co. Survey, Reeves Co,
TX

Dear Mr. Strother:

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

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

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

Your remittances are set out on Page 2 and have been applied to the State's portion of the cash bonus. In addition, we are in receipt of your processing and filing fees.

Sincerely yours,

Deborah A. Cantu
Mineral Leasing, Energy Resources
(512) 305-8598
deborah.cantu@glo.texas.gov

State Lease No.	Lessor as agent for State of TX	Dated	Recorded Vol/Page	Bonus Amount
MF113637A	Fredric & Donna Paquette	09/09/11	7881	\$15,000.00
MF113637B	Charles Fayne	10/26/11	178	\$10,000.00
MF113637C	Philip Fayne	10/26/11	8781	\$10,000.00
MF113637D	Lewis Zietz	11/11/11	12-01051	\$10,000.00
MF113637E	William Zietz	11/11/11	12-01050	\$10,000.00

File No. 113637

____ County

Final ltr

Date Filed: 03/01/14

George P. Bush, Commissioner

By _____



North America Shale Production Division

July 25, 2016

Via FedEx (Trkg #7768 3622 5223)

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Attention: J. Daryl Morgan, CPL, Energy Resources Division

Re: Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
State Whiteacre 57-T3-44 Unit, GLO Unit No. 7871
Reeves County, Texas

Dear Mr. Morgan:

Enclosed you will find two (2) originals of Pooling Agreement, BHP Billiton Petroleum Properties (N.A.) LP, State Whiteacre 57-T3-44 Unit, GLO Unit No. 7871, Reeves County, Texas for your further handling. Please return a fully executed agreement to BHP Billiton at your earliest. A FedEx return envelope is included for your convenience.

Should you need any additional information, please feel free to contact Broderick Browne, Landman, telephone 713-871-2233 or email broderick.browne@bhpbilliton.com.

Sincerely,

A handwritten signature in blue ink that reads "Lynn Latiolais".

Lynn Latiolais, CPLTA
Land Technical Analyst

/ll
Enclosures



File No. M-113637

County

Ltr. From BHP

Date Filed: 7/26/16

George P. Bush, Commissioner

By [Signature]

5050



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 29, 2016

Ms. Lynn Latiolais, CPLTA
BHP Billiton Petroleum Properties (N.A.), LP
1360 Post Oak Blvd., Suite 2107A
Houston, Texas 77056-3020

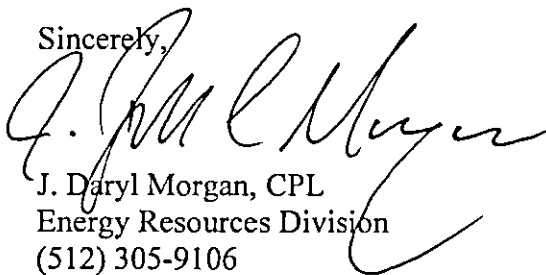
Re: Pooling Agreement
State Whiteacre 57-T3-44 Unit
GLO Unit No. 7871
Reeves County, Texas

Dear Ms. Latiolais:

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

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,


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

Enclosure

12

File No. M-113637

County

Ltr. to BHP

Date Filed: 7/29/16

George P. Bush, Commissioner

By W

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA169088

Unit Number 7871
Operator Name Bhp Billiton Petroleum Properties (N.A.), LP
Customer ID C000079756
Unit Name State Whiteacre 57-T3-44
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Permanent
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth Surface
To Depth 10878 100'
below the base
of the
Wolfcamp
formation TVD
Well
Formation
Participation Basis Surface Acreage
Effective Date 03/29/2016
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF113638	1	5.020000	642.770000	0.00780995	O/G	0.12500000	0.00097624	No
MF113640	10	16.728887	642.770000	0.02602624	O/G	0.12500000	0.00325328	No

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF116740	2	84.335118	642.770000	0.13120575	O/G	0.25000000	0.03280144	No
MF113637	3	27.597777	642.770000	0.04293570	O/G	0.12500000	0.00536696	No
MF113642	4	387.509510	642.770000	0.60287429	O/G	0.12500000	0.07535929	No
MF113887	5	19.963125	642.770000	0.03105796	O/G	0.12500000	0.00388225	No
MF113888	6	10.040000	642.770000	0.01561990	O/G	0.12500000	0.00195249	No
MF116989	7	8.317968	642.770000	0.01294082	O/G	0.12500000	0.00161760	No
MF117022	8	31.627760	642.770000	0.04920541	O/G	0.12500000	0.00615068	No
MF117473	9	5.020000	642.770000	0.00780995	O/G	0.12500000	0.00097624	

API Number

4238936158

Remarks:

Prepared By:

Prepared Date:

GLO Base Updated By:

GLO Base Date:

RAM Approval By:

_____ WLS _____

RAM Approval Date:

_____ 4/7/2011 _____

GIS By:

GIS Date:

Well Inventory By:

WI Date:

Pooling Committee Report

To: School Land Board **UPA169088**
Date of Board Meeting: 03/29/2016 **Unit Number: 7871**
Effective Date: 03/29/2016
Unit Expiration Date:
Applicant: BHP Billiton Petroleum Properties (N.A.), LP
Attorney Rep:
Operator: BHP Billiton Petroleum (TXLA Operating) Company,
Unit Name: State Whiteacre 57-T3-44
Field Name: PHANTOM (WOLFCAMP)
County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF113637	0.12500000	09/09/2016	5 years	55.000000	27.597777	0.00536696
RAL	MF113638	0.12500000	09/09/2016	5 years	5.000000	5.020000	0.00097624
RAL	MF113640	0.12500000	10/11/2016	5 years	83.320000	16.728887	0.00325328
RAL	MF113642	0.12500000	09/09/2016	5 years	589.480000	387.509510	0.07535929
RAL	MF113887	0.12500000	10/26/2016	5 years	19.875000	19.963125	0.00388225
RAL	MF113888	0.12500000	09/09/2016	5 years	16.666000	10.040000	0.00195249
RAL	MF116989	0.12500000	07/17/2017	3 years	12.650000	8.317968	0.00161760
RAL	MF117022	0.12500000	07/25/2019	5 years	31.489000	31.627760	0.00615068
RAL	MF117473	0.12500000	03/18/2020	5 years	8.333000	5.020000	0.00097624
U Fee	MF116740	0.25000000	07/01/2019	5 years	83.982349	84.335118	0.03280144

Private Acres:	0.000000
State Acres:	642.770000
Total Unit Acres:	642.770000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	100.00%
State Net Revenue Interest:	12.50%

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

RRC Rules:	Spacing Acres:
Yes	704 acres for a 5,000 foot lateral (FTP to LTP).

Working File Number: UPA169088

REMARKS:

- BHP Billiton Petroleum Properties (N.A), LP is requesting permanent oil and gas pooling from the Surface to 100' below the base of the Wolfcamp formation as seen on the BHPBTXLA Dela State 58-T2-48 # 1H well log (API 42-389-32978) in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on April 4, 2016, with a proposed total depth of 9,757 feet TVD. A 5,000 foot lateral is expected to be drilled.
- With Board approval of the unit the State's unit royalty participation will be 12.5%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill four unit wells. The applicant will commence actual drilling operations on the second unit well by or before September 9, 2019 at which point they have the option to enter into a 60 day continuous drilling program for the remaining wells or the unit will decrease in size to 160 acres per unit well drilled.
- The applicant has the option to pay one-half of the original bonus on or before the second year after the end of the primary term to extend the deeper depths, which will be considered to be the depths down to 100 feet below the base of the Wolfcamp formation.

POOLING COMMITTEE RECOMMENDATION:

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



Mary Smith - Office of the Attorney General



Date



Robert Hatter - General Land Office



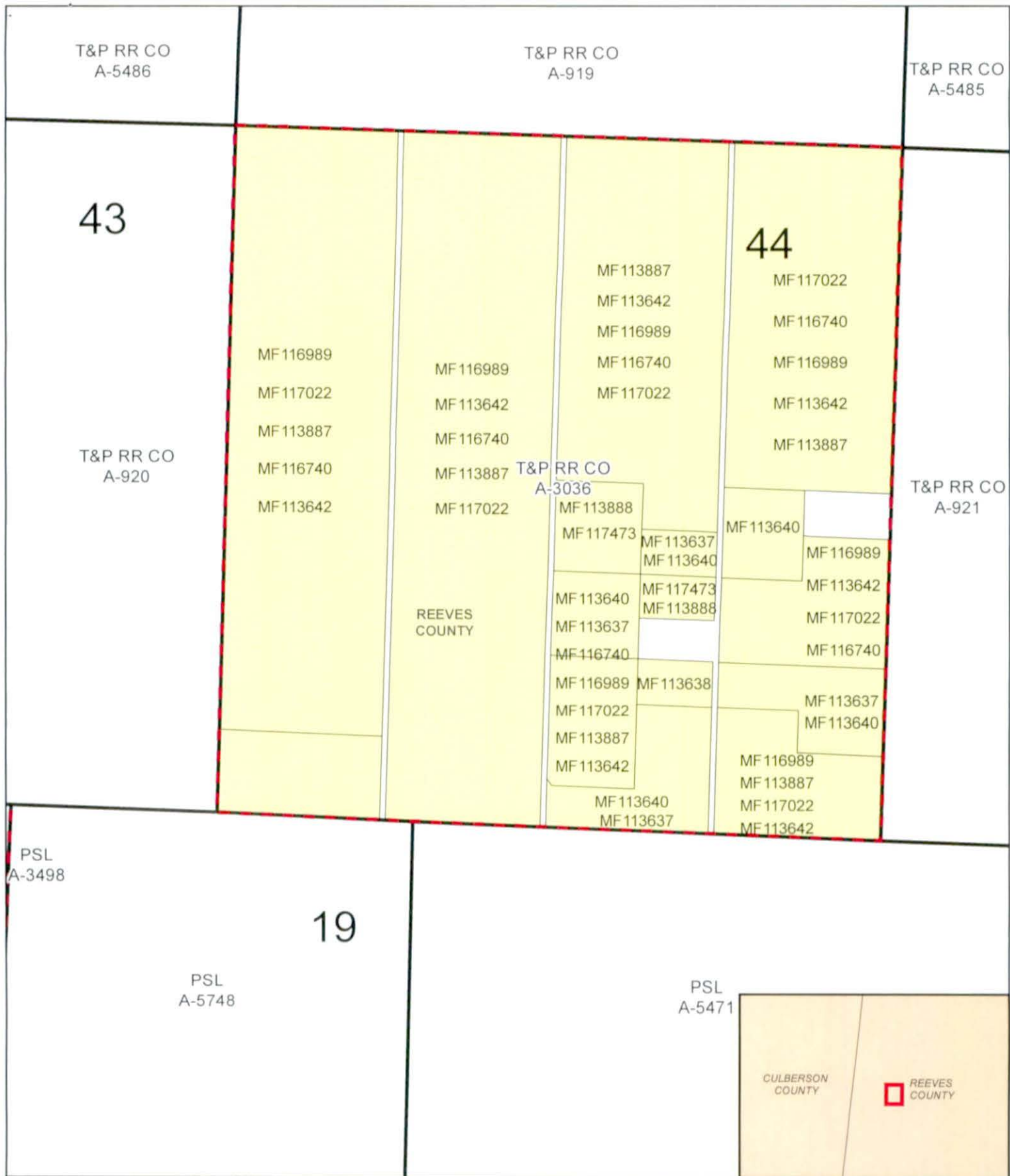
Date



Diane Morris - Office of the Governor



Date



POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
STATE WHITEACRE 57-T3-44 UNIT
GLO UNIT NO. 7871
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

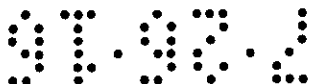
The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from surface to the stratigraphic equivalent of 100 feet below the base of the Wolfcamp Formation, which is seen at a depth of 10,878 feet true vertical depth on the Compensated Neutron 3 Detector Litho-Density log of the BHPBTXLA, Dela State 58-T2-48 #1H well, API #42-389-32978 ("unitized interval").

POOLING AND EFFECT:

4.

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

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



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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of March 29, 2016.

TERM:

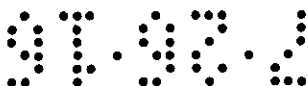
8.

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

SPECIAL TERMS AND CONDITIONS:

9.

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



STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed

July 27, 2016

STATE OF TEXAS

Legal
Content
Geology
Executive

[Handwritten signature]

By:

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

Date Executed

BHP Billiton Petroleum Properties (N.A.), LP,
formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

By:

[Handwritten signature]
Brian F. Owen, Attorney-in-Fact

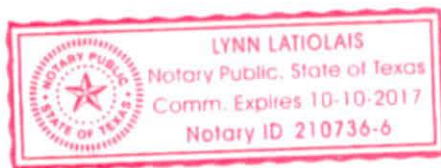
[Handwritten initials]

97.93.1

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on July 25, 2016, by Brian F. Owen, Attorney-in-Fact for BHP Billiton Petroleum Properties (N.A.), LP formerly known as Petrohawk Properties, LP, by BHP Billiton Petroleum Properties (GP), LLC, its General Partner a Texas limited liability company on behalf of said limited partnership.



Lynn Latilais
Notary Public in and for the State of Texas

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 29th day of March, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 29th day of July, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

97.97.1

Addendum "A"

Attached to and made a part of that certain Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
STATE WHITEACRE 57-T3-44 Unit; GLO Unit No. 7871

The parties hereby agree that should any conflict exist between the terms and provisions of this Addendum "A", the terms and provisions of the body of this Pooling Agreement, or the terms and provisions of any of the State Leases (as defined herein) listed on the attached Exhibit "A", then the terms and provisions of this Addendum "A" shall supersede and control.

1. Notwithstanding any language to the contrary in this Pooling Agreement, or in the lease(s) listed on the attached Exhibit "A" covering tracts in which the State of Texas owns the minerals (hereinafter the "State Leases", whether one or more), and subject to the provisions of paragraph "2." in this Addendum "A", Lessor and Lessee hereby amend the State Leases listed on the attached Exhibit "A", such that, if applicable, 2 years after the primary or extended term, the State Leases shall not terminate as to all depths below 100 feet below the total depth drilled, rather, if applicable, 2 years after the primary or extended term, the State Leases shall terminate as to all depths below the unitized interval, as defined in paragraph "3." of this Pooling Agreement.
2. It is hereby agreed that if Lessee makes the payment of one-half of the bonus originally paid to extend the "deeper depths" of a given State Lease, as may be provided in paragraph "16. (B)" or elsewhere in the State Leases (the "Depth Extension Payment"), the "Deeper Depths", as to the acreage included in the pooled unit shall be considered to be all depths below one hundred (100) feet below the base of the Wolfcamp formation.

If Lessee makes the Depth Extension Payment to extend the Deeper Depths, for the additional period of two (2) years (the "Depth Extension Period"), and so long thereafter as oil or gas is produced in paying quantities from the Deeper Depths, and at the end of said Depth Extension Period there is no production from the Deeper Depths, then the State Leases shall terminate as to those Deeper Depths.

3. The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C", provided however that, on or before September 9, 2016, if Lessee has commenced drilling operations to spud the first unit well and thereafter diligently drills it to its total depth, then the entirety of the pooled unit shall be perpetuated, and, on or before September 9, 2019, Lessee shall have the option to commence drilling operations to spud a second unit well and thereafter diligently drill it to its total depth, at which point Lessee shall have the option to enter into a sixty (60) day continuous drilling program for an additional two (2) unit wells, with no cessation of more than sixty (60) days from the spud of one unit well to the spud of another unit well.

At such time as Lessee has drilled and completed four (4) unit wells, in accordance with the deadlines above, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph "9." of the Pooling Agreement.

Lessee's failure to timely comply with the deadlines above shall result in the formation of a "Contracted Pooled Unit" in accordance with the following:

No. of unit wells	Corresponding size & shape of the resulting Contracted Pooled Unit
1 unit well	160.0 Acres, more or less, comprised of the stand-up 160.0 acre quarter of the pooled unit containing the first unit well.
2 unit wells	320.0 Acres, comprised of (a) the stand-up 320.0 acre half of the pooled unit containing the two (2) unit wells; or (b) the two (2) 160.0 acre stand-up quarters of the pooled unit containing each of the two (2) unit wells, if said unit wells are not in the same half of the pooled unit.
3 unit wells	480.0 Acres, comprised of (a) the stand-up 320.0 acre half of the pooled unit containing the three (3) unit wells and the adjacent stand-up 160.0 acre quarter of the pooled unit; or (b) the stand-up 320.0 acre half of the pooled unit containing the first unit well and the non-adjacent stand-up 160.0 acre quarter of the pooled unit, if said non-adjacent quarter contains a wellbore; or (c) the three (3) 160.0 acre stand-up quarters of the pooled unit containing each of the three (3) unit wells.

It is the intent of the parties that each wellbore drilled within the original pooled unit shall earn 160.0 acres, more or less, or one-fourth (1/4th) of the original pooled unit acreage as described on Exhibit "B" and depicted on Exhibit "C".

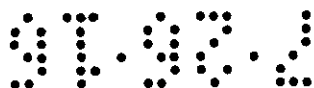
EXHIBIT "A"

Attached to and made a part of that certain Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
STATE WHITEACRE 57-T3-44 Unit; GLO Unit No. 7871

BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1044421-001	MF113638	9/9/2011	LOUIS H JONES	PETROHAWK PROPERTIES LP	REEVES-TX	7683	906	502
1044423-001	MF113642A	9/9/2011	MATTHEW M WHITEACRE	PETROHAWK PROPERTIES LP	REEVES-TX	7687	906	532
1044423-002	MF113642D	9/9/2011	PRUITT FAMILY MINERAL TRUST NUMBER ONE	PETROHAWK PROPERTIES LP	REEVES-TX	7872	908	227
1044423-003	MF113642F	9/9/2011	MARY ANN POLLAN WILKINSON	PETROHAWK PROPERTIES LP	REEVES-TX	7870	908	211
1044423-004	MF113642E	9/9/2011	BAPTIST FOUNDATION OF OKLAHOMA	PETROHAWK PROPERTIES LP	REEVES-TX	7686	906	524
1044423-005	MF113642I	9/9/2011	GARLAND ALLAN TYLER	PETROHAWK PROPERTIES LP	REEVES-TX	7685	906	516
1044423-006	MF113642M	9/9/2011	ROBERT J SAUL JR	PETROHAWK PROPERTIES LP	REEVES-TX	7873	908	235
1044423-007	MF113642G	9/9/2011	RONALD C POLLAN ET AL	PETROHAWK PROPERTIES LP	REEVES-TX	7871	908	219
1044423-008	MF113642P	9/9/2011	TYLER REVOCABLE TRUST	PETROHAWK PROPERTIES LP	REEVES-TX	7874	908	243
1044423-013	MF113642C	9/9/2011	CASSANDRA WALKER	PETROHAWK PROPERTIES LP	REEVES-TX	8140	910	179
1044424-001	MF113640B	9/9/2011	MORRIS WINKLER BY PASS TRUST	PETROHAWK PROPERTIES LP	REEVES-TX	7877	908	266
1044424-002	MF113637A	9/9/2011	FREDRIC A PAQUETTE ET UX	PETROHAWK PROPERTIES LP	REEVES-TX	7881	908	296
1044435-001	MF113888A	9/9/2011	CHARLES KNORR SR	PETROHAWK PROPERTIES LP	REEVES-TX	8262	910	599
1044435-002	MF113888B	9/9/2011	BILL CHANCELLOR III	PETROHAWK PROPERTIES LP	REEVES-TX	8263	910	606
1044424-003	MF113640A	10/11/2011	WINKLER FAMILY TRUST	PETROHAWK PROPERTIES LP	REEVES-TX	7876	908	258
1044423-010	MF113642Q	10/26/2011	CYNTHIA ANNE WARREN MEES	PETROHAWK PROPERTIES LP	REEVES-TX	11-08774	913	399
1044423-011	MF113887B	10/26/2011	MARY KATHERINE NELSON CLIFFORD	PETROHAWK PROPERTIES LP	REEVES-TX	11-08782	913	453
1044423-012	MF113887C	10/26/2011	FRANCES MARIAN HUNTER	PETROHAWK PROPERTIES LP	REEVES-TX	11-08783	913	461
1044423-019	MF113887A	10/26/2011	DEBORAH L WINDER	PETROHAWK PROPERTIES LP	REEVES-TX	12-00173	918	570
1044424-004	MF113637C	10/26/2011	PHILIP B FAYNE	PETROHAWK PROPERTIES LP	REEVES-TX	11-08781	913	446
1044424-005	MF113637B	10/26/2011	CHARLES W FAYNE	PETROHAWK PROPERTIES LP	REEVES-TX	12-00172	918	563
1044423-015	MF113642U	11/11/2011	EMILY R FANCHER	PETROHAWK PROPERTIES LP	REEVES-TX	12-00232	918	812
1044423-016	MF113642V	11/11/2011	FRANCES R PINKSTON	PETROHAWK PROPERTIES LP	REEVES-TX	12-00233	919	001
1044423-021	MF113642W	11/11/2011	DAVID M STALLARD AND REBECCA R STALLARD	PETROHAWK PROPERTIES LP	REEVES-TX	12-00236	919	025



BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1044424-006	MF113637E	11/11/2011	WILLIAM H ZIETZ	PETROHAWK PROPERTIES LP	REEVES-TX	12-01050	924	241
1044424-007	MF113637D	11/11/2011	LEWIS DOUGLAS ZIETZ	PETROHAWK PROPERTIES LP	REEVES-TX	12-01051	924	248
1044423-017	MF113642K	11/17/2011	CATHEY JANE HORTON	PETROHAWK PROPERTIES LP	REEVES-TX	12-00234	919	009
1044423-018	MF113642J	11/17/2011	NANCY RUTH HORTON	PETROHAWK PROPERTIES LP	REEVES-TX	12-00169	918	546
1044423-009	MF113642N	12/1/2011	FRIANNA WARREN	PETROHAWK PROPERTIES LP	REEVES-TX	12-00967	923	746
1044423-020	MF113642H	12/1/2011	DEANNA PAULETTE LAYFIELD	PETROHAWK PROPERTIES LP	REEVES-TX	12-00529	920	653
1044423-022	MF113642O	12/1/2011	PATRICIA ANN LEWIS	PETROHAWK PROPERTIES LP	REEVES-TX	12-01046	924	207
1044423-027	MF113642J	12/1/2011	DONNA FRANCETTE CARNAHAN	PETROHAWK PROPERTIES LP	REEVES-TX	12-00528	920	645
1044423-030	MF113642B	12/1/2011	BILLIE SEFLBACK POTEET	PETROHAWK PROPERTIES LP	REEVES-TX	12-00235	919	17
1044423-023	MF113642S	1/10/2012	CHARLES HERBERT WARREN III	PETROHAWK PROPERTIES LP	REEVES-TX	12-01048	924	225
1044423-024	MF113642T	1/10/2012	MICHAEL MITCHELL WARREN	PETROHAWK PROPERTIES LP	REEVES-TX	12-01049	924	233
1044423-029	MF113642R	1/10/2012	JOHN LYNN WARREN	PETROHAWK PROPERTIES LP	REEVES-TX	12-01047	924	217
1044423-025	MF113642BB	3/15/2012	MIKE WALLIS	PETROHAWK PROPERTIES LP	REEVES-TX	12-03354	938	642
1044423-026	MF113642Y	3/15/2012	LYNDA DODD	PETROHAWK PROPERTIES LP	REEVES-TX	12-03355	938	650
1044423-028	MF113642Z	3/15/2012	DEBBIE CARTER	PETROHAWK PROPERTIES LP	REEVES-TX	12-03356	938	658
1044423-032	MF113642AA	3/15/2012	BONNIE WEDGE	PETROHAWK PROPERTIES LP	REEVES-TX	12-04034	942	751
1044423-033	MF113642X	3/15/2012	JIMMIE J MCADAMS	PETROHAWK PROPERTIES LP	REEVES-TX	12-04035	942	760
1044423-031	MF113642CC	5/30/2012	MARTHA ELLEN MEEKS ET AL	PETROHAWK PROPERTIES LP	REEVES-TX	12-04805	948	56
1100011-010	MF116740	7/1/2014	STATE OF TEXAS	FINLEY RESOURCES INC	REEVES-TX	14-08726	1106	308
1045773-001	MF116989B	7/17/2014	WADE P KOEHL	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	14-09497	1111	713
1045774-001	MF116989A	7/17/2014	MIDLAND AOG PARTNERS LTD	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	14-09496	1111	705
1045772-001	MF117022A	7/25/2014	BLAKE OIL & GAS CORPORATION	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	14-09574	1112	572
1100007-001	MF117473B	3/18/2015	TRACY L CHANCELLOR	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	15-03425	1159	91
1100007-002	MF117473A	3/18/2015	FLYNT CHANCELLOR	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	15-03424	1159	83



BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1100115-001	MF117986B	2/25/2016	BLAIRBAX ENERGY LLC	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03620	1253	512
1100116-001	MF117986A	2/25/2016	BAXSTO LLC	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03619	1253	501
1100116-002	MF117986C	2/25/2016	BUFFY ENERGY LLC	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03621	1253	523
1100117-001	MF117985	3/4/2016	M BRAD BENNETT	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03622	1253	534

9793.1

END OF EXHIBIT "A"

EXHIBIT "B"

Attached to and made a part of that certain Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
STATE WHITEACRE 57-T3-44 Unit; GLO Unit No. 7871

Description of Lands

640.00 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P.
Railroad Company Survey, Reeves County, Texas as depicted on that certain plat dated May 8, 1915, recorded in
Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described as follows:

Tract Number	Legal Description
1	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 1
2	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 1
3	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 2
4	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 2
5	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 3
6	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 3
7	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 4
8	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 4
9	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 1
10	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 1
11	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 2
12	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 2
13	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 3
14	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 3
15	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 4
16	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 4
17	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 1
18	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 1
19	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 2
20	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 2
21	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 3
22	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 3
23	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 4
24	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 4
25	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 1
26	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 1
27	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 2
28	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 2
29	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 3
30	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 3
31	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 4
32	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 4
33	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 8

34	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 8
35	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 7
36	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 7
37	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 6
38	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 6
39	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 5
40	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 5
41	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 8
42	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 8
43	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 7
44	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 7
45	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 6
46	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 6
47	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 5
48	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 5
49	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 8
50	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 8
51	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 7
52	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 7
53	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 6
54	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 6
55	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 5
56	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 5
57	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 8
58	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 8
59	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 7
60	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 7
61	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 6
62	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 6
63	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 5
64	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 5
65	20 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 9
66	20 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 10
67	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 11
68	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 11
69	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 12
70	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 12
71	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 11
72	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 11
73	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 12
74	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 12
75	20 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 9
76	20 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 10
77	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 11
78	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 11
79	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 12
80	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 12

81	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 11
82	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 11
83	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 12
84	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 12
85	20 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 16
86	20 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 15
87	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 14
88	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 14
89	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 13
90	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 13
91	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 14
92	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 14
93	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 13
94	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 13
95	20 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 16
96	20 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 15
97	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 14
98	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 14
99	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 13
100	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 13
101	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 14
102	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 14
103	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 13
104	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 13

END OF EXHIBIT "B"



13

File No. M-113637
Pooling Agent. Packet # 7871
State Whiteacre 57-T3-44 Unit
Date Filed: 7/29/16
George P. Bush, Commissioner
By [Signature]

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North America Shale Production Division

September 15, 2016

Via FedEx (Trkg #7772 3740 1456)

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Attention: J. Daryl Morgan, CPL, Energy Resources Division

Re: Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
State Whiteacre 57-T3-44 Unit, GLO Unit No. 7871
Reeves County, Texas **M-113637**

Dear Mr. Morgan:

Enclosed you will find a Certified Copy of Recorded Original Pooling Agreement, BHP Billiton Petroleum Properties (N.A.) LP, State Whiteacre 57-T3-44 Unit, GLO Unit No. 7871, Reeves County, Texas, File Ref. 16-09762, Vol. 1299, Pg. 0129, for your records.

Should you need any additional information, please feel free to contact Broderick Browne, Landman, telephone 713-871-2233 or email broderick.browne@bhpbilliton.com.

Sincerely,

A handwritten signature in blue ink that reads "Lynn Latiolais".

Lynn Latiolais, CPLTA
Land Technical Analyst

/ll
Enclosure

14

File No. M-113637

_____ County

Ltr. From BHD

Date Filed: 9/16/16

George P. Bush, Commissioner

George P. Bush, Commissioner

3030

After recording, please return to:
BHP Billiton
ATTN: L. Latiolais - Permian Land - 646A WT
1360 Post Oak, Suite 150
Houston, TX 77056

16-09762
FILED FOR RECORD
REEVES COUNTY, TEXAS
Aug 03, 2016 at 03:07:00 PM

POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
STATE WHITEACRE 57-T3-44 UNIT
GLO UNIT NO. 7871
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from surface to the stratigraphic equivalent of 100 feet below the base of the Wolfcamp Formation, which is seen at a depth of 10,878 feet true vertical depth on the Compensated Neutron 3 Detector Litho-Density log of the BHPBTKLA, Dela State 58-T2-48 #1H well, API #42-389-32978 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of March 29, 2016.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

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



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STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed

July 27, 2016

STATE OF TEXAS

By:

George P. Bush

George P. Bush, Commissioner
General Land Office

Legal
Content
Geology
Executive

from
[Signature]
[Signature]

Date Executed

BHP Billiton Petroleum Properties (N.A.), LP,
formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

By:

Brian F. Owen

Brian F. Owen, Attorney-in-Fact

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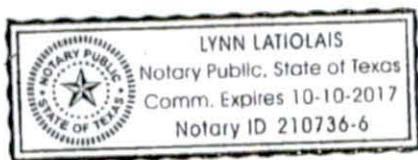
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STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on July 25, 2016, by Brian F. Owen, Attorney-in-Fact for BHP Billiton Petroleum Properties (N.A.), LP formerly known as Petrohawk Properties, LP, by BHP Billiton Petroleum Properties (GP), LLC, its General Partner a Texas limited liability company on behalf of said limited partnership.



Lynn Latiolais
Notary Public in and for the State of Texas

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 29th day of March, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 27th day of July, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

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Addendum "A"

Attached to and made a part of that certain Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
STATE WHITEACRE 57-T3-44 Unit; GLO Unit No. 7871

The parties hereby agree that should any conflict exist between the terms and provisions of this Addendum "A", the terms and provisions of the body of this Pooling Agreement, or the terms and provisions of any of the State Leases (as defined herein) listed on the attached Exhibit "A", then the terms and provisions of this Addendum "A" shall supersede and control.

- Notwithstanding any language to the contrary in this Pooling Agreement, or in the lease(s) listed on the attached Exhibit "A" covering tracts in which the State of Texas owns the minerals (hereinafter the "State Leases", whether one or more), and subject to the provisions of paragraph "2." in this Addendum "A", Lessor and Lessee hereby amend the State Leases listed on the attached Exhibit "A", such that, if applicable, 2 years after the primary or extended term, the State Leases shall not terminate as to all depths below 100 feet below the total depth drilled, rather, if applicable, 2 years after the primary or extended term, the State Leases shall terminate as to all depths below the unitized interval, as defined in paragraph "3." of this Pooling Agreement.
- It is hereby agreed that if Lessee makes the payment of one-half of the bonus originally paid to extend the "deeper depths" of a given State Lease, as may be provided in paragraph "16. (B)" or elsewhere in the State Leases (the "Depth Extension Payment"), the "Deeper Depths", as to the acreage included in the pooled unit shall be considered to be all depths below one hundred (100) feet below the base of the Wolfcamp formation.

If Lessee makes the Depth Extension Payment to extend the Deeper Depths, for the additional period of two (2) years (the "Depth Extension Period"), and so long thereafter as oil or gas is produced in paying quantities from the Deeper Depths, and at the end of said Depth Extension Period there is no production from the Deeper Depths, then the State Leases shall terminate as to those Deeper Depths.

- The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C", provided however that, on or before September 9, 2016, if Lessee has commenced drilling operations to spud the first unit well and thereafter diligently drills it to its total depth, then the entirety of the pooled unit shall be perpetuated, and, on or before September 9, 2019, Lessee shall have the option to commence drilling operations to spud a second unit well and thereafter diligently drill it to its total depth, at which point Lessee shall have the option to enter into a sixty (60) day continuous drilling program for an additional two (2) unit wells, with no cessation of more than sixty (60) days from the spud of one unit well to the spud of another unit well.

At such time as Lessee has drilled and completed four (4) unit wells, in accordance with the deadlines above, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph "9." of the Pooling Agreement.

Lessee's failure to timely comply with the deadlines above shall result in the formation of a "Contracted Pooled Unit" in accordance with the following:

No. of unit wells	Corresponding size & shape of the resulting Contracted Pooled Unit
1 unit well	160.0 Acres, more or less, comprised of the stand-up 160.0 acre quarter of the pooled unit containing the first unit well.
2 unit wells	320.0 Acres, comprised of (a) the stand-up 320.0 acre half of the pooled unit containing the two (2) unit wells; or (b) the two (2) 160.0 acre stand-up quarters of the pooled unit containing each of the two (2) unit wells, if said unit wells are not in the same half of the pooled unit.
3 unit wells	480.0 Acres, comprised of (a) the stand-up 320.0 acre half of the pooled unit containing the three (3) unit wells and the adjacent stand-up 160.0 acre quarter of the pooled unit; or (b) the stand-up 320.0 acre half of the pooled unit containing the first unit well and the non-adjacent stand-up 160.0 acre quarter of the pooled unit, if said non-adjacent quarter contains a wellbore; or (c) the three (3) 160.0 acre stand-up quarters of the pooled unit containing each of the three (3) unit wells.

It is the intent of the parties that each wellbore drilled within the original pooled unit shall earn 160.0 acres, more or less, or one-fourth (1/4th) of the original pooled unit acreage as described on Exhibit "B" and depicted on Exhibit "C".



EXHIBIT "A"

Attached to and made a part of that certain Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
STATE WHITEACRE 57-T3-44 Unit; GLO Unit No. 7871

BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1044421-001	MF113638	9/9/2011	LOUIS H JONES	PETROHAWK PROPERTIES LP	REEVES-TX	7683	906	502
1044423-001	MF113642A	9/9/2011	MATTHEW M WHITEACRE	PETROHAWK PROPERTIES LP	REEVES-TX	7687	906	532
1044423-002	MF113642D	9/9/2011	PRUITT FAMILY MINERAL TRUST NUMBER ONE	PETROHAWK PROPERTIES LP	REEVES-TX	7872	908	227
1044423-003	MF113642F	9/9/2011	MARY ANN POLLAN WILKIRSON	PETROHAWK PROPERTIES LP	REEVES-TX	7870	908	211
1044423-004	MF113642E	9/9/2011	BAPTIST FOUNDATION OF OKLAHOMA	PETROHAWK PROPERTIES LP	REEVES-TX	7686	906	524
1044423-005	MF113642L	9/9/2011	GARLAND ALLAN TYLER	PETROHAWK PROPERTIES LP	REEVES-TX	7685	906	516
1044423-006	MF113642M	9/9/2011	ROBERT J SAUL JR	PETROHAWK PROPERTIES LP	REEVES-TX	7873	908	235
1044423-007	MF113642G	9/9/2011	RONALD C POLLAN ET AL	PETROHAWK PROPERTIES LP	REEVES-TX	7871	908	219
1044423-008	MF113642P	9/9/2011	TYLER REVOCABLE TRUST	PETROHAWK PROPERTIES LP	REEVES-TX	7874	908	243
1044423-013	MF113642C	9/9/2011	CASSANDRA WALKER	PETROHAWK PROPERTIES LP	REEVES-TX	8140	910	179
1044424-001	MF113640B	9/9/2011	MORRIS WINKLER BY PASS TRUST	PETROHAWK PROPERTIES LP	REEVES-TX	7877	908	266
1044424-002	MF113637A	9/9/2011	FREDRIC A PAQUETTE ET UX	PETROHAWK PROPERTIES LP	REEVES-TX	7881	908	296
1044435-001	MF113888A	9/9/2011	CHARLES KNORR SR	PETROHAWK PROPERTIES LP	REEVES-TX	8262	910	599
1044435-002	MF113888B	9/9/2011	BILL CHANCELLOR III	PETROHAWK PROPERTIES LP	REEVES-TX	8263	910	606
1044424-003	MF113640A	10/11/2011	WINKLER FAMILY TRUST	PETROHAWK PROPERTIES LP	REEVES-TX	7876	908	258
1044423-010	MF113642Q	10/26/2011	CYNTHIA ANNE WARREN MEEKS	PETROHAWK PROPERTIES LP	REEVES-TX	11-08774	913	399
1044423-011	MF113887B	10/26/2011	MARY KATHERINE NELSON CLIFFORD	PETROHAWK PROPERTIES LP	REEVES-TX	11-08782	913	453
1044423-012	MF113887C	10/26/2011	FRANCES MARIAN HUNTER	PETROHAWK PROPERTIES LP	REEVES-TX	11-08783	913	461
1044423-019	MF113887A	10/26/2011	DEBORAH L WINDER	PETROHAWK PROPERTIES LP	REEVES-TX	12-00173	918	570
1044424-004	MF113637C	10/26/2011	PHILIP B FAYNE	PETROHAWK PROPERTIES LP	REEVES-TX	11-08781	913	446
1044424-005	MF113637B	10/26/2011	CHARLES W FAYNE	PETROHAWK PROPERTIES LP	REEVES-TX	12-00172	918	563
1044423-015	MF113642U	11/11/2011	EMILY R FANCHER	PETROHAWK PROPERTIES LP	REEVES-TX	12-00232	918	812
1044423-016	MF113642V	11/11/2011	FRANCES R PINKSTON	PETROHAWK PROPERTIES LP	REEVES-TX	12-00233	919	001
1044423-021	MF113642W	11/11/2011	DAVID M STALLARD AND REBECCA R STALLARD	PETROHAWK PROPERTIES LP	REEVES-TX	12-00236	919	025

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BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1044424-006	MF113637E	11/11/2011	WILLIAM H ZIETZ	PETROHAWK PROPERTIES LP	REEVES-TX	12-01050	924	241
1044424-007	MF113637D	11/11/2011	LEWIS DOUGLAS ZIETZ	PETROHAWK PROPERTIES LP	REEVES-TX	12-01051	924	248
1044423-017	MF113642K	11/17/2011	CATHEY JANE HORTON	PETROHAWK PROPERTIES LP	REEVES-TX	12-00234	919	009
1044423-018	MF113642I	11/17/2011	NANCY RUTH HORTON	PETROHAWK PROPERTIES LP	REEVES-TX	12-00169	918	546
1044423-009	MF113642N	12/1/2011	ERIEANNA WARREN	PETROHAWK PROPERTIES LP	REEVES-TX	12-00967	923	746
1044423-020	MF113642H	12/1/2011	DEANNA PAULETTE LAYFIELD	PETROHAWK PROPERTIES LP	REEVES-TX	12-00529	920	653
1044423-022	MF113642O	12/1/2011	PATRICIA ANN LEWIS	PETROHAWK PROPERTIES LP	REEVES-TX	12-01046	924	207
1044423-027	MF113642J	12/1/2011	DONNA FRANCETTE CARNAHAN	PETROHAWK PROPERTIES LP	REEVES-TX	12-00528	920	645
1044423-030	MF113642B	12/1/2011	BILLIE SEELBACK POTEET	PETROHAWK PROPERTIES LP	REEVES-TX	12-00235	919	17
1044423-023	MF113642S	1/10/2012	CHARLES HERBERT WARREN III	PETROHAWK PROPERTIES LP	REEVES-TX	12-01048	924	225
1044423-024	MF113642T	1/10/2012	MICHAEL MITCHELL WARREN	PETROHAWK PROPERTIES LP	REEVES-TX	12-01049	924	233
1044423-029	MF113642R	1/10/2012	JOHN LYNN WARREN	PETROHAWK PROPERTIES LP	REEVES-TX	12-01047	924	217
1044423-025	MF113642BB	3/15/2012	MIKE WALLIS	PETROHAWK PROPERTIES LP	REEVES-TX	12-03354	938	642
1044423-026	MF113642Y	3/15/2012	LYNDA DODD	PETROHAWK PROPERTIES LP	REEVES-TX	12-03355	938	650
1044423-028	MF113642Z	3/15/2012	DEBBIE CARTER	PETROHAWK PROPERTIES LP	REEVES-TX	12-03356	938	658
1044423-032	MF113642AA	3/15/2012	BONNIE WEDGE	PETROHAWK PROPERTIES LP	REEVES-TX	12-04034	942	751
1044423-033	MF113642X	3/15/2012	JIMMIE J MCADAMS	PETROHAWK PROPERTIES LP	REEVES-TX	12-04035	942	760
1044423-031	MF113642CC	5/30/2012	MARTHA ELLEN MEEKS ET AL	PETROHAWK PROPERTIES LP	REEVES-TX	12-04805	948	56
1100011-010	MF116740	7/1/2014	STATE OF TEXAS	FINLEY RESOURCES INC	REEVES-TX	14-08726	1106	308
1045773-001	MF116989B	7/17/2014	WADE P KOEHL	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	14-09497	1111	713
1045774-001	MF116989A	7/17/2014	MIDLAND AOG PARTNERS LTD	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	14-09496	1111	705
1045772-001	MF117022A	7/25/2014	BLAKE OIL & GAS CORPORATION	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	14-09574	1112	572
1100007-001	MF117473B	3/18/2015	TRACEY L CHANCELLOR	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	15-03425	1159	91
1100007-002	MF117473A	3/18/2015	FLYNT CHANCELLOR	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	15-03424	1159	83

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BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1100115-001	MF117986B	2/25/2016	BLAIRBAX ENERGY LLC	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03620	1253	512
1100116-001	MF117986A	2/25/2016	BAXSTO LLC	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03619	1253	501
1100116-002	MF117986C	2/25/2016	BUFFY ENERGY LLC	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03621	1253	523
1100117-001	MF117985	3/4/2016	M BRAD BENNETT	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03622	1253	534

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END OF EXHIBIT "A"



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EXHIBIT "B"

Attached to and made a part of that certain Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
STATE WHITEACRE 57-T3-44 Unit; GLO Unit No. 7871

Description of Lands

640.00 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P.
Railroad Company Survey, Reeves County, Texas as depicted on that certain plat dated May 8, 1915, recorded in
Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described as follows:

Tract Number	Legal Description
1	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 1
2	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 1
3	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 2
4	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 2
5	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 3
6	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 3
7	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 4
8	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 4
9	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 1
10	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 1
11	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 2
12	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 2
13	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 3
14	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 3
15	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 4
16	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 4
17	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 1
18	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 1
19	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 2
20	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 2
21	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 3
22	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 3
23	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 4
24	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 4
25	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 1
26	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 1
27	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 2
28	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 2
29	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 3
30	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 3
31	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 4
32	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 4
33	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 8

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34	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 8
35	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 7
36	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 7
37	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 6
38	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 6
39	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 5
40	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 5
41	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 8
42	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 8
43	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 7
44	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 7
45	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 6
46	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 6
47	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 5
48	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 5
49	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 8
50	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 8
51	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 7
52	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 7
53	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 6
54	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 6
55	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 5
56	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 5
57	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 8
58	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 8
59	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 7
60	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 7
61	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 6
62	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 6
63	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 5
64	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 5
65	20 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 9
66	20 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 10
67	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 11
68	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 11
69	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 12
70	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 12
71	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 11
72	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 11
73	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 12
74	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 12
75	20 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 9
76	20 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 10
77	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 11
78	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 11
79	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 12
80	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 12

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81	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 11
82	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 11
83	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 12
84	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 12
85	20 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 16
86	20 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 15
87	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 14
88	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 14
89	5 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 13
90	5 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 13
91	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 14
92	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 14
93	5 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 13
94	5 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 13
95	20 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 16
96	20 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 15
97	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 14
98	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 14
99	5 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 13
100	5 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 13
101	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 14
102	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 14
103	5 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 13
104	5 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 13

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END OF EXHIBIT "B"

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Inst No. 16-09762
DIANNE O. FLOREZ
COUNTY CLERK
2016 Aug 03 at 03:07 PM
REEVES COUNTY, TEXAS
By: RL *Pamela Dyles*, DEPUTY

2016



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REEVES COUNTY
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15

File No. M-113637

Recorded State Whiteacre Unit County

Date Filed: 9/16/16

George P. Bush, Commissioner

By [Signature]

STATE

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1299, PAGE 129, THRU 141.

I hereby certified on 9 13 16



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY [Signature] DEPUTY

MF 117986
MF 113637

DIVISION ORDER



bhpbilliton

resourcing the future

Date: 10/31/2016

To: BHP Billiton Petroleum
Land Administration
P O Box 22719
Houston, TX 77227-9927
(877) 311- 1443

Issue Date: 10/31/2016
Property Name: STATE BLAKE 57-T3-46 1H
Property #: P1M595/00501
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: T&P RR CO ABST/ID# 3035 Grantee J.S. OWENS Twsp T3 Blk 57 Sec 46 REEVES
COUNTY/PARISH, TEXAS (638.91 ACRES)

384 35151

CREDIT TO

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

Decimal	Type	Status	Reason	Start Date
0.00585372	RI	PAY		4/1/2016
0.00056966	RI	PAY		4/1/2016
0.00145262	RI	PAY		4/1/2016
0.00056966	RI	PAY		4/1/2016
0.00030786	RI	PAY		4/1/2016
0.00030786	RI	PAY		4/1/2016
0.00455724	RI	PAY		4/1/2016
0.00042724	RI	PAY		4/1/2016
0.00097823	RI	PAY		4/1/2016
0.00011633	RI	PAY		4/1/2016
0.00097823	RI	PAY		4/1/2016
0.00097823	RI	PAY		4/1/2016
0.00341793	RI	PAY		4/1/2016
0.00227862	RI	PAY		4/1/2016
0.00050214	RI	PAY		4/1/2016
0.00017090	RI	PAY		4/1/2016
0.00145262	RI	PAY		4/1/2016
0.00017090	RI	PAY		4/1/2016
0.00010681	RI	PAY		4/1/2016
0.00030786	RI	PAY		4/1/2016
0.00042144	RI	PAY		4/1/2016
0.00650848	RI	PAY		4/1/2016
0.00097431	RI	PAY		4/1/2016

0.00097725	RI	PAY	4/1/2016
0.00008545	RI	PAY	4/1/2016
0.00032575	RI	PAY	4/1/2016
0.00058234	RI	PAY	4/1/2016
0.00218958	RI	PAY	4/1/2016
0.00781140	RI	PAY	4/1/2016
0.00077288	RI	PAY	4/1/2016
0.00077288	RI	PAY	4/1/2016
0.00536950	RI	PAY	4/1/2016
0.00113931	RI	PAY	4/1/2016
0.00113931	RI	PAY	4/1/2016
0.00017090	RI	PAY	4/1/2016
0.00145262	RI	PAY	4/1/2016
0.00650848	RI	PAY	4/1/2016
0.00032575	RI	PAY	4/1/2016
0.00034828	RI	PAY	4/1/2016
0.00536950	RI	PAY	4/1/2016
0.00092358	RI	PAY	4/1/2016
0.00010681	RI	PAY	4/1/2016
0.00032575	RI	PAY	4/1/2016
0.00197501	RI	PAY	4/1/2016
0.00011633	RI	PAY	4/1/2016
0.00244459	RI	PAY	4/1/2016
0.00227862	RI	PAY	4/1/2016
0.00145262	RI	PAY	4/1/2016
0.00146734	RI	PAY	4/1/2016
0.00023265	RI	PAY	4/1/2016
0.00341793	RI	PAY	4/1/2016
0.00290524	RI	PAY	4/1/2016
0.00758591	RI	PAY	4/1/2016
0.02471781	RI	PAY	4/1/2016
0.00757064	RI	PAY	4/1/2016
0.00023266	RI	PAY	4/1/2016
0.00010681	RI	PAY	4/1/2016
0.00010681	RI	PAY	4/1/2016
0.00097823	RI	PAY	4/1/2016
0.00076903	RI	PAY	4/1/2016
0.00077288	RI	PAY	4/1/2016
0.00244459	RI	PAY	4/1/2016



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 12, 2016

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

Re: State Lease Nos. MF112680, MF113637, MF113639, MF113640, MF113642, MF113888, MF114211, MF114212, MF115610, MF116741, MF116742, MF116743, MF116744, MF116745, MF116746, MF116747, MF116748, MF116749, MF116989, MF117473, MF117985 and MF117986
STATE BLAKE 57-T3-46 1H

Dear Mr. Brown:

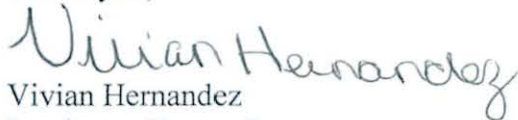
The Texas General Land Office (GLO) has received your Division Order for the referenced unit. This Division Order has been filed in the appropriate mineral files.

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

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

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

Thank you,



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

File No. MF 113637

Division Order

Date Filed: 12-12-16

George P. Bush, Commissioner

By V.H.

MF 113637, 113638
 MF 113640
 MF 113642
 MF 113887
 MF 113888
 MF 116740
 MF 116989
 MF 117022
 MF 117473
 MF 117985
 MF 117986

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DIVISION ORDER
 MF 118009



Date: 10/31/2016

To: BHP Billiton Petroleum
 Land Administration
 P O Box 22719
 Houston, TX 77227-9927
 (877) 311- 1443

Issue Date: 10/31/2016
Property Name: STATE WHITEACRE 57-T3-44 1H
Property #: P1M599/00501 389-35158
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: T&P RR CO ABST/ID# 3036 Grantee J.S. OWENS Twsp T3 Blk 57 Sec 44 REEVES COUNTY/PARISH, TEXAS (642.77 ACRES)

CREDIT TO

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

Decimal	Type	Status	Reason	Start Date
0.00431361	RI	PAY		5/1/2016
0.00215680	RI	PAY		5/1/2016
0.00431361	RI	PAY		5/1/2016
0.00107840	RI	PAY		5/1/2016
0.00095059	RI	PAY		5/1/2016
0.00549985	RI	PAY		5/1/2016
0.00032352	RI	PAY		5/1/2016
0.00032352	RI	PAY		5/1/2016
0.00097624	RI	PAY		5/1/2016
0.00146437	RI	PAY		5/1/2016
0.00065083	RI	PAY		5/1/2016
0.03280145	RI	PAY		5/1/2016
0.00174841	RI	PAY		5/1/2016
0.00274992	RI	PAY		5/1/2016
0.00020220	RI	PAY		5/1/2016
0.00080880	RI	PAY		5/1/2016
0.00129408	RI	PAY		5/1/2016
0.00647041	RI	PAY		5/1/2016
0.00129408	RI	PAY		5/1/2016
0.00097581	RI	PAY		5/1/2016
0.00097581	RI	PAY		5/1/2016
0.00070511	RI	PAY		5/1/2016
0.00006809	RI	PAY		5/1/2016

0.00549985	RI	PAY	5/1/2016
0.00129408	RI	PAY	5/1/2016
0.00862721	RI	PAY	5/1/2016
0.00097581	RI	PAY	5/1/2016
0.00008298	RI	PAY	5/1/2016
0.00025627	RI	PAY	5/1/2016
0.00274992	RI	PAY	5/1/2016
0.00058280	RI	PAY	5/1/2016
0.00020220	RI	PAY	5/1/2016
0.00274992	RI	PAY	5/1/2016
0.00020220	RI	PAY	5/1/2016
0.00058280	RI	PAY	5/1/2016
0.00162664	RI	PAY	5/1/2016
0.00097581	RI	PAY	5/1/2016
0.00048812	RI	PAY	5/1/2016
0.00016176	RI	PAY	5/1/2016
0.00070511	RI	PAY	5/1/2016
0.00597269	RI	PAY	5/1/2016
0.00009959	RI	PAY	5/1/2016
0.01436071	RI	PAY	5/1/2016
0.00107840	RI	PAY	5/1/2016
0.00145584	RI	PAY	5/1/2016
0.00008298	RI	PAY	5/1/2016
0.00215680	RI	PAY	5/1/2016
0.00274992	RI	PAY	5/1/2016
0.00058280	RI	PAY	5/1/2016
0.00020220	RI	PAY	5/1/2016
0.00146372	RI	PAY	5/1/2016
0.00162664	RI	PAY	5/1/2016
0.00048812	RI	PAY	5/1/2016
0.00070511	RI	PAY	5/1/2016
0.00647041	RI	PAY	5/1/2016
0.00032352	RI	PAY	5/1/2016
0.00079782	RI	PAY	5/1/2016
0.00048812	RI	PAY	5/1/2016
0.00002904	RI	PAY	5/1/2016



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 12, 2016

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

Re: State Lease Nos. ✓ MF113637, MF113638, MF113640, MF113642, MF113887, MF113888,
MF116740, MF116989, MF117022, MF117473, MF117985, MF117986
and MF118009 **STATE WHITEACRE 57-T3-44 1H**

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 files.

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

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

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

Thank you,

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

17.
File No. MF 113637

Division Order

Date Filed: 12-12-16

George P. Bush, Commissioner V.H.

By _____

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT

Domestic Mail Only

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

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

Postage

\$

Total Postage and Fees

\$

Sent To

BHP Billiton Petroleum (TX LAD) Operating Company

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

1360 Post Oak Blvd STE 150

City, State, ZIP+4®

Houston, TX 77056-3030

MF

Postmark
Here

113637

ATTN: Holly Dutton

9584 1662 0000 2070 9702 4856



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: 10/3/2017
Billing Due Date: 11/2/2017
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00040	MF112680	\$1,429.64	\$0.00	\$218.41	\$86.79	\$1,734.84
18I00042	MF113637	\$5,877.29	\$0.00	\$678.69	\$295.71	\$6,851.69
18I00043	MF113640	\$4,097.74	\$0.00	\$593.43	\$236.91	\$4,928.08
18I00044	MF113642	\$30,609.97	\$0.00	\$3,317.00	\$1,588.20	\$35,515.17
18I00047	MF114211	\$6,075.26	\$0.00	\$785.79	\$368.34	\$7,229.39
18I00048	MF116740	\$9,066.68	\$0.00	\$906.67	\$433.18	\$10,406.53
Total Due		\$57,156.58	\$0.00	\$6,499.99	\$3,009.13	\$66,665.70

Penalty and interest have been calculated thru 10/31/2017. Payment remitted after 10/31/2017 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: 10/3/2017

Billing Due Date: 11/2/2017

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
18I00040	MF112680	\$1,429.64	\$0.00	\$218.41	\$86.79	\$1,734.84
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18I00044	MF113642	\$30,609.97	\$0.00	\$3,317.00	\$1,588.20	\$35,515.17
18I00047	MF114211	\$6,075.26	\$0.00	\$785.79	\$368.34	\$7,229.39



Texas General Land Office

George P. Bush, Commissioner

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

18I00048	MF116740	\$9,066.68	\$0.00	\$906.67	\$433.18	\$10,406.53
Total Due		\$57,156.58	\$0.00	\$6,499.99	\$3,009.13	\$66,665.70
Amt. Paid						

Customer ID: C000046383
 Invoice Number: 18100042
 GLO Lease: MF113637
 GLO Review: BHP Billiton Petroleum (TXLA Op) Co
 Review Period: September 2015 Through August 2016

Category: Gas
 Auditor/AE: Sgarcla
 Billing Date: 9/27/2017
 P&I Calculation Date: 10/31/2017
 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 Particp	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
May-16	08-282003	0	1.00000000	\$0.000000	0.000000	\$0.00	\$0.00	-\$171.22	\$171.22	473	4.50%	\$25.00	\$8.74	\$204.96
May-16	08-282003	0	1.00000000	\$0.000000	0.000000	\$0.00	\$0.00	-\$595.66	\$595.66	473	4.50%	\$59.57	\$30.40	\$685.63
May-16	08-282003	0	1.00000000	\$0.000000	0.000000	\$0.00	\$0.00	\$299.78	-\$299.78	473	4.50%	\$0.00	\$0.00	-\$299.78
May-16	08-282003	1,725	1.00000000	\$1.940000	1.000000	\$3,346.50	\$418.31	\$0.00	\$418.31	473	4.50%	\$41.83	\$21.35	\$481.49
Jun-16	08-282003	1,219	1.00000000	\$3.500036	1.000000	\$4,266.54	\$533.32	\$0.00	\$533.32	442	4.50%	\$53.33	\$25.18	\$611.83
Jul-16	08-282003	268	1.00000000	\$1.568165	1.020000	\$428.67	\$53.58	\$0.00	\$53.58	411	4.50%	\$25.00	\$2.33	\$80.91
Aug-16	08-282003	82	1.00000000	\$1.605113	1.030000	\$135.57	\$16.95	\$0.00	\$16.95	381	4.50%	\$25.00	\$0.67	\$42.62
May-16	08-281881	531	1.00000000	\$1.940000	1.940000	\$1,998.47	\$249.81	\$0.00	\$249.81	473	4.50%	\$25.00	\$12.75	\$287.56
Jun-16	08-281881	2,607	1.00000000	\$3.498960	3.498960	\$31,916.77	\$3,989.60	\$0.00	\$3,989.60	442	4.50%	\$398.96	\$188.39	\$4,576.95
Aug-16	08-281881	97	1.00000000	\$3.501078	3.501078	\$1,188.98	\$148.62	\$0.00	\$148.62	381	4.50%	\$25.00	\$5.90	\$179.52
TOTALS		6,529				\$43,281.51	\$5,410.19	-\$467.10	\$5,877.29			\$678.69	\$295.71	\$6,851.69

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 2070 0000 7391 4856

COMMENTS: MAY 2016: BILLING FOR APPLYING A PAYMENT & CREDITS TO A MONTH WITH MISSING ROYALTY REPORT AND NO ROYALTY DUE, RESULTING IN THE AMOUNT DUE OF \$467.10.
 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 08-282003, 08-281881.
 COLUMN (5), (6) PRICE & BTU - TAKEN FROM HOUSTON SHIP CHANNEL MARKET PRICE AND 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 113637

(18)

County

Recon Billing

Date Filed: 10/3/17

George P. Bush, Commissioner

By AT



Permian Land
1500 Post Oak Blvd., Houston TX 77056-3030
P.O. Box 22719, Houston, TX 77027-9927
Ph: (713) 297-6557; Email: lynn.latiolais@bhpbilliton.com

October 30, 2017

Via FedEx (Trkg #7706 1934 1042)

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Attention: J. Daryl Morgan, CPL, Energy Resources Division

Re: First Amendment to Pooling Agreement, *M-113637*
BHP Billiton Petroleum Properties (N.A.), LP,
State Whiteacre 57-T3-44 Unit, GLO Unit No. 7871
Reeves County, Texas
(BHP Contract 111887)

Dear Mr. Morgan:

Enclosed you will find a Certified Copy of Recorded Original First Amendment to Pooling Agreement, BHP Billiton Petroleum Properties (N.A.) LP, State Whiteacre 57-T3-44 Unit, GLO Unit No. 7871, Reeves County, Texas, File Ref. 17-15882, Vol. 1476, Pg. 0224, for your records.

Should you need any additional information, please feel free to contact Broderick Browne, Landman, telephone 713-871-2233 or email broderick.browne@bhpbilliton.com.

Sincerely,

Lynn Latiolais, CPLTA
Land Technical Analyst

/ll
Enclosure

File No. M-113637

County

Ltr. From B146

Date Filed: 10/21/17

George P. Bush, Commissioner

By *[Signature]*

FIRST AMENDMENT TO POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
STATE WHITEACRE 57-T3-44 UNIT
GLO UNIT NO. 7871
REEVES COUNTY, TEXAS

STATE OF TEXAS §
 §
COUNTY OF REEVES §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP ("Lessee") has previously pooled and unitized certain oil and gas leases to form the STATE WHITEACRE 57-T3-44 UNIT (the "Unit") by Pooling Agreement with an effective date of March 29, 2016, recorded in File No. 16-09762, Volume 1299, Page 0129, of the Official Public Records of Reeves County, Texas (the "Pooling Agreement"); and

WHEREAS, Lessee desires to amend the Pooling Agreement to delete Exhibit "A", Exhibit "B", and Exhibit "C" and to substitute a new Exhibit "A", Exhibit "B", and Exhibit "C" therefor.

NOW, THEREFORE, Lessee does hereby amend the Pooling Agreement by substituting the Exhibit "A", Exhibit "B", and Exhibit "C" attached hereto for those attached to the Pooling Agreement recorded in File No. 16-09762, Volume 1299, Page 0129, of the Official Public Records of Reeves County, Texas.

This Amendment to Pooling Agreement shall be effective as of the effective date of the Pooling Agreement, and except as specifically supplemented herein, the Unit remains unchanged and in full force and effect according to its terms.

IN WITNESS WHEREOF, this Amendment to Pooling Agreement is executed by Lessee hereto as of the date shown on the acknowledgement below.

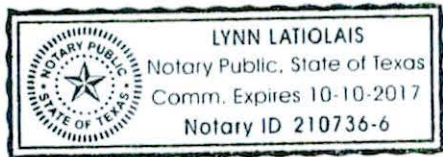
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
By: BHP Billiton Petroleum Properties (GP), LLC, Its general partner

By: Drew Dixon
Drew Dixon, Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 11 day of SEPT., 2017, by Drew Dixon, as Attorney-in-Fact of BHP Billiton Petroleum Properties (GP), LLC, a general partner of BHP Billiton Petroleum Properties (N.A.), LP, a Texas limited partnership, on behalf of said limited partnership.



Lynn Latiolais
Notary Public, State of Texas

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 10

EXHIBIT "A"
ATTACHED TO AND MADE A PART OF THAT CERTAIN
FIRST AMENDMENT TO POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
STATE WHITEACRE 57-T3-44 UNIT; GLO UNIT NO. 7871
REEVES COUNTY, TEXAS

Leases

BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1044421-001	MF113638	9/9/2011	LOUIS H JONES	PETROHAWK PROPERTIES LP	REEVES-TX	7683	906	502
1044423-001	MF113642A	9/9/2011	MATTHEW M WHITEACRE	PETROHAWK PROPERTIES LP	REEVES-TX	7687	906	532
1044423-002	MF113642D	9/9/2011	PRUITT FAMILY MINERAL TRUST NUMBER ONE	PETROHAWK PROPERTIES LP	REEVES-TX	7872	908	227
1044423-003	MF113642F	9/9/2011	MARY ANN POLLAN WILKIRSON	PETROHAWK PROPERTIES LP	REEVES-TX	7870	908	211
1044423-004	MF113642E	9/9/2011	BAPTIST FOUNDATION OF OKLAHOMA	PETROHAWK PROPERTIES LP	REEVES-TX	7686	906	524
1044423-005	MF113642L	9/9/2011	GARLAND ALLAN TYLER	PETROHAWK PROPERTIES LP	REEVES-TX	7685	906	516
1044423-006	MF113642M	9/9/2011	ROBERT J SAUL JR	PETROHAWK PROPERTIES LP	REEVES-TX	7873	908	235
1044423-007	MF113642G	9/9/2011	RONALD C POLLAN ET AL	PETROHAWK PROPERTIES LP	REEVES-TX	7871	908	219
1044423-008	MF113642P	9/9/2011	TYLER REVOCABLE TRUST	PETROHAWK PROPERTIES LP	REEVES-TX	7874	908	243
1044423-013	MF113642C	9/9/2011	CASSANDRA WALKER	PETROHAWK PROPERTIES LP	REEVES-TX	8140	910	179
1044424-001	MF113640B	9/9/2011	MORRIS WINKLER BY PASS TRUST	PETROHAWK PROPERTIES LP	REEVES-TX	7877	908	266
1044424-002	MF113637A	9/9/2011	FREDRIC A PAQUETTE ET UX	PETROHAWK PROPERTIES LP	REEVES-TX	7881	908	296
1044435-001	MF113888A	9/9/2011	CHARLES KNORR SR	PETROHAWK PROPERTIES LP	REEVES-TX	8262	910	599
1044435-002	MF113888B	9/9/2011	BILL CHANCELLOR III	PETROHAWK PROPERTIES LP	REEVES-TX	8263	910	606
1044424-003	MF113640A	10/11/2011	WINKLER FAMILY TRUST	PETROHAWK PROPERTIES LP	REEVES-TX	7876	908	258
1044423-010	MF113642Q	10/26/2011	CYNTHIA ANNE WARREN MEEKS	PETROHAWK PROPERTIES LP	REEVES-TX	11-08774	913	399
1044423-011	MF113887B	10/26/2011	MARY KATHERINE NELSON CLIFFORD	PETROHAWK PROPERTIES LP	REEVES-TX	11-08782	913	453
1044423-012	MF113887C	10/26/2011	FRANCES MARIAN HUNTER	PETROHAWK PROPERTIES LP	REEVES-TX	11-08783	913	461
1044423-019	MF113887A	10/26/2011	DEBORAH L WINDER	PETROHAWK PROPERTIES LP	REEVES-TX	12-00173	918	570
1044424-004	MF113637C	10/26/2011	PHILIP B FAYNE	PETROHAWK PROPERTIES LP	REEVES-TX	11-08781	913	446
1044424-005	MF113637B	10/26/2011	CHARLES W FAYNE	PETROHAWK PROPERTIES LP	REEVES-TX	12-00172	918	563

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Page 2 of 10

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BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1044423-015	MF113642U	11/11/2011	EMILY R FANCHER	PETROHAWK PROPERTIES LP	REEVES-TX	12-00232	918	812
1044423-016	MF113642V	11/11/2011	FRANCES R PINKSTON	PETROHAWK PROPERTIES LP	REEVES-TX	12-00233	919	001
1044423-021	MF113642W	11/11/2011	DAVID M STALLARD AND REBECCA R STALLARD	PETROHAWK PROPERTIES LP	REEVES-TX	12-00236	919	025
1044424-006	MF113637E	11/11/2011	WILLIAM H ZIETZ	PETROHAWK PROPERTIES LP	REEVES-TX	12-01050	924	241
1044424-007	MF113637D	11/11/2011	LEWIS DOUGLAS ZIETZ	PETROHAWK PROPERTIES LP	REEVES-TX	12-01051	924	248
1044423-017	MF113642K	11/17/2011	CATHEY JANE HORTON	PETROHAWK PROPERTIES LP	REEVES-TX	12-00234	919	009
1044423-018	MF113642I	11/17/2011	NANCY RUTH HORTON	PETROHAWK PROPERTIES LP	REEVES-TX	12-00169	918	546
1044423-009	MF113642N	12/1/2011	ERIEANNA WARREN	PETROHAWK PROPERTIES LP	REEVES-TX	12-00967	923	746
1044423-020	MF113642H	12/1/2011	DEANNA PAULETTE LAYFIELD	PETROHAWK PROPERTIES LP	REEVES-TX	12-00529	920	653
1044423-022	MF113642O	12/1/2011	PATRICIA ANN LEWIS	PETROHAWK PROPERTIES LP	REEVES-TX	12-01046	924	207
1044423-027	MF113642J	12/1/2011	DONNA FRANCETTE CARNAHAN	PETROHAWK PROPERTIES LP	REEVES-TX	12-00528	920	645
1044423-030	MF113642B	12/1/2011	BILLIE SEELBACK POTEET	PETROHAWK PROPERTIES LP	REEVES-TX	12-00235	919	17
1044423-023	MF113642S	1/10/2012	CHARLES HERBERT WARREN III	PETROHAWK PROPERTIES LP	REEVES-TX	12-01048	924	225
1044423-024	MF113642T	1/10/2012	MICHAEL MITCHELL WARREN	PETROHAWK PROPERTIES LP	REEVES-TX	12-01049	924	233
1044423-029	MF113642R	1/10/2012	JOHN LYNN WARREN	PETROHAWK PROPERTIES LP	REEVES-TX	12-01047	924	217
1044423-025	MF113642BB	3/15/2012	MIKE WALLIS	PETROHAWK PROPERTIES LP	REEVES-TX	12-03354	938	642
1044423-026	MF113642Y	3/15/2012	LYNDA DODD	PETROHAWK PROPERTIES LP	REEVES-TX	12-03355	938	650
1044423-028	MF113642Z	3/15/2012	DEBBIE CARTER	PETROHAWK PROPERTIES LP	REEVES-TX	12-03356	938	658
1044423-032	MF113642AA	3/15/2012	BONNIE WEDGE	PETROHAWK PROPERTIES LP	REEVES-TX	12-04034	942	751
1044423-033	MF113642X	3/15/2012	JIMMIE J MCADAMS	PETROHAWK PROPERTIES LP	REEVES-TX	12-04035	942	760
1044423-031	MF113642CC	5/30/2012	MARTHA ELLEN MEEKS ET AL	PETROHAWK PROPERTIES LP	REEVES-TX	12-04805	948	56
1100011-010	MF116740	7/1/2014	STATE OF TEXAS	FINLEY RESOURCES INC	REEVES-TX	14-08726	1106	308
1045773-001	MF116989B	7/17/2014	WADE P KOEHL	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	14-09497	1111	713
1045774-001	MF116989A	7/17/2014	MIDLAND AOG PARTNERS LTD	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	14-09496	1111	705

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BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1045772-001	MF117022A	7/25/2014	BLAKE OIL & GAS CORPORATION	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	14-09574	1112	572
1100007-001	MF117473B	3/18/2015	TRACEY L CHANCELLOR	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	15-03425	1159	91
1100007-002	MF117473A	3/18/2015	FLYNT CHANCELLOR	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	15-03424	1159	83
1100116-003	MF117986B	2/25/2016	BLAIRBAX ENERGY LLC	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03620	1253	512
1100116-001	MF117986A	2/25/2016	BAXSTO LLC	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03619	1253	501
1100116-002	MF117986C	2/25/2016	BUFFY ENERGY LLC	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03621	1253	523
1100117-001	MF117985	3/4/2016	M BRAD BENNETT	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-03622	1253	534
1100125-003	MF118009E	4/5/2016	TEXAS BIOMEDICAL RESEARCH INSTITUTE	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-05991	1271	112
1100125-001	MF118009B	4/10/2016	PRESBYTERIAN CHURCH USA	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-05990	1271	99
1100125-002	MF118009C	4/10/2016	THE BOARD OF PENSIONS OF THE PRESBYTERIAN CHURCH USA	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-05989	1271	86
1100125-004	MF118009A	4/14/2016	TEXAS PRESBYTERIAN FOUNDATION	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-05987	1271	60
1100125-005	MF118009D	4/14/2016	AUSTIN PRESBYTERIAN THEOLOGICAL SEMINARY	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-05988	1271	73
1100125-006	MF118009F	5/5/2016	ROBERT DRISCOLL AND JULIA DRISCOLL AND ROBERT DRISCOLL JR FOUNDATION	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-09713	1298	696
1100125-008	MF118009J	7/10/2016	THE SALVATION ARMY	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	17-01388	1365	788
1100125-009	MF118009G	7/26/2016	TEXAS A&M CORPUS CHRISTI-FOUNDATION	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-17065	1350	725
1100125-010	MF118009I	9/29/2016	COLLEGE OF THE OZARKS	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-17063	1350	633
1100125-007	MF118009H	10/24/2016	FIRST PRESBYTERIAN CHURCH OF CORPUS CHRISTI	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES-TX	16-17064	1350	712

VOL

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Page 4 of 10

BHP Lease Number	State Lease Number	Date	Lessor	Lessee	County-State	Inst. #	Vol.	Pg.
1100153-001	MF118009K	4/1/2017	GOODLAND INC DBA GOODLAND ACADEMY	BHP BILLITON PETROLEUM PROPERTIES NA LP	REEVES- TX	17-09434	1425	255

END OF EXHIBIT "A"

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True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 5 of 10

EXHIBIT "B"
ATTACHED TO AND MADE A PART OF THAT CERTAIN
FIRST AMENDMENT TO POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
STATE WHITEACRE 57-T3-44 UNIT; GLO UNIT NO. 7871
REEVES COUNTY, TEXAS

Description of Lands

642.84 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P. Railroad Company Survey, Reeves County, Texas as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described as follows:

Tract Number	Legal Description
1	5.03 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 1
2	5.03 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 1
3	5.03 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 2
4	5.03 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 2
5	5.02 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 3
6	5.02 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 3
7	5.02 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 4
8	5.02 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 4
9	5.03 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 1
10	5.03 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 1
11	5.03 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 2
12	5.02 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 2
13	5.02 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 3
14	5.02 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 3
15	5.02 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 4
16	5.02 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 4
17	5.03 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 1
18	5.03 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 1
19	5.03 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 2
20	5.02 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 2
21	5.02 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 3
22	5.02 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 3
23	5.02 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 4
24	5.02 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 4
25	5.03 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 1
26	5.03 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 1
27	5.03 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 2
28	5.02 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 2
29	5.02 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 3
30	5.02 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 3
31	5.02 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 4
32	5.02 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 4

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Reeves County Texas,
Dianne O. Florez, County Clerk
Page 6 of 10



Tract Number	Legal Description
33	5.03 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 8
34	5.03 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 8
35	5.03 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 7
36	5.02 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 7
37	5.02 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 6
38	5.02 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 6
39	5.02 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 5
40	5.02 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 5
41	5.03 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 8
42	5.03 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 8
43	5.02 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 7
44	5.02 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 7
45	5.02 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 6
46	5.02 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 6
47	5.02 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 5
48	5.02 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 5
49	5.03 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 8
50	5.03 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 8
51	5.02 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 7
52	5.02 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 7
53	5.02 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 6
54	5.02 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 6
55	5.02 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 5
56	5.02 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 5
57	5.03 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 8
58	5.03 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 8
59	5.02 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 7
60	5.02 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 7
61	5.02 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 6
62	5.02 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 6
63	5.02 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 5
64	5.02 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 5
65	20.10 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 9
66	20.09 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 10
67	5.02 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 11
68	5.02 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 11
69	5.02 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 12
70	5.02 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 12
71	5.02 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 11
72	5.02 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 11
73	5.02 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 12
74	5.02 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 12
75	20.10 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 9
76	20.09 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 10

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Tract Number	Legal Description
77	5.02 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 11
78	5.02 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 11
79	5.02 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 12
80	5.02 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 12
81	5.02 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 11
82	5.02 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 11
83	5.02 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 12
84	5.02 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 12
85	20.10 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 16
86	20.08 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 15
87	5.02 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 14
88	5.02 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 14
89	5.02 ACRES, MORE OR LESS, BEING LOT 1 OF BLK 13
90	5.02 ACRES, MORE OR LESS, BEING LOT 8 OF BLK 13
91	5.02 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 14
92	5.02 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 14
93	5.02 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 13
94	5.01 ACRES, MORE OR LESS, BEING LOT 7 OF BLK 13
95	20.09 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 16
96	20.08 ACRES, MORE OR LESS, BEING LOT 2 OF BLK 15
97	5.02 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 14
98	5.02 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 14
99	5.02 ACRES, MORE OR LESS, BEING LOT 3 OF BLK 13
100	5.01 ACRES, MORE OR LESS, BEING LOT 6 OF BLK 13
101	5.02 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 14
102	5.02 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 14
103	5.02 ACRES, MORE OR LESS, BEING LOT 4 OF BLK 13
104	5.01 ACRES, MORE OR LESS, BEING LOT 5 OF BLK 13

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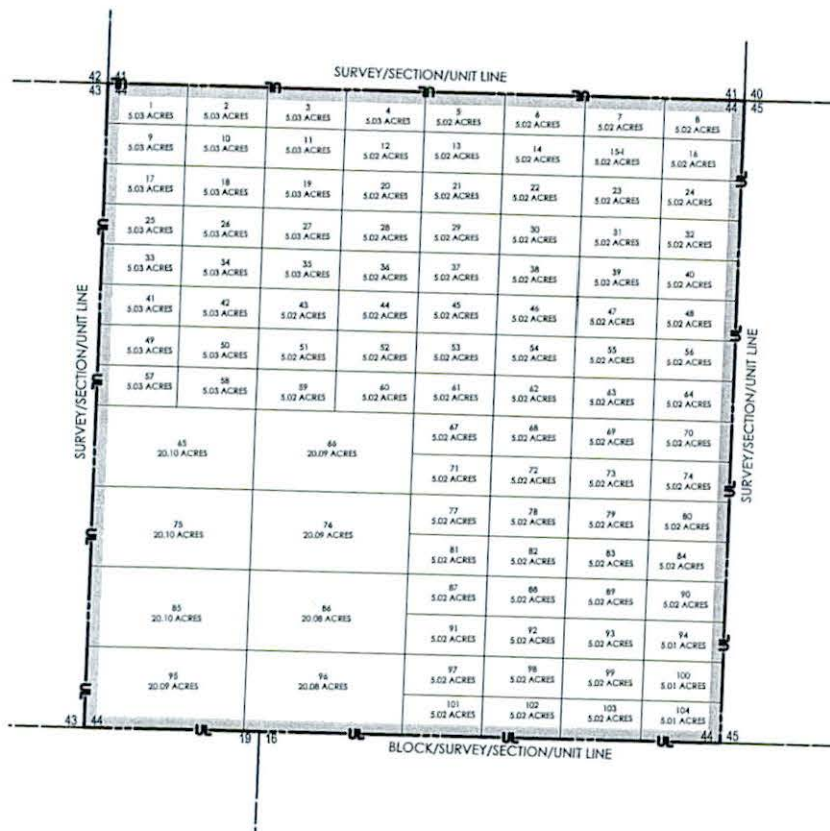
END OF EXHIBIT "B"

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Dianne O. Florez, County Clerk
Page 8 of 10

STATE WHITEACRE 57-T3-44 UNIT
642.84 ACRES

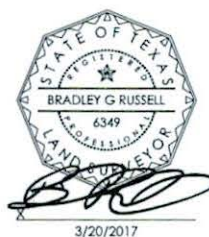
J.S. OWENS
A - 3036
SEC. 44 - BLOCK 57
TOWNSHIP 3

GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE



LEGEND
SL SECTION LINE (OR AS LABELED)
OWNERSHIP LINES
TRACT LINES

TRACTS: 1-104
MINERAL OWNER
STATE OF TEXAS
642.84 ACRES



CONTACT INFORMATION:
Brad G. Russell
Crafton Tull
(101)937153
1000 Ledgeland Dr.
Conway, AR 72034

SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4201)	STATE PLANE TEXAS CENTRAL (2208)	GEOGRAPHIC (4201)
NE CORNER 57-T3-44	CALCULATED CORNER	N = 10587722.29 E = 1163311.33	LAT: 31.56440194° N LONG: -103.97650011° W	N = 745146.27 E = 858849.52	LAT: 31.66447471° N LONG: -103.97602748° W
SE CORNER 57-T3-44	CALCULATED CORNER	N = 10587421.96 E = 1163135.71	LAT: 31.65002313° N LONG: -103.97650640° W	N = 739846.05 E = 858673.87	LAT: 31.64895568° N LONG: -103.97603399° W
SW CORNER 57-T3-44	CALCULATED CORNER	N = 10582549.75 E = 1157866.40	LAT: 31.64898879° N LONG: -103.99344460° W	N = 739973.86 E = 861404.65	LAT: 31.64977148° N LONG: -103.99297148° W
NW CORNER 57-T3-44	FOUND 5/8" REBAR W/ CAP	N = 10587862.06 E = 1158036.22	LAT: 31.66451002° N LONG: -103.99346076° W	N = 745286.07 E = 861574.49	LAT: 31.66438294° N LONG: -103.99298748° W

UNIT DESCRIPTION (STATE WHITEACRE 57-T3-44 UNIT): ALL OF SECTION 44, BLOCK 57, TOWNSHIP 3 SOUTH, ABSTRACT 3036 J.S. OWENS, ORIGINAL GRANTEE, REEVES COUNTY, TEXAS.



GENERAL NOTES

1. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.969796621" AT NW CORNER OF SECTION.
GRID CONVERGENCE: 41'53'06.652" AT NW CORNER OF SECTION.

2. THIS IS NOT A BOUNDARY SURVEY AS DEFINED BY STATE OR LOCAL LAWS. THE BOUNDARY AND DRILLING UNIT LINES SHOWN HEREON ARE ONLY APPROXIMATE BASED ON INFORMATION SUPPLIED TO THE SURVEYOR BY THE CLIENT, ALTHOUGH THEY ARE PLACED AS ACCURATELY AS POSSIBLE BASED ON AVAILABLE INFORMATION. NO FIELD SURVEY WAS CONDUCTED BY THE SURVEYOR TO VERIFY THE ACCURACY OF THE BOUNDARY LINES SHOWN.

REVISION		bhpbilliton BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP	
2	ADD OWNERSHIP 12/21/15	UNIT PLAT FOR: STATE WHITEACRE 57 - T3 - 44 UNIT LOCATED IN SECTION 44, BLOCK 57, TOWNSHIP 3 SOUTH, REEVES COUNTY, TEXAS	
3	REVISE OWNERS 12/21/15		
4	ADD LEGEND		
5	CHANGE HATCH 01/25/16		
6	REMOVE GROUPS 04/26/16	SCALE: 1" = 1000'	CHECKED BY: COBB
7	REVISED TITLE 07/13/16	PLOT DATE: 03/20/2017	DRAWN BY: GREEN
		APPROVED BY: NGUYEN	
		SHEET NO.: 1 OF 1	

G:\852-7 (WELL PADS)\8527SV0514.STATE_WHITEACRE_57-T3-44_1H\STATE WHITEACRE 57-T3-44 1H WPP_PLATS.DWG 3/20/2017 12:57:42 PM CT1215

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 9 of 10

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Inst No. 17-15882
DIANNE O. FLOREZ
COUNTY CLERK
2017 Sep 21 at 03:38 PM
REEVES COUNTY, TEXAS
By: MS Abaldana DEPUTY

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 10 of 10

File No. M-113637

1st Am. to Wh. Case # 7871 County _____

Date Filed: 10/31/17

George P. Bush, Commissioner

By _____

10.31.17

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1476 PAGE 204 THRU 233

I hereby certified on 26 Oct 2017
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Dianne O. Florez DEPUTY



BHP

PETROHAWK ENERGY CORPORATION
 CONTROLLED DISBURSEMENT
 P.O. BOX 22719
 HOUSTON, TX 77227-9927

AMEGY BANK N.A.
 P.O. BOX 27459
 HOUSTON, TEXAS 77227-7459

19702376 19634

10/22/2018

PAY TO THE
 ORDER OF

COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN MINERAL
 LEASING

\$5,000.00

Five Thousand and 00/100 DOLLARS

Void if not cashed within six months of issue
 Non Transferable
 Owner Relations 1-877-311-1443

MEMO 1044424-005/MF113637B/DEPTH XTN PAYMENT

Shirley R. Howell
 AUTHORIZED SIGNATURE

⑈00019634⑈

Petrohawk Energy Corporation

19634

Check No: 19634 Check Date: 10/22/2018

Payment Type: Lease Obligation Payment

Payment Amount: \$5,000.00

Period Covered: 10/26/2018

For the Credit Of:

BA#: 80104210

Amount: \$5,000.00

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN
 MINERAL LEASING

Address: 1700 N CONGRESS AVE AUSTIN TX 78701

Owner Relations:
 1-877-311-1443

Lease Number: 1044424-005-LSE

Original Lessor: CHARLES W FAYNE

Lease Effective Date: 10/26/2011

Recording Information: 12-00172

State: TX County: REEVES

Remarks: 1044424-005/MF113637B/DEPTH XTN PAYMENT

BHP

OWNER COPY

Petrohawk Energy Corporation

19634

Check No: 19634 Check Date: 10/22/2018

Payment Type: Lease Obligation Payment

Payment Amount: \$5,000.00

Period Covered: 10/26/2018

For the Credit Of:

BA#: 80104210

Amount: \$5,000.00

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN
 MINERAL LEASING

Address: 1700 N CONGRESS AVE AUSTIN TX 78701

Owner Relations:
 1-877-311-1443

Lease Number: 1044424-005-LSE

Original Lessor: CHARLES W FAYNE

Lease Effective Date: 10/26/2011

Recording Information: 12-00172

State: TX County: REEVES

Remarks: 1044424-005/MF113637B/DEPTH XTN PAYMENT

BHP

19702376

IMPORTANT PLEASE SIGN AND RETURN

Date Received: _____

Sign Here: _____

By: _____

Title

014201

BHP

PETROHAWK ENERGY CORPORATION
CONTROLLED DISBURSEMENT
P.O. BOX 22719
HOUSTON, TX 77227-9927

AMEGY BANK N.A.
P.O. BOX 27459
HOUSTON, TEXAS 77227-7459

19702380 19633

10/22/2018

PAY TO THE ORDER OF COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN MINERAL LEASING \$5,000.00

Five Thousand and 00/100 DOLLARS

Void if not cashed within six months of issue
Non Transferable
Owner Relations 1-877-311-1443

MEMO 1044424-004/MF113637C/DEPTH XTN PAYMENT

Greg R. Howell
AUTHORIZED SIGNATURE

⑈00019633⑈

Petrohawk Energy Corporation

19633

Check No: 19633 Check Date: 10/22/2018

Payment Type: Lease Obligation Payment

Payment Amount: \$5,000.00

Period Covered: 10/26/2018

For the Credit Of:

BA#: 80104210

Amount: \$5,000.00

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN MINERAL LEASING

Address: 1700 N CONGRESS AVE AUSTIN TX 78701

Owner Relations:
1-877-311-1443

Lease Number: 1044424-004-LSE

Original Lessor: PHILIP B FAYNE

Lease Effective Date: 10/26/2011

Recording Information: 11-08781

State: TX County: REEVES

Remarks: 1044424-004/MF113637C/DEPTH XTN PAYMENT

BHP

OWNER COPY

Petrohawk Energy Corporation

19633

Check No: 19633 Check Date: 10/22/2018

Payment Type: Lease Obligation Payment

Payment Amount: \$5,000.00

Period Covered: 10/26/2018

For the Credit Of:

BA#: 80104210

Amount: \$5,000.00

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN MINERAL LEASING

Address: 1700 N CONGRESS AVE AUSTIN TX 78701

Owner Relations:
1-877-311-1443

Lease Number: 1044424-004-LSE

Original Lessor: PHILIP B FAYNE

Lease Effective Date: 10/26/2011

Recording Information: 11-08781

State: TX County: REEVES

Remarks: 1044424-004/MF113637C/DEPTH XTN PAYMENT

BHP

19702380

IMPORTANT PLEASE SIGN AND RETURN

Date Received: _____

Sign Here: _____

By: _____

Title

07.42.07

BHP

PETROHAWK ENERGY CORPORATION
 CONTROLLED DISBURSEMENT
 P.O. BOX 22719
 HOUSTON, TX 77227-9927

19703035

20561

AMEGY BANK N.A.
 P.O. BOX 27459
 HOUSTON, TEXAS 77227-7459

11/07/2018

PAY TO THE
 ORDER OF

COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN MINERAL
 LEASING

\$5,000.00

Five Thousand and 00/100 DOLLARS

Void if not cashed within six months of issue
 Non Transferable
 Owner Relations 1-877-311-1443

MEMO 1044424-007/MF113637D/DEPTH XTN

Shay R. Howell
 AUTHORIZED SIGNATURE

⑈000 2056 1⑈

Security features. Details on back.

**Petrohawk Energy Corporation**

20561

Check No: 20561 Check Date: 11/07/2018

Payment Type: Lease Obligation Payment

Payment Amount: \$5,000.00

Period Covered: 11/11/2018

For the Credit Of:

BA#: 80104210

Amount: \$5,000.00

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN
 MINERAL LEASING

Address: 1700 N CONGRESS AVE AUSTIN TX 78701

Owner Relations:
 1-877-311-1443

Lease Number: 1044424-007-LSE

Original Lessor: LEWIS DOUGLAS ZIETZ

Lease Effective Date: 11/11/2011

Recording Information: 12-01051

State: TX County: REEVES

Remarks: 1044424-007/MF113637D/DEPTH XTN

BHP

OWNER COPY

20561

Petrohawk Energy Corporation

Check No: 20561 Check Date: 11/07/2018

Payment Type: Lease Obligation Payment

Payment Amount: \$5,000.00

Period Covered: 11/11/2018

For the Credit Of:

BA#: 80104210

Amount: \$5,000.00

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN
 MINERAL LEASING

Address: 1700 N CONGRESS AVE AUSTIN TX 78701

Owner Relations:
 1-877-311-1443

Lease Number: 1044424-007-LSE

Original Lessor: LEWIS DOUGLAS ZIETZ

Lease Effective Date: 11/11/2011

Recording Information: 12-01051

State: TX County: REEVES

Remarks: 1044424-007/MF113637D/DEPTH XTN

BHP

19703035

IMPORTANT PLEASE SIGN AND RETURN

Date Received: _____

Sign Here: _____

By: _____

Title

6259



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BHP

PETROHAWK ENERGY CORPORATION
CONTROLLED DISBURSEMENT
P.O. BOX 22719
HOUSTON, TX 77227-9927

AMEGY BANK N.A.
P.O. BOX 27459
HOUSTON, TEXAS 77227-7459

19703034 20563

11/07/2018

PAY TO THE
ORDER OF

COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN MINERAL
LEASING

\$5,000.00

Five Thousand and 00/100 DOLLARS

Void if not cashed within six months of issue
Non Transferable
Owner Relations 1-877-311-1443

MEMO 1044424-006/MF113637E/DEPTH XTN

Greg R. Howell
AUTHORIZED SIGNATURE

⑈00020563⑈

Petrohawk Energy Corporation

20563

Check No: 20563 Check Date: 11/07/2018

Payment Type: Lease Obligation Payment

Payment Amount: \$5,000.00

Period Covered: 11/11/2018

For the Credit Of:

BA#: 80104210

Amount: \$5,000.00

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN
MINERAL LEASING

Address: 1700 N CONGRESS AVE AUSTIN TX 78701

Owner Relations:
1-877-311-1443

Lease Number: 1044424-006-LSE

Original Lessor: WILLIAM H ZIETZ

Lease Effective Date: 11/11/2011

Recording Information: 12-01050

State: TX County: REEVES

Remarks: 1044424-006/MF113637E/DEPTH XTN

BHP

OWNER COPY

Petrohawk Energy Corporation

20563

Check No: 20563 Check Date: 11/07/2018

Payment Type: Lease Obligation Payment

Payment Amount: \$5,000.00

Period Covered: 11/11/2018

For the Credit Of:

BA#: 80104210

Amount: \$5,000.00

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN
MINERAL LEASING

Address: 1700 N CONGRESS AVE AUSTIN TX 78701

Owner Relations:
1-877-311-1443

Lease Number: 1044424-006-LSE

Original Lessor: WILLIAM H ZIETZ

Lease Effective Date: 11/11/2011

Recording Information: 12-01050

State: TX County: REEVES

Remarks: 1044424-006/MF113637E/DEPTH XTN

BHP 19703034**IMPORTANT PLEASE SIGN AND RETURN**

Date Received: _____

Sign Here: _____

By: _____

Title

6259

5448097701

FB5373 SLKDK01 05/17/2018 21:29 -205-

BHP

October 23, 2018

Commissioner of the Texas General Land Office
ATTN: Mineral Leasing
1700 N Congress Ave
Austin, TX 78701

BHP Billiton Petroleum
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
(877) 311-1443
[petroleumownerrelations
request@bhpbilliton.com](mailto:petroleumownerrelationsrequest@bhpbilliton.com)

RE: MF-113887B / Deep Rights Retention
MF-113637B / Deep Rights Retention
MF-113642Q / Deep Rights Retention
MF-113887C / Deep Rights Retention
MF-113887A / Deep Rights Retention
MF-113637C / Deep Rights Retention

MF113637B
MF113637C
MF113637D
MF113637E

Susan,

Attached are checks #19631, #19634, #19629, #19636, #19641 and #19633 for State Leases MF-113887B, MF-113637B, MF-113642Q, MF-113887C, MF-113887A, and MF-113637C. BHP is tendering these payments for the Deep Rights Retention. We will send the Deep Rights Retention forms via email.

If you have any questions, please do not hesitate to contact me.

Kindest regards,



BHP

Monique Crump
PPU Lease Analyst
Monique.Crump@bhpbilliton.com
T - 713.297.6814
1500 Post Oak Blvd
Houston, Texas 77056

File No. ME1131037
DRR Payments County
Leases B, C, D, & E
Date Filed: 1/3/19
George P. Bush, Commissioner
By SSD

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

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OFFICIAL USE

Postage	\$	MF 113642
Certified Fee		MF 113642
Return Receipt Fee (Endorsement Required)		Postmark Here
Restricted Delivery Fee (Endorsement Required)		MF 116740
		MF 117022
Total Postage & Fees	\$	MF 117985

ATTN: Holly Dutton

Sent To
BHP Billiton Petroleum Company
Street, Apt. No.,
or PO Box No. 1360 Post Oak Blvd Ste 150
City, State, ZIP+4
Houston, TX 77056-3030

7011 1150 0001 2420 1488

Certified Mail Provides:

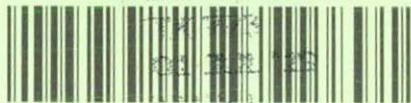
- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.

USPS TRACKING #



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

9590 9402 1749 6074 7754 69

United States
Postal Service

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



Texas General Land Office

George P. Bush, Commissioner

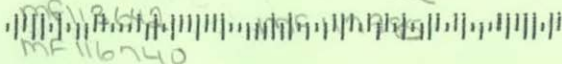
P.O. Box 12873

Austin, Texas 78711-2873

F113637
F113642
MF116740
F117022
F117985
Ve-dis
energy
7th FLR

MF113637

MF117022



MF116740

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

BHP Billiton Petroleum Company
1360 Post Oak Blvd Ste 150
Houston, Tx 77056-3030



9590 9402 1749 6074 7754 69

2. Article Number (Transfer from service label)

7011 1150 0001 2420 1488

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X R Lindstrom

☐ Agent☐ Addressee

B. Received by (Printed Name)

R Lindstrom

C. Date of Delivery

7/1/15

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

If YES, enter delivery address below:

☐ No

MF 113637

3. Service Type

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

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

ail

ail Restricted Delivery



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

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

Billing Date: 6/26/2019
Billing Due Date: 7/26/2019
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00542	MF113637	\$0.00	\$941.52	\$94.15	\$68.38	\$1,104.05
19I00543	MF113642	\$0.00	\$13,228.96	\$1,322.90	\$960.82	\$15,512.68
Total Due		\$0.00	\$14,170.48	\$1,417.05	\$1,029.20	\$16,616.73

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

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

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 6/26/2019

Billing Due Date: 7/26/2019

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
19I00542	MF113637	\$0.00	\$941.52	\$94.15	\$68.38	\$1,104.05
19I00543	MF113642	\$0.00	\$13,228.96	\$1,322.90	\$960.82	\$15,512.68
Total Due		\$0.00	\$14,170.48	\$1,417.05	\$1,029.20	\$16,616.73
Amt. Paid						

Customer ID: C000046383
 Invoice Number: 19J00542
 GLO Lease: MF113637
 GLO Review: BHP BILLITON PET(TXLA OP) CO
 Review Period: September 2017 through August 2018

Category: Oil
 Auditor/AE: SGarcia
 Billing Date: 6/26/2019
 P&I Calculation Date: 6/30/2019
 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
Nov-17	08-281881	157	1.00000000	\$ 47.975473	1.000000	\$7,532.15	\$941.52	\$0.00	\$941.52	541	5.50%	\$94.15	\$68.38	\$1,104.05
TOTALS		157				\$7,532.15	\$941.52	\$0.00	\$941.52			\$94.15	\$68.38	\$1,104.05

ATTN: Holly Dutton

CERTIFIED MAIL: 7011 1150 0001 2420 1488

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 08-281881

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

COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

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

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

22
File No. MF 113637

Reconciliation Billing County

Date Filed: 6/26/19

George P. Bush, Commissioner

By _____

VD



Texas General Land Office
George P. Bush, Commissioner
1700 North Congress Avenue
Austin, Texas 78701-1495

DEEP RIGHTS RETENTION PAYMENT FORM

Complete a separate form for each State Mineral File (MF). Multiple undivided interest leases, in the common mineral file, for which retention is being requested, may be listed together.

Mail or Deliver with Attention to: Energy Resources

STATE LEASE # MF 113637		County REEVES	Gross Acres 90.00	Net Acres 40.00	Tract Part (Ex. NW/4) 45 AC. TRACT IN 44 AND 45 AC TRACT IN 46
Section: 44, 46	Block: 57	Survey: T&P RR CO.		Township: T3	Abstract: 3036, 3035
Agent for State (Lessor) CHARLES W FAYNE, ET AL			Operator BPX OPERATING COMPANY		

FOR EACH WELL, PROVIDE THE FOLLOWING:

- "As-Drilled" Plat (horizontal wells must have lateral length set out on the plat)
- P-15 as submitted to RRC where required by RRC Field Rules

ALLIE HUIZENGA	9/10/2020
Contact	Date
LAND NEGOTIATOR	BPX ENERGY INC.
Title	Company
720-682-0308	1700 PLATTE STREET, SUITE 150
Telephone Number	Mailing Address
ALLIE.HUIZENGA@BPX.COM	DENVER, CO 80202
E-Mail Address	City, State, Zip

Deep Rights Retention Bonus Work-Up
Type of State Lease: (RAL, Fee, Free Royalty) RAL
Total Eligible Acres: 40.00
Total Amount Due: \$20,000.00
Check # 19634, 19633, 20561, 20563
<i>If there are undivided interests; there may be multiple checks</i>

For General Land Office Use Only: Received: _____ Payment Register No.: _____		
Amount: \$ _____	Lease Type: _____	Unit No.: _____



AGENT FOR STATE (LESSOR)				
(if multiple undivided interests are included; list below)				
Lease MF# & Undivided Interest Alpha #	Name of Agent for State of Texas	Original Bonus to State in \$	Bonus Amount Due One half (½) of Original (based on acres being retained)	Undivided Interest Net Acres
MF113637B	CHARLES W FAYNE	\$10,000.00	\$5,000.00	10.00
MF113637C	PHILIP B FAYNE	\$10,000.00	\$5,000.00	10.00
MF113637D	LEWIS DOUGLAS ZIETZ	\$10,000.00	\$5,000.00	10.00
MF113637E	WILLIAM H ZIETZ	\$10,000.00	\$5,000.00	10.00
Deep Rights Retention Bonus Due to State TOTAL:			\$20,000.00	
Undivided Interest Net Acres TOTAL:				40.00

Copy and Complete Additional Sheets as Necessary



WELL INFORMATION

Copy and Complete Additional Sheets as Necessary

<u>WELL NAME & NO.</u> STATE WHITEACRE 57-T3-44 1H		<u>API</u> 38935158	<u>DISTRICT</u> 08	<u>RRC ID</u> 281881	<u>SPUD DATE</u> 3/31/2016	<u>COMPLETION DATE</u> 5/23/2016
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>ALL SEC. 44</u> Section: <u>41</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>919</u>			OIL ☐ VERTICAL ☐ GAS ☐ HORIZONTAL ☐ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 160.710	<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 160.710	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 0	<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 9,825.54'			
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 4,718'	<u>LENGTH OF LATERAL ON STATE LAND</u> 4,718'	<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 0			
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 7309 MCF, 956 BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 3048 MCF, 0 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 1257 MCF, 302 BBL

<u>WELL NAME & NO.</u> STATE BLAKE 57-T3-46 1H		<u>API</u> 38935151	<u>DISTRICT</u> 08	<u>RRC ID</u> 282003	<u>SPUD DATE</u> 3/12/2016	<u>COMPLETION DATE</u> 3/30/2016
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>ALL</u> Section: <u>46</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>3035</u>			OIL ☐ VERTICAL ☐ GAS ☐ HORIZONTAL ☐ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 97.48	<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 97.48	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 0	<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 10,039.37'			
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 4,648'	<u>LENGTH OF LATERAL ON STATE LAND</u> 4,648'	<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 0			
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 12313 MCF, 434 BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 13356 MCF, 952 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 17363 MCF, 1413 BBL

<u>WELL NAME & NO.</u> STATE BLAKE 57-T3-46 W104H		<u>API</u> 38937369	<u>DISTRICT</u> 08	<u>RRC ID</u> 288268	<u>SPUD DATE</u> 12/23/2018	<u>COMPLETION DATE</u> 4/22/2019
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>ALL</u> Section: <u>46</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>3035</u>			OIL ☐ VERTICAL ☐ GAS ☐ HORIZONTAL ☐ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 97.48		<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 97.48	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 0		<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 10,064.22'	
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 4,388'	<u>LENGTH OF LATERAL ON STATE LAND</u> 4,388'		<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 0		
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 0 MCF, 0 BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 0 MCF, 0 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 0 MCF, 0 BBL

<u>WELL NAME & NO.</u> STATE BLAKE 57-T3-46 W102H		<u>API</u> 38937367	<u>DISTRICT</u> 08	<u>RRC ID</u> 288526	<u>SPUD DATE</u> 12/14/2018	<u>COMPLETION DATE</u> 4/22/2019
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>ALL</u> Section: <u>46</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>3035</u>			OIL ☐ VERTICAL ☐ GAS ☒ HORIZONTAL ☒ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 97.48		<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 97.48	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 0		<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 10,036.39'	
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 4,399'	<u>LENGTH OF LATERAL ON STATE LAND</u> 4,399'		<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 0		
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 0 MCF, 0 BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 0 MCF, 0 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 0 MCF, 0 BBL

<u>WELL NAME & NO.</u> STATE BLAKE 57-T3-46 W103H		<u>API</u> 38937368	<u>DISTRICT</u> 08	<u>RRC ID</u> 288599	<u>SPUD DATE</u> 12/19/2018	<u>COMPLETION DATE</u> 4/22/2019
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>ALL</u> Section: <u>46</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>3035</u>			OIL ☐ VERTICAL ☐ GAS ☒ HORIZONTAL ☒ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 97.48		<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 97.48	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 0		<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 10,055.71'	
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 4,388'	<u>LENGTH OF LATERAL ON STATE LAND</u> 4,388'		<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 0		
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 0 MCF, 0 BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 0 MCF, 0 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 0 MCF, 0 BBL

<u>WELL NAME & NO.</u> STATE WHITEACRE 57-T3-44 W109H		<u>API</u> 38938274	<u>DISTRICT</u> 08	<u>RRC ID</u> 289014	<u>SPUDDATE</u> 06/28/2019	<u>COMPLETION DATE</u> 10/30/2019
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>ALL</u> Section: <u>44</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>3035</u>			OIL ☐ VERTICAL ☐ GAS ☒ HORIZONTAL ☒ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 160.710		<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 160.710	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 0		<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 9,762.62'	
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 4,123'	<u>LENGTH OF LATERAL ON STATE LAND</u> 4,123'		<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 0		
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 677 MCF, 0BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 0 MCF, 63 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 2428 MCF, 1154BBL

WELL INFORMATION

Copy and Complete Additional Sheets as Necessary

<u>WELL NAME & NO.</u> STATE WHITEACRE 57-T3-44 W107H		<u>API</u> 38938273	<u>DISTRICT</u> 08	<u>RRC ID</u> 289015	<u>SPUD DATE</u> 07/03/2019	<u>COMPLETION DATE</u> 10/30/2019
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>ALL SEC. 44</u> Section: <u>44</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>3036</u>			OIL ☐ VERTICAL ☐ GAS ☒ HORIZONTAL ☒ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 160.710	<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 160.710	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 0	<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 9,909.54'			
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 3,944'	<u>LENGTH OF LATERAL ON STATE LAND</u> 3,044'	<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 0			
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 818 MCF, 0 BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 12707 MCF, 106 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 27157 MCF, 477 BBL

<u>WELL NAME & NO.</u> STATE WHITEACRE 57-T3-44 108H		<u>API</u> 38938275	<u>DISTRICT</u> 08	<u>RRC ID</u> 289016	<u>SPUD DATE</u> 07/05/2019	<u>COMPLETION DATE</u> 10/30/2019
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>ALL</u> Section: <u>44</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>3036</u>			OIL ☐ VERTICAL ☐ GAS ☒ HORIZONTAL ☒ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 160.710	<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 160.710	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 0	<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 9,924.56'			
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 4,123'	<u>LENGTH OF LATERAL ON STATE LAND</u> 4,123'	<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 0			
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 6230 MCF, 0 BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 17645 MCF, 1676 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 32469 MCF, 2328 BBL

RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 1

Rev. 01/2016

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: BHP BILLITON PET (TXLA OP) CO	Operator P-5 No.: 068596
Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX77056	

SECTION II. WELL INFORMATION

District No.: 08	County: REEVES	Purpose of Filing: ☐ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.: 1H	API No.: 389-35151	
Total Lease Acres: 638.91	Drilling Permit No.: 813480	
Lease Name: State Blake 57-T3-46	Lease No.:	
Field Name: PHANTOM (WOLFCAMP)	Field No.: 71052900	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	1	638.91	< A. Total Assigned Horiz. Acreage	638.91	< C. Total Assigned Acreage
		0	< Total Remaining Horiz. Acreage	0	< Total Remaining Acreage
		0	< B. Total Assigned Vert./Dir. Acreage		
		0	< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

Attach Additional Pages As Needed. ☒ No additional pages ☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Digitally signed by Clinton, Veronic
DN: cn=Clinton, Veronic, o=BNP BNP Group Operations Pty Ltd, ou=BNP
ALL OKED
Reason: I am the author of the document
Date: 2004.07.27 17:00:35, +0900

Clanton, Veronica

Veronica Clanton Reg. Specialist

veronica.clanton@bhpbilliton.com

Signature

Name and title (type or print)

Email (include email address *only* if you affirmatively consent to its public release)

1360 Post Oak Dr.

Houston Texas 77056

713

296.4759

01/20/2017

Address

City,	State,	Zip Code
-------	--------	----------

Tel: Area Code

Number

Date: mo. day yr.

SECTION VII. REMARKS



Crafton Tull
surveying

501.328.3316 | 501.328.3325 |
www.craftontull.com

1000 LedgeLawn Dr.
Conway, Arkansas 72034



Shannon D. Ozment
1/31/2017

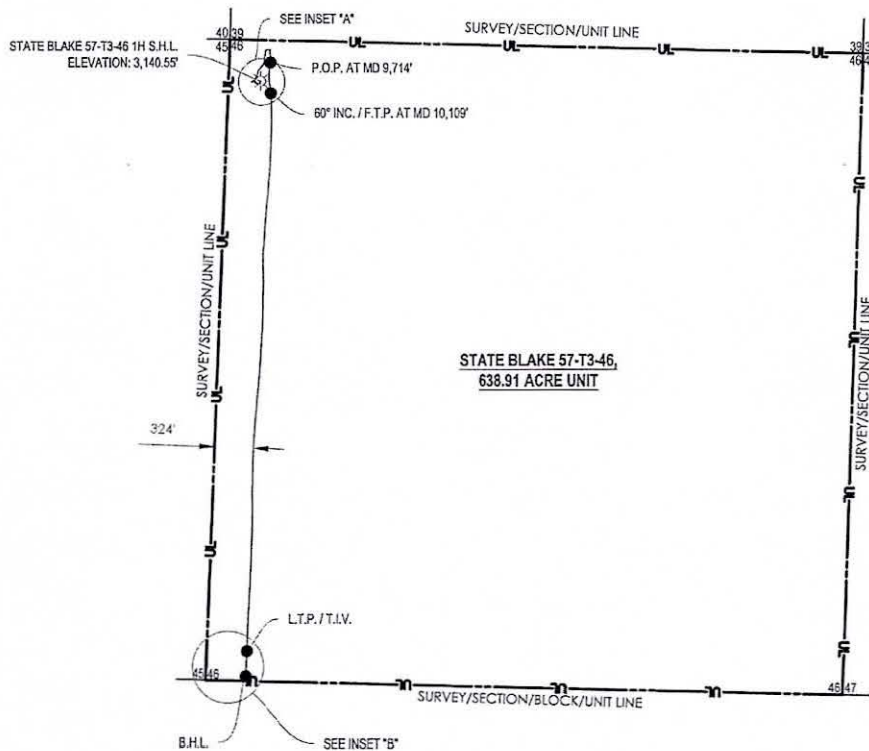
CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 LedgeLawn Dr.
Conway, AR 72034

REEVES COUNTY, TEXAS

NOTE: S.H.L. APPROXIMATE LOCATION IS S 16°56'25" W,
11.48 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T.&P. R.R. CO. SURVEY A - 3035.

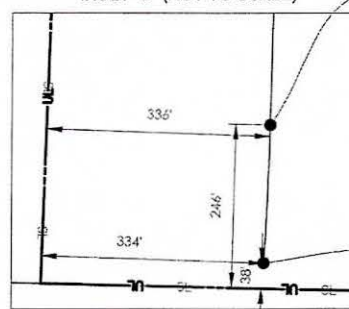
GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERGENCE = -1.8570445' @ SHL



INSET "A" (NOT TO SCALE)

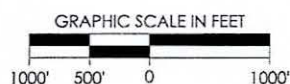


INSET "B" (NOT TO SCALE)



WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.66376958° N	-103.95867504° W	10587238.863	1168844.310	31.66364258° N	-103.95820311° W	31° 39' 49.113" N	-103° 57' 29.531" W
P.O.P.	31.66419799° N	-103.95842980° W	10587391.787	1168925.642	31.66407058° N	-103.95795788° W	31° 39' 50.654" N	-103° 57' 28.848" W
F.T.P.	31.66357216° N	-103.95840666° W	10587164.020	1168925.420	31.66344475° N	-103.95793475° W	31° 39' 48.401" N	-103° 57' 28.565" W
L.T.P.	31.65082812° N	-103.95848867° W	10582531.513	1168748.873	31.65070052° N	-103.95801689° W	31° 39' 02.522" N	-103° 57' 28.861" W
B.H.L.	31.65025782° N	-103.95849559° W	10582324.240	1168739.960	31.65013022° N	-103.95802382° W	31° 39' 00.469" N	-103° 57' 28.886" W



LEGEND

- UNIT LINE
- AS-DRILLED WELL PATH
- SURVEY LINE
- S.H.L.
- P.O.P.
- F.T.P.
- T.P.
- L.T.P.
- B.H.L.
- LL
- SURFACE HOLE LOCATION
- POINT OF PENETRATION
- FIRST TAKE POINT
- TURNING POINT
- LAST TAKE POINT
- BOTTOM HOLE LOCATION
- LEASE LINE

GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS ARE BEGUN. THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION. CAF = 0.99979820 @ SHL.

REVISION	
1	AS-DRILLED PLAT 4/4/18
2	FINAL PLAT 12/1/17

bhpbilliton BHP BILLITON PET (TXLA OP) CO

STATE BLAKE 57-73-46 1H (MWN 833824)
S.H.L. & B.H.L. IN T.&P. R.R. CO. SURVEY A - 3035
REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 1000' CHECKED BY: NGUYEN APPROVED BY: SO
PLOT DATE: 01/31/2017 DRAWN BY: JWB SHEET NO.: 1 OF 1

Form P-16

Page 1
Rev. 02/2019

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION I. OPERATOR INFORMATION			
Operator Name:	BPX OPERATING COMPANY	Operator P-5 No.:	085408
Operator Address:	1700 PLATTE STREET, DENVER, CO 80202		

SECTION II. WELL INFORMATION			
District No.:	08	API No.:	42-389-37367
Well No.:	W102H	Drilling Permit No.:	842314
Lease Name:	STATE BLAKE 57-T3-46	RRC ID or Lease No.:	
Total Lease Acres:	638.91	Field Name:	PHANTOM (WOLFCAMP)
Proration Acres:	97.48	Field No.:	71052900
Wellbore Profile	Horizontal Well	Is this a UFT field?	Yes
SL Record (Parent) Well Drilling Permit No.:		County:	REEVES

Purpose of Filing:

☐ Drilling Permit Application
(Form W-1)
 ☒ Completion Report
(Form G-1/W-2)

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER									
RRC ID No. or Lease No.	Well No.	Profile	Lease Name	API No.	Acre Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing operator)		
282003	1H	Horiz.	STATE BLAKE 57-T3-46	389-35151	97.48	N			
	W102H	Horiz.	STATE BLAKE 57-T3-46	389-37367	97.48	N			
	W103H	Horiz.	STATE BLAKE 57-T3-46	389-37368	97.48	N			
	W104H	Horiz.	STATE BLAKE 57-T3-46	379-37369	97.48	N			
A. Total Assigned Horiz. Acreage =		389.91	C. Total Assigned Acreage =		389.91				
Total Remaining Horiz. Acreage =		249.00	Total Remaining Acreage =		887.91				
B. Total Assigned Vert./Dir. Acreage =		0.00							
Total Remaining Vert./Dir. Acreage =		638.91							

SECTION IV. REMARKS - REQUIRED FOR PSA AND CO-DEVELOPMENT (refer to instructions)	
The W102H, W03H & W104H were successfully completed and acreage is being allocated evenly across the producing wells in the unit.	

Attach Additional Pages As Needed.	☒ No additional pages	Additional Pages:	(No. of additional pages)
------------------------------------	---	-------------------	---------------------------

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

shauna.demattee@bpx.co
m

Shauna DeMattee, Regulatory Advisor
Name and title (type or print)

shauna.demattee@bpx.com

Email

(include email address *only* if you affirmatively consent to its public release)

1700 Platte Street	Denver	CO	80202	720-299-4495			10/17/19		
Address	City,	State,	Zip Code	Tel:	Area Code	Number	Date:	mo.	day yr.



1000 Ledgelawn Dr.
Conway, Arkansas 72034

501.328.3316 | 501.328.3325
www.craftontull.com

REEVES COUNTY, TEXAS

S.H.L. ELEVATION

WELL NAME	ELEVATION
STATE BLAKE 57-T3-46 W102H	3,140.71'

NOTE: S.H.L. APPROXIMATE LOCATION IS S 16°56'25" W,
11.5 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T.&P. R.R. CO. SURVEY A - 3035.

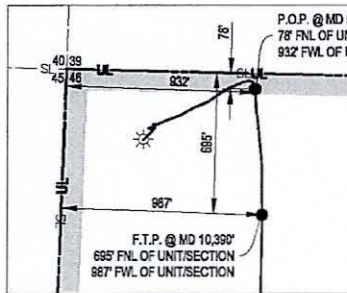
LEGEND

UL	UNIT LINE
AS-DRILLED PATH	AS-DRILLED PATH
NEAREST EXISTING WELL PATH	NEAREST EXISTING WELL PATH
SL	SURVEY / SECTION LINE
S.H.L.	SURFACE HOLE LOCATION
P.O.P.	POINT OF PENETRATION
F.T.P.	FIRST TAKE POINT
T.P.	TURNING POINT
L.T.P.	LAST TAKE POINT
B.H.L.	BOTTOM HOLE LOCATION

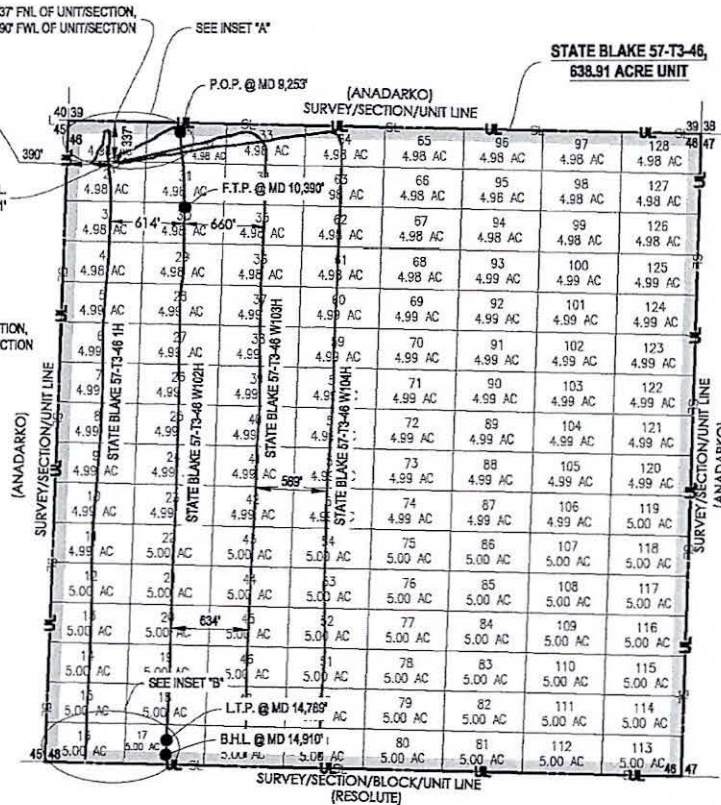
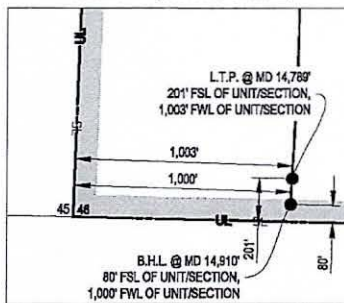
Tracts: 1-128
MINERAL OWNER
State of Texas
638.91 Acres

STATE BLAKE 57-T3-46 W102H S.H.L.
ELEVATION: 3,140.71'

INSET "A" (NOT TO SCALE)

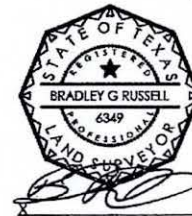


INSET "B" (NOT TO SCALE)



GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERGENCE = -001°32'01.44" @ S.H.L.

CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (501) 328-3315
1000 Ledgelawn Dr.
Conway, AR 72034



UNIT CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (1987)	STATE PLANE TEXAS CENTRAL (2226)	GEOGRAPHIC (1987)
NE CORNER 57-T3-46	CALCULATED CORNER	N = 10553459.26 E = 1173851.05	LAT: 31.66482172 LONG: -103.94268165	N = 744863.18 E = 877362.06	LAT: 31.66482172 LONG: -103.94221034
SE CORNER 57-T3-46	CALCULATED CORNER	N = 10582166.42 E = 1173674.33	LAT: 31.65226520 LONG: -103.94239304	N = 739590.43 E = 877212.32	LAT: 31.65226520 LONG: -103.94215883
SW CORNER 57-T3-46	CALCULATED CORNER	N = 10592294.20 E = 1158405.02	LAT: 31.65214537 LONG: -103.95596627	N = 739718.24 E = 871943.09	LAT: 31.65214537 LONG: -103.95596646
NW CORNER 57-T3-46	FOUND 5" REBAR	N = 10587582.52 E = 1158385.45	LAT: 31.66489165 LONG: -103.95593943	N = 743006.46 E = 872214.55	LAT: 31.66489165 LONG: -103.95596745

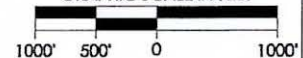
WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.66377521° N	103.95828224° W	10587236.55	1168964.34	31.66354780° N	103.95781733° W	744660.50	872502.43
P.O.P.	31.66450182° N	103.95654331° W	10587483.13	1169515.88	31.66437440° N	103.95607148° W	744807.08	873053.95
F.T.P.	31.66280667° N	103.95636929° W	10586965.06	1169549.90	31.66267923° N	103.95589747° W	744288.02	873087.98
L.T.P.	31.66072037° N	103.95834483° W	10582470.61	1169414.34	31.66059275° N	103.95587314° W	739894.84	872952.40
B.H.L.	31.66038820° N	103.95635269° W	10582349.92	1169407.96	31.66028057° N	103.95588100° W	739773.96	872946.02

WELL PATH DATA

REF.	SECTION LINE CALLS (s)	UNIT LINE CALLS (s)
S.H.L.	337' FNL, 390' FNL	337' FNL, 390' FNL
P.O.P.	78' FNL, 932' FNL	78' FNL, 932' FNL
F.T.P.	695' FNL, 987' FNL	695' FNL, 987' FNL
L.T.P.	201' FNL, 1,003' FNL	201' FNL, 1,003' FNL
B.H.L.	80' FNL, 1,000' FNL	80' FNL, 1,000' FNL

GRAPHIC SCALE IN FEET



GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREON. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- ALL HORIZONTAL COORDINATES WERE DERIVED USING THE NAD83 COORDINATE MODEL.
- PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION. DAF = 0.89978194 @ S.H.L.

REVISION

1	PRELIMINARY PLAT 2/14/19
2	FINAL PLAT 5/14/19
3	CHANGED F.T.P. L.T.P. 8/25/19
4	ADDED TRACTS 10/17/19

BPX OPERATING COMPANY

STATE BLAKE 57-T3-46 W102H
S.H.L. & B.H.L. IN THE T.&P. R.R. CO. SURVEY A - 3035
REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 1000'	CHECKED BY: JWB	APPROVED BY: MF
PLOT DATE: 10/17/2019	DRAWN BY: CDM	SHEET NO.: 1 OF 1



RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 1
Rev. 02/2019

Acreage Designation

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION I. OPERATOR INFORMATION			
Operator Name:	BPX OPERATING COMPANY	Operator P-5 No.:	085408
Operator Address:	1700 PLATTE STREET, DENVER, CO 80202		

SECTION II. WELL INFORMATION				
District No.:	08	API No.:	42-389-37368	Purpose of Filing: ☐ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.:	W103H	Drilling Permit No.:	842316	
Lease Name:	STATE BLAKE 57-T3-46	RRC ID or Lease No.:		
Total Lease Acres:	638.91	Field Name:	PHANTOM (WOLFCAMP)	
Proration Acres:	97.48	Field No.:	71052900	
Wellbore Profile	Horizontal Well	Is this a UFT field?	Yes	
SL Record (Parent) Well Drilling Permit No.:		County:	REEVES	

[illegible]

SECTION IV. REMARKS - REQUIRED FOR PSA AND CO-DEVELOPMENT (refer to instructions)	
The W102H, W03H & W104H were successfully completed and acreage is being allocated evenly across the producing wells in the unit.	

Attach Additional Pages As Needed.	☒ No additional pages	Additional Pages:	(No. of additional pages)
------------------------------------	---	-------------------	---------------------------

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

shauna.demattee@bpx.co

Shauna DeMattee, Regulatory Advisor
Name and title (type or print)

shauna.demattee@bpx.com

Email

(include email address only if you affirmatively consent to its public release)

1700 Platte Street	Denver	CO	80202
Address	City,	State,	Zip Code

Tel: **Area Code** **Number**

Date: 10/17/19
mo. day yr.



1000 Ledgeview Dr.
Conway, Arkansas 72034

501.328.3316 • 501.328.3325
www.craftontull.com

REEVES COUNTY, TEXAS

NOTE: S.H.L. APPROXIMATE LOCATION IS S 16°56'25" W,
11.5 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T.&P. R.R. CO. SURVEY A - 3035.

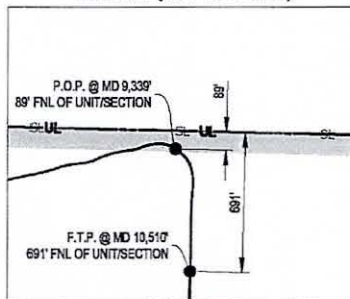
S.H.L. ELEVATION	
WELL NAME	ELEVATION
STATE BLAKE 57-T3-46 W103H	3,140.64'

LEGEND	
UL	UNIT LINE
AS-DRILLED PATH	AS-DRILLED PATH
NEAREST EXISTING WELL PATH	NEAREST EXISTING WELL PATH
S.L.	SURVEY/SECTION LINE
S.H.L.	SURFACE HOLE LOCATION
P.O.P.	POINT OF PENETRATION
F.T.P.	FIRST TAKE POINT
T.P.	TURNING POINT
L.T.P.	LAST TAKE POINT
B.H.L.	BOTTOM HOLE LOCATION

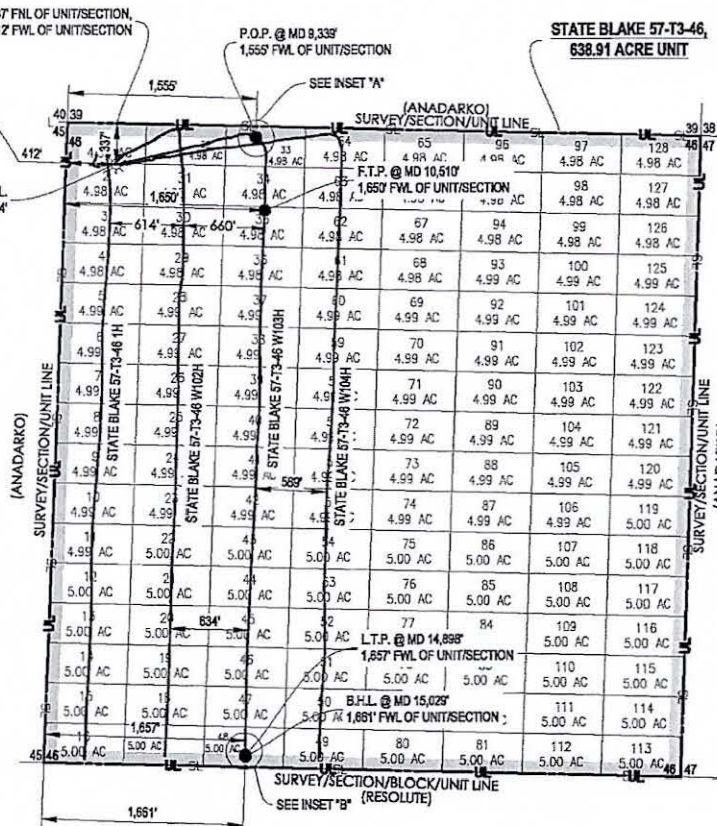
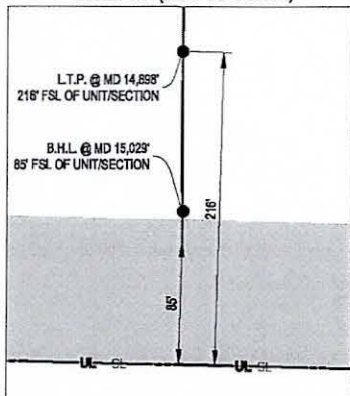
Tracts: 1-128
MINERAL OWNER
State of Texas
638.91 Acres

STATE BLAKE 57-T3-46 W103H S.H.L.
ELEVATION: 3,140.64'

INSET "A" (NOT TO SCALE)



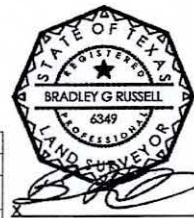
INSET "B" (NOT TO SCALE)



GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERSION = -401'32'03.76" @ S.H.L.

UNIT CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL ZONE	GEOGRAPHIC (1986)	STATE PLANE TEXAS CENTRAL ZONE	GEOGRAPHIC (1927)
NE CORNER 57-T3-46	CALCULATED CORNER	N = 10587459.25 E = 1173830.05	LAT: 31.6642172 LONG: -103.9426515	N = 74483.18 E = 877558.06	LAT: 31.6642172 LONG: -103.9426515
SE CORNER 57-T3-46	CALCULATED CORNER	N = 10582166.42 E = 1173574.33	LAT: 31.65026520 LONG: -103.94363004	N = 73590.43 E = 877332.32	LAT: 31.6502652 LONG: -103.9436300
SW CORNER 57-T3-46	CALCULATED CORNER	N = 10582294.20 E = 1168405.02	LAT: 31.65014527 LONG: -103.95956827	N = 735718.24 E = 871943.09	LAT: 31.65001767 LONG: -103.95956646
NW CORNER 57-T3-46	FOUND 5" REBAR	N = 10587582.52 E = 1168385.45	LAT: 31.66489165 LONG: -103.95953943	N = 745006.46 E = 872234.55	LAT: 31.6648916 LONG: -103.95956746



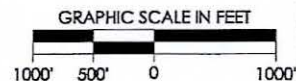
CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10153715)
1000 Ledgeview Dr.
Conway, AR 72034

WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.66377593° N	103.95821711° W	10587236.18	1168989.78	31.66364852° N	103.95774520° W	744660.13	872524.87
P.O.P.	31.66446655° N	103.95454043° W	10587457.30	1170138.50	31.66435912° N	103.95408865° W	744881.23	873676.57
F.T.P.	31.66283345° N	103.95423897° W	10586853.22	1170212.67	31.66270699° N	103.95378722° W	744277.17	873750.74
L.T.P.	31.65077587° N	103.95424258° W	10582469.49	1170086.81	31.65064823° N	103.95377093° W	739893.52	873606.88
B.H.L.	31.65041596° N	103.95422876° W	10582338.50	1170088.84	31.65028832° N	103.9537515° W	739762.53	873606.89

WELL PATH DATA

REF.	SECTION LINE CALLS (s)	UNIT LINE CALLS (s)
S.H.L.	337' FNL, 412' FNL	337' FNL, 412' FNL
P.O.P.	88' FNL, 1,555' FNL	88' FNL, 1,555' FNL
F.T.P.	691' FNL, 1,650' FNL	691' FNL, 1,650' FNL
L.T.P.	216' FSL, 1,657' FNL	216' FSL, 1,657' FNL
B.H.L.	85' FSL, 1,661' FNL	85' FSL, 1,661' FNL



GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREON. ADDITIONAL BURIED UTILITIES STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- NAD 2011 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.
- PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION. DATUM = 1983/01/01 @ S.H.L.

REVISION	
1	PRELIMINARY PLAT 2/14/19
2	FINAL PLAT 5/14/19
3	CHANGED F.T.P. & L.T.P. 9/25/19
4	ADDED TRACTS 10/17/19

BPX OPERATING COMPANY

STATE BLAKE 57-T3-46 W103H
S.H.L. & B.H.L. IN THE T.&P. R.R. CO. SURVEY A - 3035
REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 100'
PLOT DATE: 10/17/2019
CHECKED BY: JWB
DRAWN BY: CDM
APPROVED BY: MF
SHEET NO.: 1 OF 1



RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 1
Rev. 02/2019

Acreage Designation

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION I: OPERATOR INFORMATION			
Operator Name:	BPX OPERATING COMPANY	Operator P-5 No.:	085408
Operator Address:	1700 PLATTE STREET, DENVER, CO 80202		

SECTION II. WELL INFORMATION				
District No.:	08	API No.:	42-389-37369	Purpose of Filing: ☐ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.:	W104H	Drilling Permit No.:	842320	
Lease Name:	STATE BLAKE 57-T3-46	RRC ID or Lease No.:		
Total Lease Acres:	638.91	Field Name:	PHANTOM (WOLFCAMP)	
Proration Acres:	97.48	Field No.:	71052900	
Wellbore Profile	Horizontal Well	Is this a UFT field?	Yes	
SL Record (Parent) Well Drilling Permit No.:		County:	REEVES	

RRC ID No. or Lease No.	Well No.	Profile	Lease Name	API No.	Acres Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing operator)
282003	1H	Horiz.	STATE BLAKE 57-T3-46	389-35151	97.48	N	
	W102H	Horiz.	STATE BLAKE 57-T3-46	389-37367	97.48	N	
	W103H	Horiz.	STATE BLAKE 57-T3-46	389-37368	97.48	N	
	W104H	Horiz.	STATE BLAKE 57-T3-46	379-37369	97.48	N	
A. Total Assigned Horiz. Acreage =		389.91	C. Total Assigned Acreage =		389.91		
Total Remaining Horiz. Acreage =		249.00	Total Remaining Acreage =		887.91		
B. Total Assigned Vert./Dir. Acreage =		0.00					
Total Remaining Vert./Dir. Acreage =		638.91					

SECTION IV. REMARKS - REQUIRED FOR PSA AND CO-DEVELOPMENT (refer to instructions)	
The W102H, W03H & W104H were successfully completed and acreage is being allocated evenly across the producing wells in the unit.	

Attach Additional Pages As Needed.	☒ No additional pages	Additional Pages:	(No. of additional pages)
------------------------------------	---	-------------------	---------------------------

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

shauna.demattee@bpx.co

Shauna DeMattee, Regulatory Advisor
Name and title (type or print)

shauna.demattee@bpx.com

Email

(include email address only if you affirmatively consent to its public release)

1700 Platte Street	Denver	CO	80202
Address	City,	State,	Zip Code

Tel: 720-299-4495

Date: 10/17/19
mo. day yr.

S.H.L. ELEVATION	
WELL NAME	ELEVATION
STATE BLAKE 57-13-46 W104H	3,140.50'

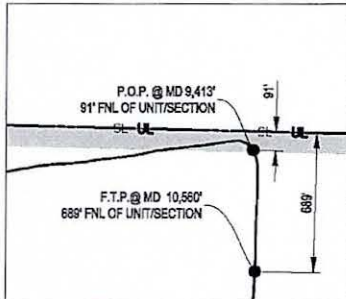
NOTE: S.H.L. APPROXIMATE LOCATION IS S 16°56'25" W,
11.5 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T.&P. R.R. CO. SURVEY A - 3035.

LEGEND

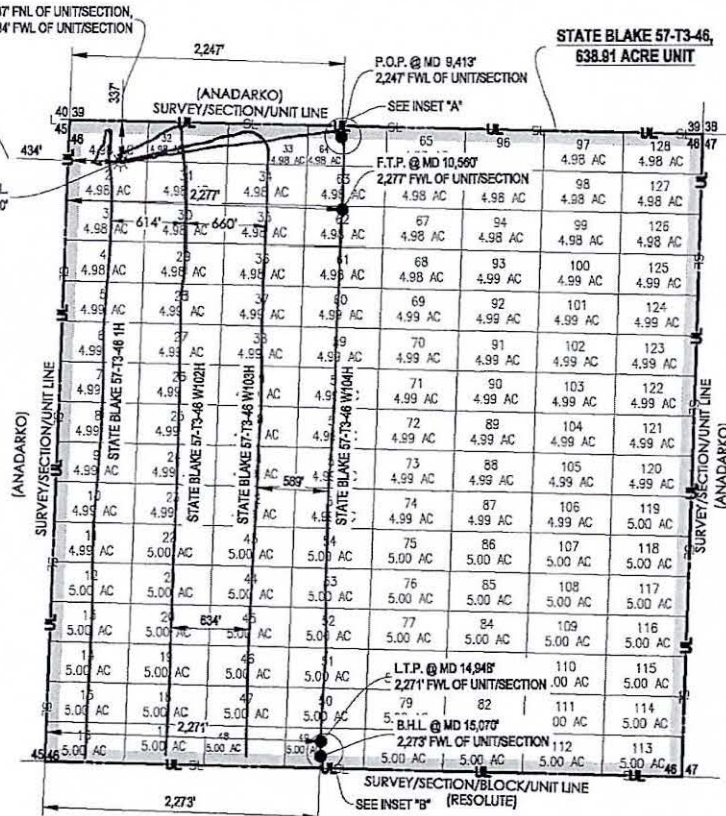
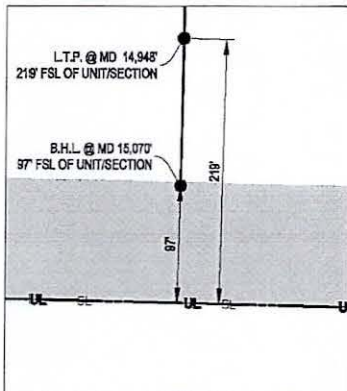
- UNIT LINE
- AS-DRILLED PATH
- NEAREST EXISTING WELL PATH
- SURVEY / SECTION LINE
- S.H.L. SURFACE HOLE LOCATION
- P.O.P. POINT OF PENETRATION
- F.T.P. FIRST TAKE POINT
- T.P. TURNING POINT
- L.T.P. LAST TAKE POINT
- B.H.L. BOTTOM HOLE LOCATION

Tracts: 1-128
MINERAL OWNER
State of Texas
638.91 Acres

INSET "A" (NOT TO SCALE)



INSET "B" (NOT TO SCALE)



GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERGENCE = -401'203.70" @ S.H.L.

UNIT CORNERS

LOCATION	DESCRIPTION	NAD83 (1985)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (N29)	STATE PLANE TEXAS CENTRAL (2259)	GEOGRAPHIC (N29)
NE CORNER 57-13-46	CALCULATED CORNER	N = 10587459.26 E = 1173501.05	LAT: 31.66421272 LONG: -103.9428156	N = 744853.18 E = 877358.06	LAT: 31.66459418 LONG: -103.94221034
SE CORNER 57-13-46	CALCULATED CORNER	N = 10582156.42 E = 1173574.33	LAT: 31.65205200 LONG: -103.94263004	N = 735590.43 E = 877222.32	LAT: 31.65013745 LONG: -103.94215889
SW CORNER 57-13-46	CALCULATED CORNER	N = 10582234.20 E = 1158405.02	LAT: 31.65014537 LONG: -103.95959827	N = 739718.24 E = 871943.09	LAT: 31.65001767 LONG: -103.95906645
NW CORNER 57-13-46	FOUND 50" REBAR	N = 10587582.52 E = 1158385.45	LAT: 31.66459165 LONG: -103.95953943	N = 745006.45 E = 872224.55	LAT: 31.66456428 LONG: -103.95906745

WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.66377708° N	103.95814500° W	10587235.87	1169009.22	31.66364967° N	103.95767309° W	744559.82	872547.31
P.O.P.	31.66449568° N	103.95231721° W	10587438.47	1170829.95	31.66436922° N	103.95184552° W	744362.40	874368.01
F.T.P.	31.66285462° N	103.95222445° W	10586840.64	1170839.37	31.66272744° N	103.95175278° W	744284.58	874377.43
L.T.P.	31.65079949° N	103.95228774° W	10582458.09	1170863.27	31.65067184° N	103.95179620° W	733882.11	874221.31
B.H.L.	31.65046443° N	103.95226205° W	10582336.21	1170681.07	31.65033677° N	103.95179052° W	733760.24	874219.11

WELL PATH DATA

REF.	SECTION LINE CALLS (s)	UNIT LINE CALLS (u)
S.H.L.	337' FNL, 434' FNL	337' FNL, 434' FNL
P.O.P.	91' FNL, 2,247' FNL	91' FNL, 2,247' FNL
F.T.P.	688' FNL, 2,271' FNL	688' FNL, 2,271' FNL
L.T.P.	219' FSL, 2,271' FNL	219' FSL, 2,271' FNL
B.H.L.	97' FSL, 2,273' FNL	97' FSL, 2,273' FNL

GRAPHIC SCALE IN FEET

1000' 500' 0 1000'

GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. ALL NAD83 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.

3. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION. DAT = 0.000726205 @ S.H.L.

REVISION	
1	PRELIMINARY PLAT 2/14/19
2	FINAL PLAT 5/14/19
3	CHANGED F.T.P./L.T.P. 8/25/19
4	ADDED TRACTS 10/17/19

BPX OPERATING COMPANY

STATE BLAKE 57-13-46 W104H
S.H.L. & B.H.L. IN THE T.&P. R.R. CO. SURVEY A - 3035
REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 100'
PLOT DATE: 10/17/2019
CHECKED BY: JWB
DRAWN BY: CDM
APPROVED BY: MF
SHEET NO.: 1 OF 1

RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 1
Rev. 01/2016

Acreage Designation

SECTION 1. OPERATOR INFORMATION

Operator Name: BHP BILLITON PET (TXLA OP) CO	Operator P-5 No.: 068596
Operator Address: 1360 POST OAK BLVD HOUSTON, TX 77056	

SECTION II. WELL INFORMATION

District No.: 08	County: R��VES	Purpose of Filing: ☒ Drilling Permit Application (Form W-1) ☐ Completion Report (Form G-1/W-2)
Well No.: 1H	API No.: 389-35172	
Total Lease Acres: 637.75	Drilling Permit No.: 813505	
Lease Name: STATE WHITE ACRE 57-T3-44	Lease No.: 281881	
Field Name: PHANTOM (WOLF CAMP)	Field No.: 71052900	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	1	637.75	< A. Total Assigned Horiz. Acreage	637.75	< C. Total Assigned Acreage
		0	< Total Remaining Horiz. Acreage	0	< Total Remaining Acreage
		0	< B. Total Assigned Vert./Dir. Acreage		
		0	< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

[illegible]

Attach Additional Pages As Needed. ☐ No additional pages ☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Vail, Nicole

Digitally signed by Vail, Nicole
Date: 2017.06.13 13:32:34 -05'00'

NICOLE VAIL

NICOLE.VAIL@BHP.COM

Signature

Name and title (type or print)

Email (include email address *only* if you affirmatively consent to its public release)

1500 POST OAK BLVD

HOUSTON TX 77056

7134995391

06/13/17

Address

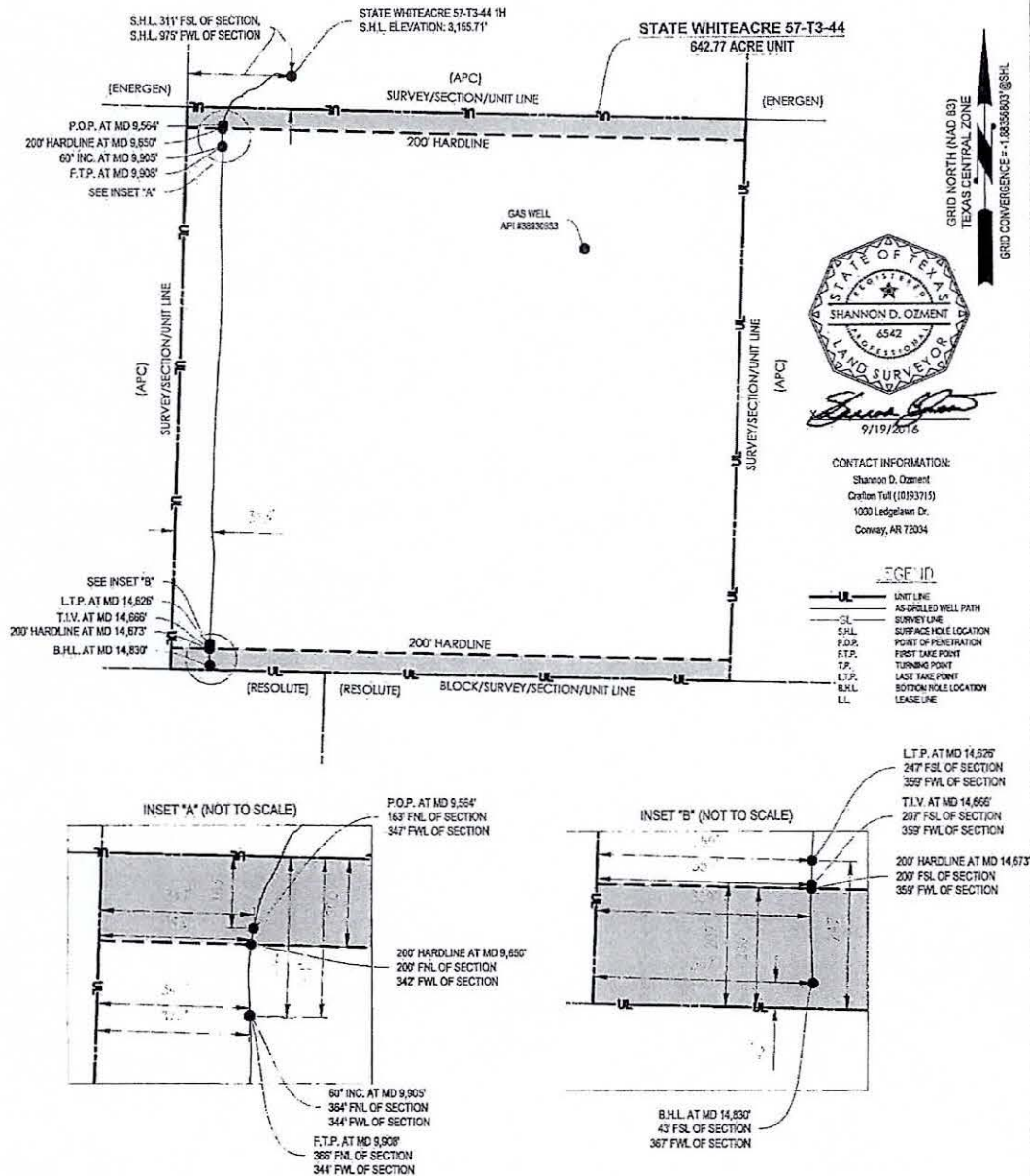
City, State, Zip Code

Tel: Area Code

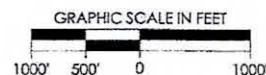
Number

Date: mo. day yr.

NOTE: S.H.L. APPROXIMATE LOCATION IS S 23°24'00" W,
12.01 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE T. & P. R.R. CO. SURVEY, A - 919.
B.H.L. LOCATED IN THE J.S. OWENS SURVEY, A - 3036.



REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.66532833° N	-103.99132888° W	10588147.515	1158020.537	31.66525621° N	-103.9895570° W	745571.512	862558.798
P.O.P.	31.66400671° N	-103.99234659° W	10587688.481	1158377.400	31.66393961° N	-103.99167327° W	745113.490	861915.669
F.T.P.	31.66350968° N	-103.99235320° W	10587497.031	1158368.653	31.66338257° N	-103.99187897° W	744911.044	861906.921
L.T.P.	31.65958545° N	-103.99229218° W	10582787.803	1158233.018	31.65945814° N	-103.99181910° W	740211.701	861771.263
B.H.L.	31.65902530° N	-103.99228829° W	10582583.690	1158234.370	31.64989799° N	-103.99179321° W	740007.791	861772.614



GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREON. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, GAF = 0.8977870534.

REVISION
1. PRELIMINARY PLAT 04/20/16
2. FINAL PLAT 09/19/16

bhpbilliton BHP BILLITON PET (TXLA OP) CO

STATE WHITEACRE 57 - T3 - 44 1H (MWN 833830)
STATE WHITEACRE 57-T3-44, 642.77 ACRE UNIT
S.H.L. IN T. & P. R.R. CO. A - 919 & S.H.L. IN J.S. OWENS, A - 3036
REEVES COUNTY, TEXAS
RINAL AS-DRILLED PLAT

SCALE: 1" = 1000'
PLOT DATE: 09/19/2016

CHECKED BY: DUNAWAY
DRAWN BY: NGUYEN

APPROVED BY: BRIDGEMAN
SHEET NO.: 1 OF 1



1000 Ledgeview Dr.
Conway, Arkansas 72034

LEGEND

- UNIT LINE
- AS-DRIED PATH
- EXISTING WELL PATH
- SURVEY / SECTION LINE
- OWNERSHIP LINE
- S.H.L. SURFACE HOLE LOCATION
- P.O.P. POINT OF PENETRATION
- F.T.P. FIRST TAKE POINT
- T.P. TURNING POINT
- L.T.P. LAST TAKE POINT
- B.H.L. BOTTOM HOLE LOCATION

501.328.3316 f 501.328.3325 t
www.craftontull.com

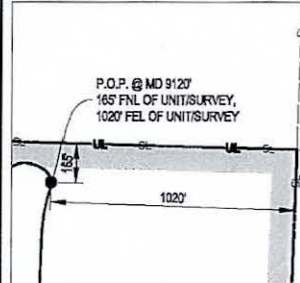
S.H.L. ELEVATION

WELL NAME	ELEVATION
STATE WHITEACRE 57-T3-44 W107H	3,139.30'

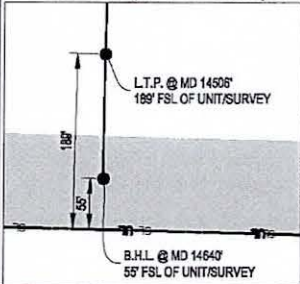
NOTE: S.H.L. APPROXIMATE LOCATION IS S 22°51'36" W,
11.94 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T & P R R CO. SURVEY A - 3036.

GRID CONVERGENCE = -01.0166417' @ S.H.L.

INSET "A" (NOT TO SCALE)



INSET "B" (NOT TO SCALE)



CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgeview Dr.
Conway, AR 72034

STATE WHITEACRE 57-T3-44 UNIT 642.84 ACRES SECTION 44, BLOCK 57-T3 T & P R R CO. SURVEY, A-3036

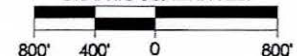
LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (NAD83)	STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (NAD27)
NE CORNER 57-T3-44	CALCULATED CORNER	N = 10587722.29 E = 1163311.33	LAT: 31.66460184° N LONG: 103.97850011° W	N = 745146.27 E = 866849.52	LAT: 31.66447471° N LONG: 103.97802748° W
SE CORNER 57-T3-44	CALCULATED CORNER	N = 40582421.98 E = 1183135.71	LAT: 31.65002313° N LONG: 103.97850646° W	N = 739946.05 E = 868873.87	LAT: 31.64969568° N LONG: 103.97803399° W
SW CORNER 57-T3-44	CALCULATED CORNER	N = 10582549.75 E = 1157866.40	LAT: 31.64868879° N LONG: 103.96344460° W	N = 739973.86 E = 861404.85	LAT: 31.64877148° N LONG: 103.96297148° W
NW CORNER 57-T3-44	5/8" REBAR W/ CAP	N = 10587882.08 E = 1158336.22	LAT: 31.66451002° N LONG: 103.98348076° W	N = 745298.07 E = 861574.49	LAT: 31.66438294° N LONG: 103.98297459° W

REFERENCE	WELL BORE POSITIONS				(Y)		(X)	
	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.66350271° N	103.98158450° W	10587374.46	1161717.20	31.66337550° N	103.98111169° W	744798.47	866255.41
P.O.P.	31.65413012° N	103.97977760° W	10587584.15	1162286.55	31.654020291° N	103.97930484° W	745008.14	865824.76
F.T.P.	31.66134875° N	103.97978171° W	10588572.96	1162252.11	31.66122148° N	103.97930889° W	743996.98	865790.31
L.T.P.	31.65051811° N	103.97970130° W	10582634.50	1162148.00	31.65039089° N	103.97922871° W	740058.57	865686.18
B.H.L.	31.65014962° N	103.97989236° W	10582500.51	1162146.39	31.65002240° N	103.97921977° W	739924.59	865684.57

WELL PATH DATA

REF.	SECTION LINE CALLS (s)	UNIT LINE CALLS (s)
S.H.L.	390' FNL, 1582' FEL	390' FNL, 1582' FEL
P.O.P.	165' FNL, 1020' FEL	165' FNL, 1020' FEL
F.T.P.	1177' FNL, 1021' FEL	1177' FNL, 1021' FEL
L.T.P.	189' FSL, 894' FEL	189' FSL, 894' FEL
B.H.L.	55' FSL, 991' FEL	55' FSL, 991' FEL

GRAPHIC SCALE IN FEET



GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, 5.0 FEET AS DETERMINED BY GPS OBSERVATION. GAF = 0.000716207 @ S.H.L.

REVISION	
1	FINAL PLAT 2/26/20

BPX OPERATING COMPANY

STATE WHITEACRE 57-T3-44 W107H (MWN 837822)

S.H.L. & B.H.L. IN T & P R R CO. SURVEY, A - 3036

REEVES COUNTY, TEXAS

FINAL AS-DRIED PLAT

SCALE: 1" = 800' PLOT DATE: 02/26/2020

CHECKED BY: ALP CDM APPROVED BY: MN SHEET NO.: 1 OF 1

Form P-16

Page 1
Rev. 09/2019

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION I. OPERATOR INFORMATION			
Operator Name:	BPX Operating Company	Operator P-5 No.:	085408
Operator Address:	1700 Platte St Denver, CO 80202		

SECTION II. WELL INFORMATION			
District No.:	08	API No.:	42-389-38275
Well No.:	W108H	Drilling Permit No.:	852047
Lease Name:	STATE WHITEACRE 57-T3-44	RRC ID or Lease No.:	
Total Lease Acres:	642.840	Field Name:	Phantom (Wolfcamp)
Proration Acres:	160.710	Field No.:	71052900
Wellbore Profile	Horizontal Well	Is this a UFT field?	Yes
SL Record (Parent) Well Drilling Permit No.:		County:	Reeves

Purpose of Filing:

☐ Drilling Permit Application
(Form W-1)

☒ Completion Report
(Form G-1/W-2)

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER							
RRC ID No. or Lease No.	Well No.	Profile	Lease Name	API No.	Acrees Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing operator)
281881	1H	Horiz.	STATE WHITEACRE 57-T3-44	389-35158	160.710	N	
	W107H	Horiz.	STATE WHITEACRE 57-T3-44	389-38273	160.710	N	
	W108H	Horiz.	STATE WHITEACRE 57-T3-44	389-38275	160.710	N	
	W109H	Horiz.	STATE WHITEACRE 57-T3-44	389-38274	160.710	N	
A. Total Assigned Horiz. Acreage =	642.840				C. Total Assigned Acreage =		
Total Remaining Horiz. Acreage =	0.000				Total Remaining Acreage =		
B. Total Assigned Vert./Dir. Acreage =	0.000						
Total Remaining Vert./Dir. Acreage =	642.840						

SECTION IV. REMARKS - REQUIRED FOR PSA AND CO-DEVELOPMENT (refer to instructions)	
The W107H, W108H and W109H were successfully completed and acreage is being allocated evenly across the producing wells in the unit.	

Additional Pages: (No. of additional pages)

Tayler.Paredes

tayler.paredes@bpx.com

Email
(include email address only if you affirmatively consent to its public release)

1700 Platte St	Denver	CO	80202	720-689-9864			04/21/20			
Address	City,	State,	Zip Code	Tel:	Area Code	Number	Date:	mo.	day	yr.

S.H.L. ELEVATION

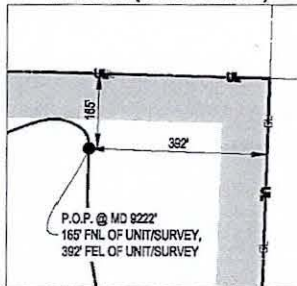
WELL NAME	ELEVATION
-----------	-----------

S.H.L. NOTE: APPROXIMATE LOCATION IS S 22°51'36" W,
11.94 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 3036.

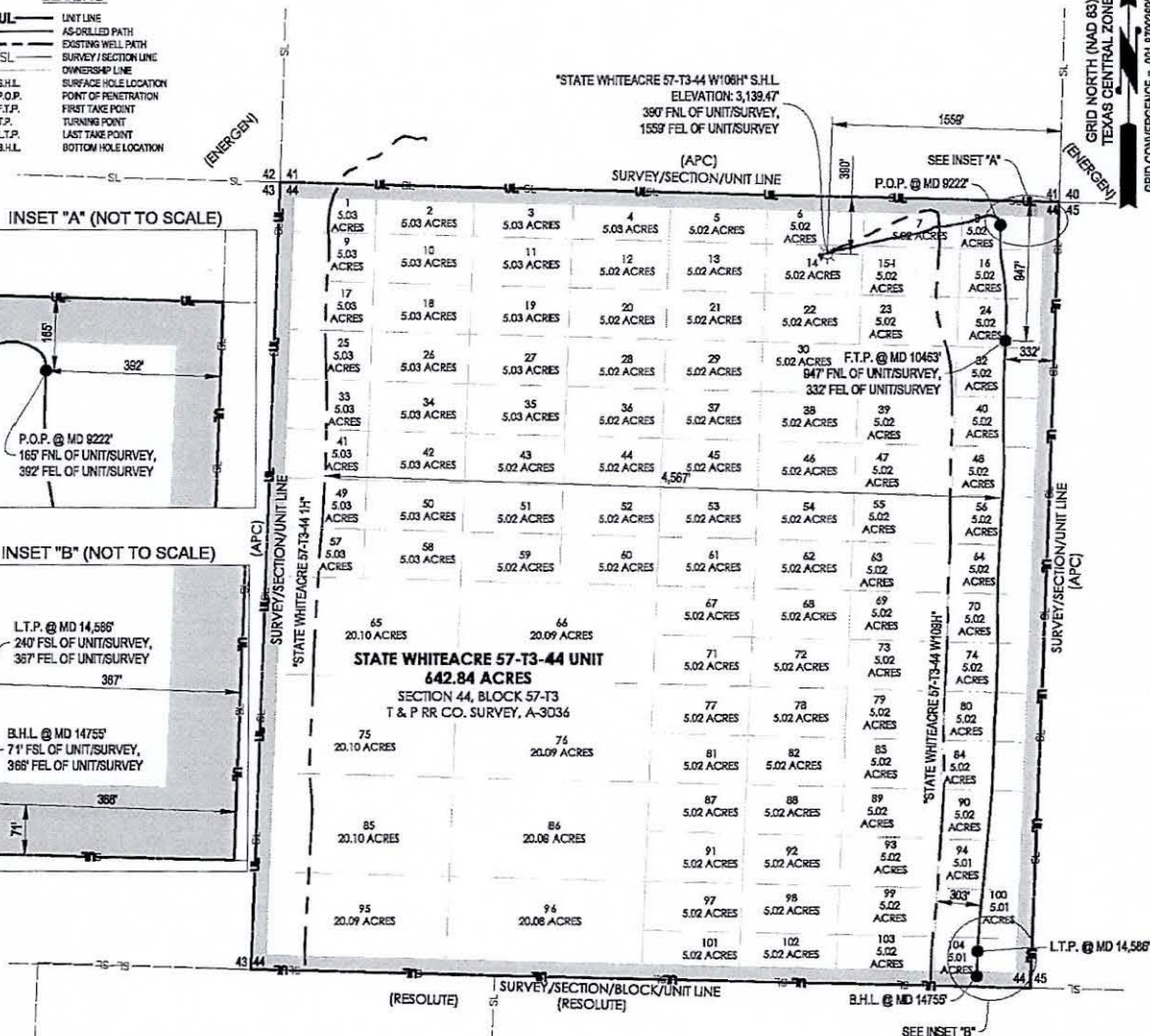
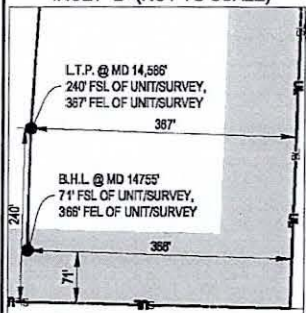
LEGEND

- | | |
|---|-----------------------|
|  | UNIT LINE |
|  | AS-DRILLED PATH |
|  | EXISTING WELL PATH |
|  | SURVEY / SECTION LINE |
|  | OWNERSHIP LINE |
|  | SURFACE HOLE LOCATION |
|  | POINT OF PENETRATION |
|  | FIRST TAKE POINT |
|  | TURNING POINT |
|  | LAST TAKE POINT |
|  | BOTTOM HOLE LOCATION |

INSET "A" (NOT TO SCALE)



INSET "B" (NOT TO SCALE)



SECTION CORNERS

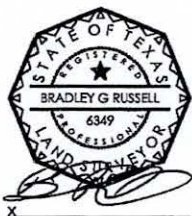
SECTION 57-73-44						
LOCATION	DESCRIPTION	NAD83 (1986)		NAD27		
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (1986)	STATE PLANE TEXAS CENTRAL (2293)	GEOGRAPHIC (1987)	
NE CORNER 57-73-44	CALCULATED CORNER	N = 10567722.29 E = 1163511.33	N = 131.66480194" N LONG: 103.57650011" W	N = 7451448.27 E = 8666849.52	N = 131.68447471" N LONG: 103.97602743" W	
SE CORNER 57-73-44	CALCULATED CORNER	N = 105682421.58 E = 1163135.71	N = 131.65002313" N LONG: 103.57650048" W	N = 7393846.05 E = 866673.87	N = 131.64885663" N LONG: 103.97603399" W	
SW CORNER 57-73-44	CALCULATED CORNER	N = 10562549.75 E = 1157866.40	N = 131.64986767" N LONG: 103.95340480" W	N = 73937.88 E = 861404.65	N = 131.64971748" N LONG: 103.95297148" W	
NW CORNER 57-73-44	5/8" REBAR W/ CAP	N = 10567862.06 E = 1158032.76	N = 131.66451002" N LONG: 103.96340767" W	N = 745266.07 E = 861574.49	N = 131.66438294" N LONG: 103.96287874" W	

WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L	31.69353282° N	103.98151219° W	10568373.78	1161739.18	31.96337562° N	103.98109393° W	744791.77	865277.90
P.O.P.	31.66414155° N	103.97776136° W	10568368.74	1162138.65	31.98401427° N	103.97728868° W	744931.72	865451.85
F.T.P.	31.68166293° N	103.97756789° W	10586704.64	1162948.18	31.88186572° N	103.97709533° W	744208.63	865456.37
L.T.P.	31.65067325° N	103.97765668° W	10582670.35	1162778.71	31.65054581° N	103.97721316° W	740094.42	865314.68
B.H.L	31.65020865° N	103.97768104° W	10582620.45	1162772.52	31.85008141° N	103.97720853° W	739925.54	865310.79

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	UNIT LINE CALLS (±)
S.H.L.	390' FNL, 1559' FEL	330' FNL, 1559' FEL
P.O.P.	165' FNL, 392' FEL	165' FNL, 392' FEL
F.T.P.	947' FNL, 332' FEL	947' FNL, 332' FEL
L.T.P.	240' FSL, 367' FEL	240' FSL, 367' FEL
B.H.L.	71' FSL, 366' FEL	71' FSL, 366' FEL



CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgeslain Dr.
Conway, AR 72034

3/10/2020

GENERAL NOTES

GENERAL NOTES
1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.000726185 @ S.H.L.

BPX OPERATING COMPANY

STATE WHITECRE 57-T3-44 W108H (MWN 837823)

S.H.L. & B.H.L. INT & P RR CO. SURVEY, A - 3036
REEVES COUNTY, TEXAS

REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

FINAL AS-DRILLED FLAT			
BOO	CHECKED BY:	ALP	APPROVED BY:

SCALE: 1" = 800'	CHECKED BY: ALP	APPROVED BY: L. Doy
------------------	-----------------	---------------------

PLOT DATE: 03/10/2020	DRAWN BY: CDM	SHEET NO.: 1 OF
-----------------------	---------------	-----------------



RAILROAD COMMISSION OF TEXAS

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

Page 1
Rev. 09/2019

Acreage Designation

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION I. OPERATOR INFORMATION			
Operator Name:	BPX Operating Company	Operator P-5 No.:	085408
Operator Address:	1700 Platte St Denver, CO 80202		

SECTION II. WELL INFORMATION				
District No.:	08	API No.:	42-389-38274	Purpose of Filing: ☐ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.:	W109H	Drilling Permit No.:	852036	
Lease Name:	STATE WHITEACRE 57-T3-44	RRC ID or Lease No.:		
Total Lease Acres:	642.840	Field Name:	Phantom (Wolfcamp)	
Proration Acres:	160.710	Field No.:	71052900	
Wellbore Profile	Horizontal Well	Is this a UFT field?	Yes	
SL Record (Parent) Well Drilling Permit No.:		County:	Reeves	

[illegible]

SECTION IV. REMARKS - REQUIRED FOR PSA AND CO-DEVELOPMENT (refer to instructions)	
The W107H, W108H and W109H were successfully completed and acreage is being allocated evenly across the producing wells in the unit.	

Attach Additional Pages As Needed.

☐ No additional pages

Additional Pages: (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Taylor.Paredes

Tayler Paredes, Regulatory Analyst

tayler.paredes@bpx.com

Signature

Name and title (type or print)

Email

(include email address only if you affirmatively consent to its public release)

1700 Platte St
Address

Denver	CO
City,	State,

80202
Zip Code

Tel: 720-689-9864

Date: 04/21/20 mo. day yr.



1000 Ledgeview Dr.
Conway, Arkansas 72034

501.328.3316 f 501.328.3325 f
www.craftontull.com

LEGEND

- UL UNIT LINE
- AS-DRILED PATH
- EXISTING WELL PATH
- SL SURVEY/SECTION LINE
- OWNSHIP LINE
- S.H.L. SURFACE HOLE LOCATION
- P.O.P. POINT OF PENETRATION
- F.T.P. FIRST TAKE POINT
- T.P. TURNING POINT
- L.T.P. LAST TAKE POINT
- B.H.L. BOTTOM HOLE LOCATION

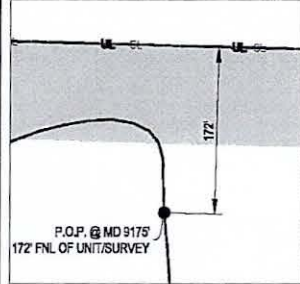
S.H.L. ELEVATION

WELL NAME	ELEVATION
"STATE WHITEACRE 57-T3-44 W109H"	3,139.47'

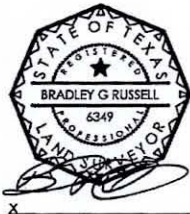
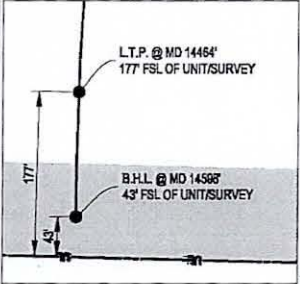
NOTE: S.H.L. APPROXIMATE LOCATION IS S 22°51'36" W,
11.94 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T & P R R CO. SURVEY A - 3036.

REEVES COUNTY, TEXAS

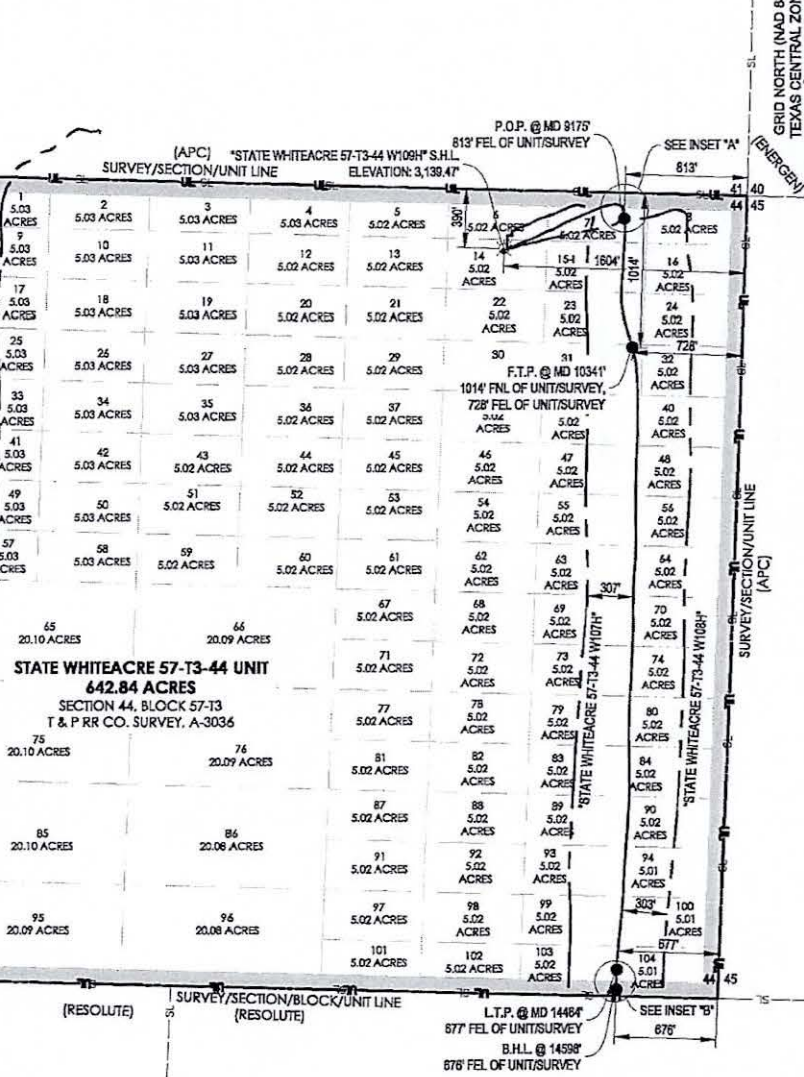
INSET "A" (NOT TO SCALE)



INSET "B" (NOT TO SCALE)



CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (1018719)
1000 Ledgeview Dr.
Conway, AR 72034



SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2011)	GEOGRAPHIC (2011)	STATE PLANE TEXAS CENTRAL (2011)	GEOGRAPHIC (2011)
NE CORNER 57-T3-44	CALCULATED CORNER	N = 10587722.29 E = 1153311.33	LAT: 31.66450194° N LONG: 103.97650011° W	N = 745146.27 E = 866849.52	LAT: 31.66447471° N LONG: 103.97602746° W
SE CORNER 57-T3-44	CALCULATED CORNER	N = 40582421.95 E = 1163135.71	LAT: 31.65002313° N LONG: 103.97650646° W	N = 739945.05 E = 866873.87	LAT: 31.64989568° N LONG: 103.97803399° W
SW CORNER 57-T3-44	CALCULATED CORNER	N = 10582549.75 E = 1157666.40	LAT: 31.64988378° N LONG: 103.99344480° W	N = 739973.86 E = 861404.55	LAT: 31.64977148° N LONG: 103.99297148° W
NW CORNER 57-T3-44	5/8" REBAR W/ CAP	N = 10587862.06 E = 1158038.22	LAT: 31.66451002° N LONG: 103.89348076° W	N = 745286.07 E = 861574.49	LAT: 31.66438294° N LONG: 103.99288748° W

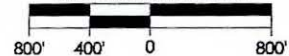
WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)		LONG. (NAD 83)		NORTHING (NAD 83)		EASTING (NAD 83)		LAT. (NAD 27)		LONG. (NAD 27)		NORTHING (NAD 27)		EASTING (NAD 27)	
	(Y)	(X)	(Y)	(X)	(Y)	(X)	(Y)	(X)	(Y)	(X)	(Y)	(X)	(Y)	(X)	(Y)	(X)
S.H.L.	31.66350290° N	103.98165682° W	10587375.17	1181694.71	31.65337539° N	103.98118400° W	744739.17	865232.92								
P.O.P.	31.66411534° N	103.97911322° W	10587572.01	1162492.97	31.66398812° N	103.97864049° W	744995.99	866031.17								
F.T.P.	31.66180075° N	103.97883987° W	10586727.71	1162550.38	31.66167350° N	103.97836718° W	744151.71	866088.58								
L.T.P.	31.65049321° N	103.97868304° W	10582615.06	1162464.38	31.65036578° N	103.97821049° W	740029.14	866002.56								
B.H.L.	31.65012522° N	103.97867804° W	10582481.22	1162461.56	31.64999779° N	103.97820548° W	739905.30	865999.73								

WELL PATH DATA

REF.	SECTION LINE CALLS (A)	UNIT LINE CALLS (A)
S.H.L.	300' FNL, 1804' FEL	300' FNL, 1804' FEL
P.O.P.	172' FNL, 813' FEL	172' FNL, 813' FEL
F.T.P.	1014' FNL, 728' FEL	1014' FNL, 728' FEL
L.T.P.	177' FSL, 677' FEL	177' FSL, 677' FEL
B.H.L.	43' FSL, 676' FEL	43' FSL, 676' FEL

GRAPHIC SCALE IN FEET



GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREON. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.0007199 @ S.H.L.

REVISION

1	FINAL PLAT 2/26/20
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BPX OPERATING COMPANY

STATE WHITEACRE 57-T3-44 W109H
S.H.L. & B.H.L. IN T & P R R CO. SURVEY A - 3036
REEVES COUNTY, TEXAS
FINAL AS-DRILED PLAT

SCALE: 1" = 800'

PLOT DATE: 02/26/2020

CHECKED BY: ALP

DRAWN BY: CDM

APPROVED BY: MN

SHEET NO.: 1 OF 1

09.11.0

23.

File No. MF 113637
DRR Form County

Date Filed: 9/28/20
George P. Bush, Commissioner
By SSP



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 27, 2021

Ms. Allie Huizenga
BPX Energy, Inc.
1700 Platte Street, Suite 150
Denver, CO 80202

RE: State Lease MF113637– Relinquishment Act Lease
Deep Rights Retention, Leases B, C, D, and E.
90 acres out of Sections 44 and 46, Block 57, Township 3, T&P RR Co. Survey, A-3036
and A-3035, Reeves County, Texas
Wells: State Whiteacre 57-T3-44 1H, API 42-389-35158, RRC 08-281881
State Whiteacre 57-T3-44 W109H, API 42-389-38274, RRC 08-288599
State Whiteacre 57-T3-44 W107H, API 42-389-38273, RRC 08-289015
State Whiteacre 57-T3-44 108H, API 42-389-38275, RRC 08-289016
State Blake 57-T3-46 1H, API 42-389-35151, RRC 08-282003
State Blake 57-T3-46 W104H, API 42-389-37369, RRC 08-288268
State Blake 57-T3-46 W102H, API 42-389-37367, RRC 08-288526
State Blake 57-T3-46 W103H, API 42-389-37368, RRC 08-288599
Units: State Whiteacre 57-T3-44 Unit, State #7871
State Blake 57-T3-46 Unit, State #7828

Dear Ms. Huizenga:

The Deep Rights Retention checks in the total amount of \$20,000.00 for mineral file MF113637, Leases B, C, D, and E, have been accepted and will retain the deep rights according to the leases and/or unit agreements.

This letter serves also to acknowledge receipt of the GLO requested Deep Rights Retention form from BPX Energy.

If you have any questions, please feel free to contact me.

Best regards,

Susan S. Draughn, Landman
Energy Resources/Mineral Leasing
Direct: 512.463.6521
Email: susan.draughn@glo.texas.gov

File No. MF 113637

Letter accepting DRR Form

Date Filed:

6/11/21

George P. Bush, Commissioner

By

SSD

BHP BILLITON PETROLEUM (TX GATHERING) LLC

✓MF113637

1553



BHP BILLITON PETROLEUM (TX GATHERING) LLC

1553

18710415

+ 1244.63
161

North America Shale - Permian Production Unit



BHP Billiton Petroleum
3800 E. 42nd Street
Suite 105
Odessa, Texas 79762
bhpbilliton.com

General Land Office State Of Texas
1700 N Congress Ave
Austin, TX 78701

RE: **Surface Damage Payment**
State Whiteacre 57-T3-44 1H (Sec. 44, Blk. 57-T3)
Reeves County, Texas

Dear Sir or Madam,

In regard to the above referenced well and in accordance with the terms of your lease with BHP Billiton Petroleum Properties (N.A.), enclosed herein, please find a check in the amount of \$6,244.63, which is made payable to the addressee above for surface damages resulting from drilling operations for the subject well.

Please note that the surface owner negotiated the price per linear foot, which was used to calculate your payment. Enclosed is a breakdown of the payments being made to all surface owners along with copies of the certified plats used to determine your payment.

The enclosed check covers damages for the pipeline. By cashing Check No. 1553 in the amount of \$6,244.63, you agree this payment is the full and final settlement for the damages listed above.

Should you have any questions regarding this matter, please do not hesitate to contact me at the telephone number listed below.

Respectfully,

John Wildt
Independent Contractor
(812) 319-5692 mobile
(432) 447-5716 office
jmwildt@gmail.com



BHP BILLITON PETROLEUM (TX GATHERING) LLC

2549

18710416

+ 14.973.75
161



BHP Billiton Petroleum
1714 W. Schmidt St.
Pecos, TX 79772
bhpbilliton.com

The logo of the General Land Office State of Texas, featuring a stylized star composed of dots.

General Land Office State Of Texas
1700 N Congress Ave
Austin, TX 78701

RE: **Surface Damage Payment**
State Champ 56-T3-12x5 Pad A Well Connect

Dear Sir or Madam,

In regard to the above referenced well and in accordance with the terms of your lease with Petrohawk Energy Corporation, enclosed herein, please find a check in the amount of \$16,973.75, which is made payable to the addressee above for surface damages resulting from drilling operations for the subject well.

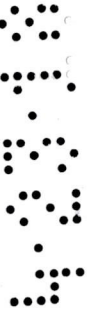
Please note that the surface owners negotiated the price per rod, which was used to calculate your payment. Enclosed is a total of the payment being made to the surface owners along with copies of the certified plats used to determine your payment.

The enclosed check covers damages for the pipeline. By cashing Check No. 2549 in the amount of \$16,973.75 you agree this payment is the full and final settlement for the damages listed above.

Should you have any questions regarding this matter, please do not hesitate to contact me at the telephone number listed below.

Respectfully,

Mark E. Winsett
Independent Contractor
(812) 480-1734 mobile
markewinsett@gmail.com



18710417

+ 2600.00
161

North America Shale • Permian Production Unit



BHP Billiton Petroleum
1714 W. Schmidt St.
Pecos, TX 79772
bhpbilliton.com

General Land Office State Of Texas
1700 N Congress Ave
Austin, TX 78701

RE: **Surface Damage Payment**
State Perryman 56 T3 34 Pad A Well Connect

Dear Sir or Madam,

In regard to the above referenced well and in accordance with the terms of your lease with BHP Billiton Petroleum (TX Gathering), LLC, enclosed herein, please find a check in the amount of \$2,600.00, which is made payable to the addressee above for surface damages resulting from drilling operations for the subject well.

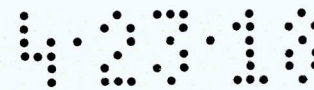
Please note that the surface owners negotiated the price per Rod, which was used to calculate your payment. Enclosed is a breakdown of the payments being made to all surface owners along with copies of the certified plats used to determine your payment.

The enclosed check covers damages for the pipeline. By cashing Check No. 2550 in the amount of \$2,600.00, you agree this payment is the full and final settlement for the damages listed above.

Should you have any questions regarding this matter, please do not hesitate to contact me at the telephone number listed below.

Respectfully,

Darryl Dollarhide
Right of Way Agent #30462
darryldollarhide@ymail.com
903-570-1814 cell



BHP BILLITON PETROLEUM (TX GATHERING), LLC

State Whiteacre 57-T3-44 1H (Sec 44, Blk 57-T3)

Length of Line in Feet = 4,122.03 ft.

Land Owner	OWNERSHIP %	% in Feet	\$/FT	Total ROW cost
Robbielyn Pruitt, Trustee of the Pruitt Family Mineral Trust Number One	6.250	257.627		
Billie Seelback Poteet	8.333	343.489	\$6.00	\$1,030.47
Michael Lewis Warlick	2.083	85.862		
Mary Ann Pollan Wilkerson	4.167	171.765		
Queena P. Harvey, Trustee of The Pollan Family Trust	4.167	171.765	\$6.00	\$515.67
Charles Herbert Warren, III	0.306	12.613		\$100.00
Frances Marian Hunter	1.250	51.525	\$6.00	\$191.67
Mary Katherine Nelson Clifford aka Mary N Clifford	1.250	51.525	\$6.00	\$191.67
Debbi Winder	1.250	51.525	\$6.00	\$191.67
John Lynn Warren	0.306	12.613	flat fee	\$100.00
Kathleen A. Roark-Galvan	1.406	57.956		
Kevin R. Roark	1.406	57.956		
David M. Stallard & Rebecca R. Stallard Revocable Trust	0.469	19.332	flat fee	\$100.00
Emily Fancher	0.469	19.332	flat fee	\$100.00
Blake Oil & Gas Corporation	5.313	219.003		
The Baptist Foundation of Oklahoma, fbo Oklahoma Baptist University	5.313	219.003	\$3.00	\$656.64
Robert J. Saul, Jr.	2.083	85.862		



BHP BILLITON PETROLEUM (TX GATHERING), LLC

State Whiteacre 57-T3-44 1H (Sec 44, Blk 57-T3)

Length of Line in Feet = 4,122.03 ft.

Land Owner	OWNERSHIP %	% in Feet	\$/FT	Total ROW cost
Garland Allan Tyler	2.083	85.862	\$6.00	\$257.59
Tyler Revocable Trust	1.042	42.952	\$6.00	\$128.85
Patricia Tyler Lewis	1.042	42.952	\$3.00	\$128.85
Cathey Jane Horton	2.656	109.481		
Nancy Ruth Horton	2.656	109.481	\$6.00	\$328.44
Deanna Paulette Layfield	2.656	109.481	\$6.00	\$328.33
David Ray Carnahan and Donna Francette Carnahan, Trustee of the Carnahan Revocable Trust dated August 21, 2014	2.656	109.481	\$6.00	\$328.44
Raenell Frazier nee Bihm	0.521	21.476		
Robert Frances Campbell	0.521	21.476		
Vernon Carroll Campbell, Trust	0.521	21.476		
Cobalt Permian Royalty, LLC	0.625	25.763	flat fee	\$100.00
Y-20, LLC	0.938	38.665	\$8.00	\$154.66
Sandra Walker	6.250	257.627	\$6.00	\$772.88
Midland AOG Partners, LTD	1.406	57.956	\$7.75	\$225.28
Wade P. Koehl	0.156	6.430		

BHP BILLITON PETROLEUM (TX GATHERING), LLC

State Whiteacre 57-T3-44 1H (Sec 44, Blk 57-T3)

Length of Line in Feet = 4,122.03 ft.

Land Owner	OWNERSHIP %	% in Feet	\$/FT	Total ROW cost
Mathew W. Whiteacre	9.248	381.205		
Mathew W. Whiteacre, Guardian of the Estate of Randolph V. Tyler, N.C.M, Dec'd	9.248	381.205		
Martha Ellen Meeks, Trust	0.516	21.270	flat fee	\$100.00
Darin Salge, Trustee of the Margaret Susan Meeks, Trust	0.402	16.571		
Michael Mitchell Warren	0.306	12.613	flat fee	\$100.00
Erieanna Warren	0.918	37.840	\$6.00	\$113.52
Baxsto, LLC	0.681	28.071		
Blairbax Energy, LLC	0.681	28.071		
Buffy Energy, LLC	0.681	28.071		
M. Brad Bennett	5.769	237.800		
TOTAL	100.000	4122.030		\$6,244.63
Payment to Texas General Land Office				\$6,244.63
Plat and check enclosed				

EXHIBIT "A", PAGE 1 OF 3
CENTERLINE DESCRIPTION FOR A 40' WIDE EASEMENT

MATTHEW M. WHITEACRE, ET AL

"STATE WHITEACRE 57-T3-44 1H WELL CONNECT"

A CENTERLINE DESCRIPTION OF A PROPOSED PIPELINE IN, OVER, ACROSS, AND THROUGH A 320 ACRE TRACT RECORDED IN VOLUME 832, PAGE 331, REEVES COUNTY, TEXAS DEED RECORDS, BEING OUT OF ABSTRACT NUMBER 3036, J. S. OWENS, ORIGINAL GRANTEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 5/8 INCH IRON REBAR WITH CAP, BEING THE NORTHWEST CORNER OF SECTION 44, BLOCK 57-T3S, REEVES COUNTY, TEXAS; THENCE S 88°28'56" E A DISTANCE OF 1,407.85 FEET TO THE POINT OF BEGINNING OF A 40 FOOT WIDE EASEMENT BEING 20 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

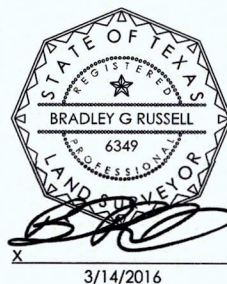
THENCE S 01°16'00" W A DISTANCE OF 20.00 FEET TO A POINT;
THENCE S 88°28'56" E A DISTANCE OF 2,944.41 FEET TO A POINT;
THENCE S 45°43'47" E A DISTANCE OF 892.54 FEET TO A POINT;
THENCE S 88°27'42" E A DISTANCE OF 265.08 FEET TO THE POINT OF TERMINATION, SAID POINT BEING LOCATED ON THE EAST LINE OF SECTION 44, BLOCK 57-T3S, REEVES COUNTY, TEXAS AND THE WEST LINE OF SECTION 45, BLOCK 57-T3S, REEVES COUNTY, TEXAS, ALSO BEING S 84°45'29" W A DISTANCE OF 5,318.09 FEET FROM A 5/8 INCH IRON REBAR AT THE NORTHEAST CORNER OF SECTION 45, BLOCK 57-T3S, REEVES COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 4,122.03 FEET OR 249.82 RODS AND CONTAINS 3.79 ACRES OF EASEMENT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

THIS LEGAL DESCRIPTION ACCOMPANIES A SKETCH PREPARED FOR THIS TRACT OF LAND.

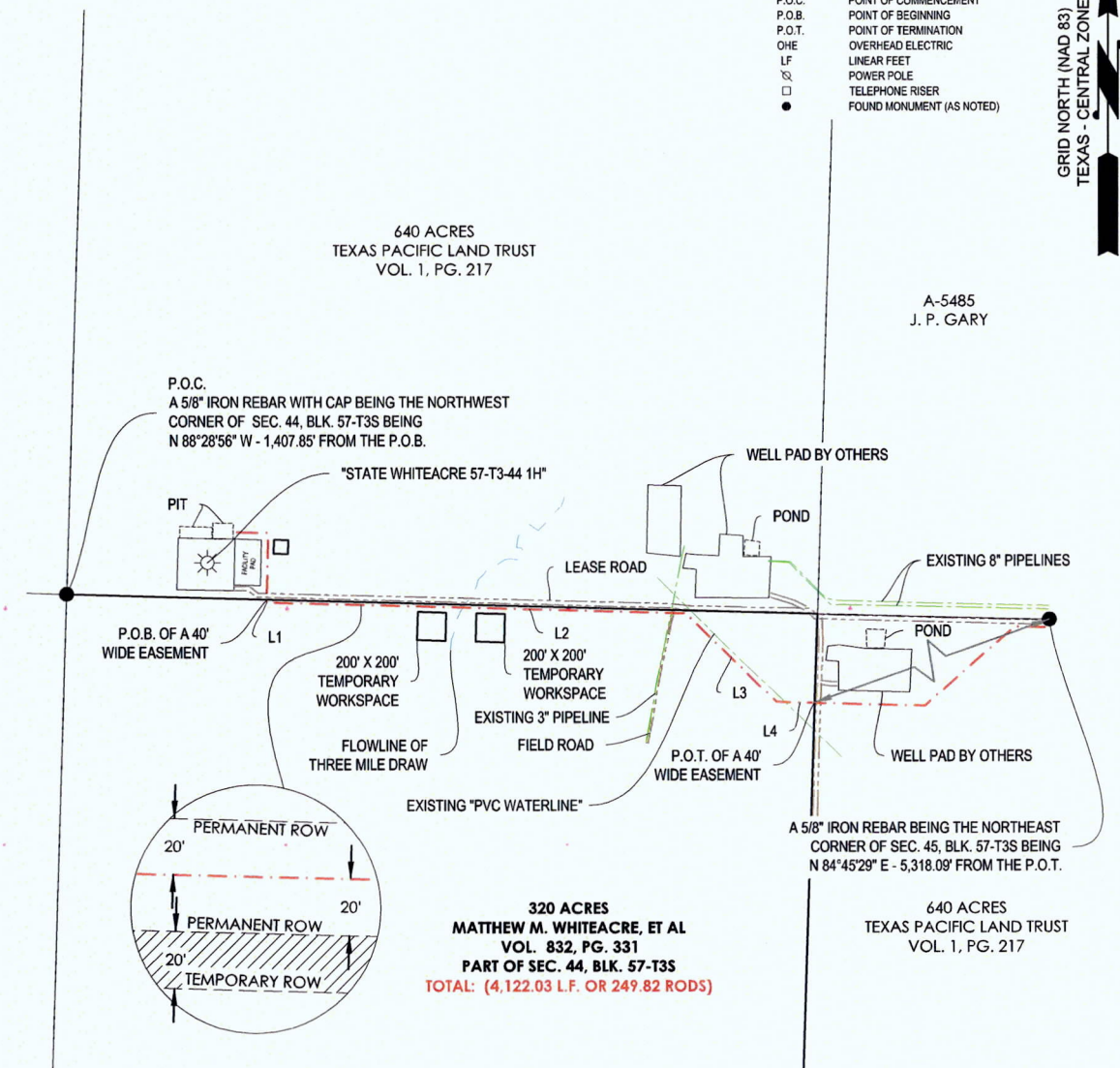


CONTACT INFORMATION
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- EXISTING PIPELINE ROUTE
- FENCE
- P.O.C.
- P.O.B.
- P.O.T.
- OHE
- LF
- POWER POLE
- TELEPHONE RISER
- FOUND MONUMENT (AS NOTED)

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE



BASIS OF BEARINGS : TEXAS STATE PLANE GRID, CENTRAL ZONE,
NAD83 AS DETERMINED BY GPS OBSERVATION.

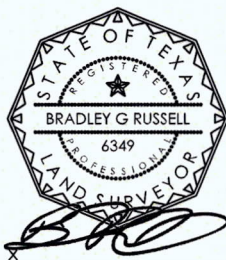
ALL DISTANCES ARE GRID DISTANCES BASED ON U. S. SURVEY FEET.

"STATE WHITEACRE 57-T3-44 1H WELL CONNECT"

NUMBER	BEARING	DISTANCE
L1	S 01°16'00" W	20.00'
L2	S 88°28'56" E	2,944.41'
L3	S 45°43'47" E	892.54'
L4	S 88°27'42" E	265.08'

GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION.
- COMBINED SCALE FACTOR AT P.O.C. - 0.999796621
- VERTICAL DATUM IS NAVD 88
- AREA, DISTANCES, AND COORDINATES ARE "GRID"
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



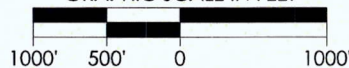
3/14/2016

CONTACT INFORMATION:

Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgeview Dr.
Conway, AR 72034

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

GRAPHIC SCALE IN FEET

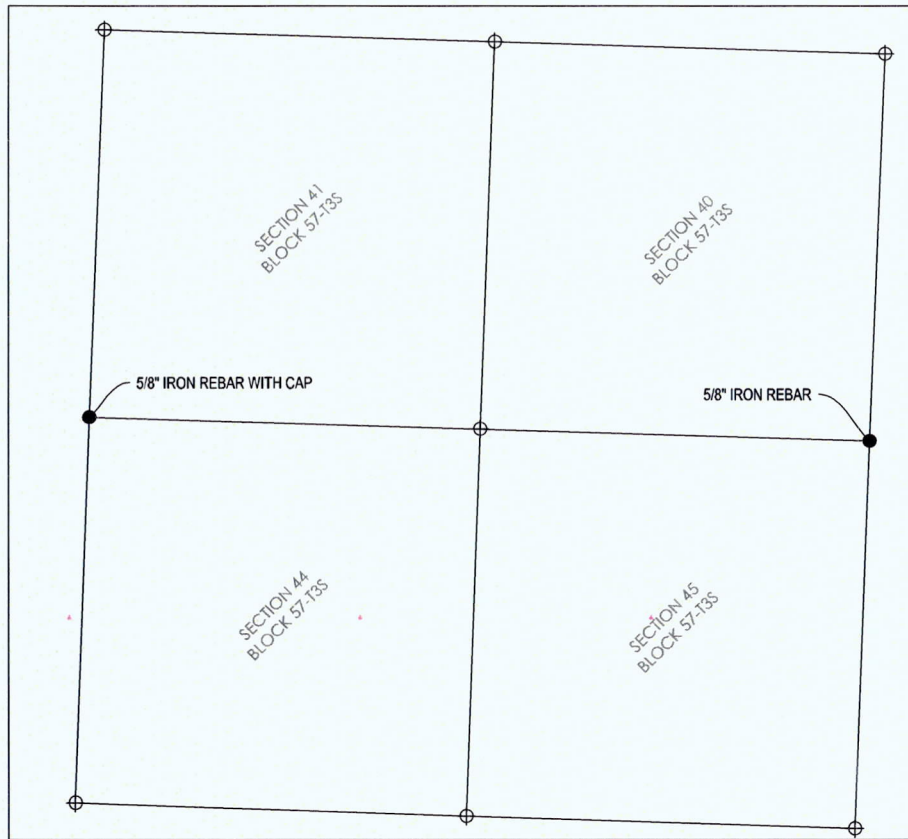


REVISION		BHP BILLITON PETROLEUM (TX GATHERING), LLC			
		"STATE WHITEACRE 57-T3-44 1H WELL CONNECT"			
		MATTHEW M. WHITEACRE, ET AL			
		SECTION 44, BLOCK 57-T3S			
		REEVES COUNTY, TEXAS			
		TRACT NO. 02			
		SCALE: 1" = 1000'	CHECKED BY:	ALP	APPROVED BY:
		PLOT DATE: 03-14-2016	DRAWN BY:	HFD	SHEET NO.: 2 OF 3
					CDT

LEGEND

● FOUND MONUMENT (AS NOTED)
⊕ CALCULATED CORNER

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE



REFERENCE CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4266)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NE CORNER 57-T3S-45	5/8" IRON REBAR	N = 10587582.52 E = 1168586.45	LAT: 31.66469165 LONG: -103.95953943	N = 745006.46 E = 872124.55	LAT: 31.66456426 LONG: -103.95906746

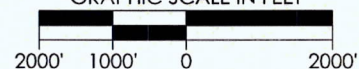
SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4266)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NE CORNER 57-T3S-44	CALCULATED CORNER	N = 10587722.29 E = 1163311.33	LAT: 31.66460194 LONG: -103.97650011	N = 745146.27 E = 866849.52	LAT: 31.66447471 LONG: -103.97602748
SE CORNER 57-T3S-44	CALCULATED CORNER	N = 10582421.98 E = 1163135.71	LAT: 31.65002313 LONG: -103.97650646	N = 739846.05 E = 866673.87	LAT: 31.64989568 LONG: -103.97603399
SW CORNER 57-T3S-44	CALCULATED CORNER	N = 10582549.75 E = 1157866.40	LAT: 31.64989879 LONG: -103.99344460	N = 739973.86 E = 861404.65	LAT: 31.64977148 LONG: -103.99297148
NW CORNER 57-T3S-44	5/8" IRON REBAR WITH CAP	N = 10587862.06 E = 1158036.22	LAT: 31.66451002 LONG: -103.99346076	N = 745286.07 E = 861574.49	LAT: 31.66438294 LONG: -103.99298748

GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES STRUCTURES BEFORE EXCAVATIONS ARE BEGUN. THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION.
- COMBINED SCALE FACTOR AT P.O.C. - 0.999796621
- VERTICAL DATUM IS NAVD 88
- AREA, DISTANCES, AND COORDINATES ARE "GRID"
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.

GRAPHIC SCALE IN FEET



THIS PLAN DOES NOT REPRESENT A BOUNDARY SURVEY.					
REVISION		 BHP BILLITON PETROLEUM (TX GATHERING), LLC			
		"STATE WHITEACRE 57-T3-44 1H WELL CONNECT" MATTHEW M. WHITEACRE, ET AL SECTION 44, BLOCK 57-T3S REEVES COUNTY, TEXAS TRACT NO. 02			
		SCALE: 1" = 2000'	CHECKED BY:	ALP	APPROVED BY:
		PLOT DATE: 03-14-2016	DRAWN BY:	HFD	SHEET NO.: 3 OF 3
					CDT

State Champ 56-T3-12x5 Pad A Well Connect

640 acres M/L, A- 3379, Sec 12, Blk 56-T3, T&P Survey

2,240.47 Linear Ft. = 135.79 Rods

ZPZ Delaware I, LLC 100% of 135.79 Rods at \$250.00 / Rod = \$33,947.50 X 50% = \$16,973.75

Total for State of Texas = \$16,973.75



EXHIBIT "A", PAGE 1 OF 3
CENTERLINE DESCRIPTION FOR A 40' WIDE EASEMENT

ZPZ DELAWARE I, LLC.

"STATE CHAMP 56-T3-12X5 PAD A WELL CONNECT"

A CENTERLINE DESCRIPTION OF A PROPOSED PIPELINE IN, OVER, ACROSS, AND THROUGH A 640 ACRE TRACT RECORDED IN VOLUME 886, PAGE 548, REEVES COUNTY, TEXAS DEED RECORDS, BEING OUT OF ABSTRACT NUMBER 3379, C. H. ROSS, ORIGINAL GRANTEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2 INCH IRON REBAR WITH CAP, AT THE SOUTHWEST CORNER OF SECTION 12, BLOCK 56-T3S, REEVES COUNTY, TEXAS; THENCE N 88°17'43" E A DISTANCE OF 3,310.68 FEET TO THE POINT OF BEGINNING OF A 40 FOOT WIDE EASEMENT BEING 20 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

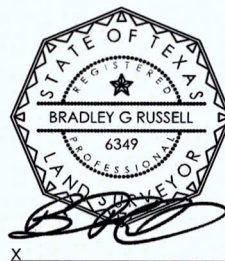
THENCE N 01°46'37" E A DISTANCE OF 740.65 FEET TO A POINT;
THENCE S 88°11'29" E A DISTANCE OF 1,349.77 FEET TO A POINT;
THENCE S 01°41'59" W A DISTANCE OF 150.05 FEET TO THE POINT OF TERMINATION, SAID BEING S 54°01'59" W A DISTANCE OF 7,442.96 FEET FROM A 1-1/2 INCH IRON ROD AT THE NORTHEAST CORNER OF SECTION 11, BLOCK 56-T3S, REEVES COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 2,240.47 FEET OR 135.79 RODS AND CONTAINS 2.06 ACRES OF EASEMENT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

THIS LEGAL DESCRIPTION ACCOMPANIES A SKETCH PREPARED FOR THIS TRACT OF LAND.



CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgeawn Dr.
Conway, AR 72034

1000 Ledgeawn Dr.
Conway, Arkansas 72034

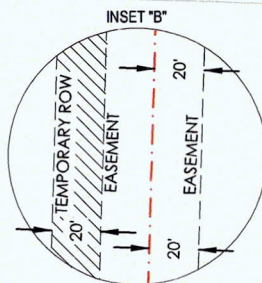
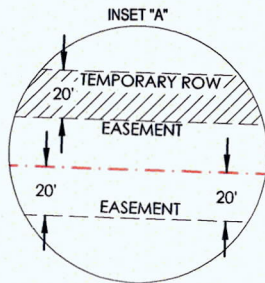
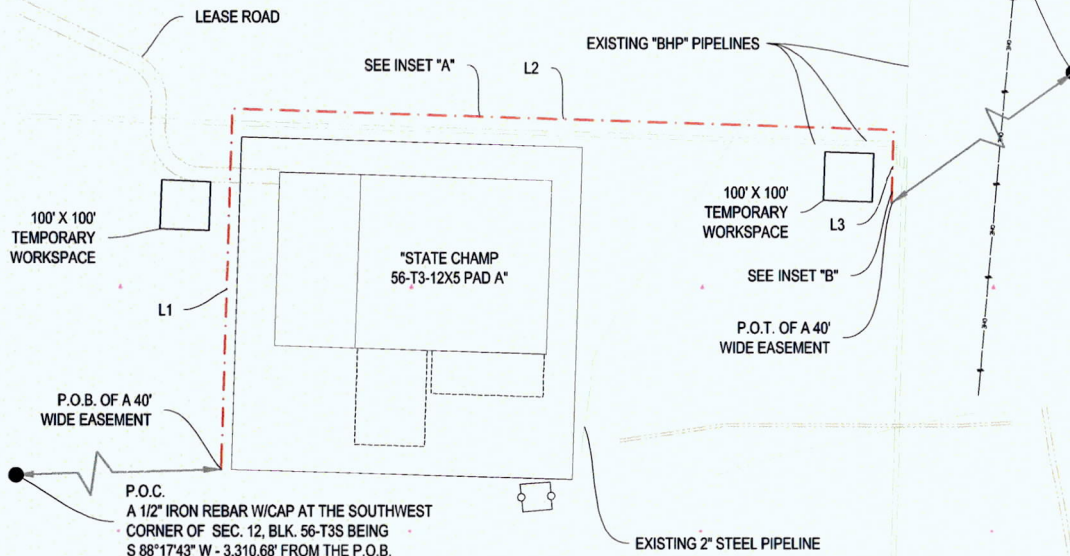
 **Crafton Tull**
surveying
501.328.3316 f 501.328.3325 f
www.craftontull.com

640 ACRES
ZPZ DELAWARE I, LLC.
VOL. 886, PG. 548
SEC. 12, BLK. 56-T3S
TOTAL: (2,240.47 L.F. OR 135.79 RODS)

LEGEND
CL OF PROPOSED PIPELINE EASEMENT
EXISTING PIPELINE ROUTE
FENCE
P.O.C.
P.O.B.
P.O.T.
OHE
LF
X
□
●
POINT OF COMMENCEMENT
POINT OF BEGINNING
POINT OF TERMINATION
OVERHEAD ELECTRIC
LINEAR FEET
POWER POLE
TELEPHONE RISER
FOUND MONUMENT (AS NOTED)

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

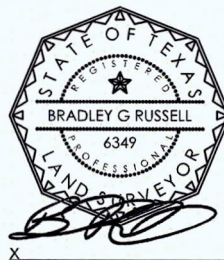
A 1-1/2" IRON ROD AT THE NORTHEAST CORNER OF SEC. 11, BLK. 56-T3S BEING N 54°01'59" E - 7,442.96' FROM THE P.O.T.



"STATE CHAMP 56-T3-12X5 PAD A WELL CONNECT"

NUMBER	BEARING	DISTANCE
L1	N 01°46'37" E	740.65'
L2	S 88°11'29" E	1,349.77'
L3	S 01°41'59" W	150.05'

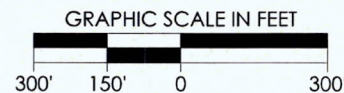
GENERAL NOTES
1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
2. BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
3. COMBINED SCALE FACTOR AT P.O.C. - 0.999820733
4. VERTICAL DATUM IS NAVD 88
5. AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
6. THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



1/17/2018

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION PREPARED FOR THIS TRACT OF LAND.

CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgewood Dr.
Conway, AR 72034

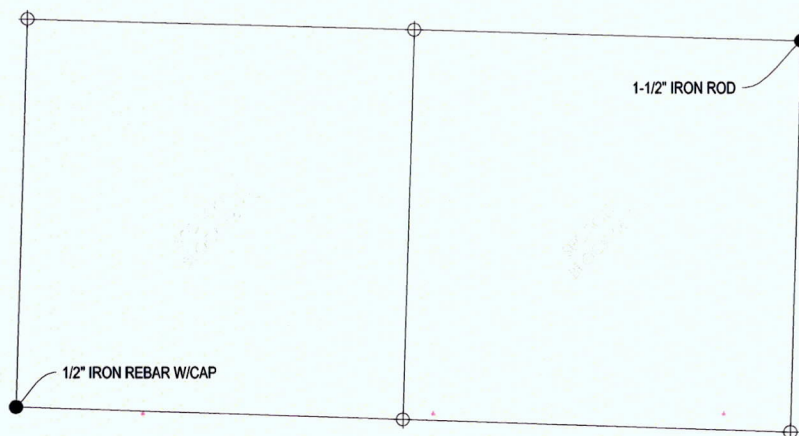


REVISION	BHP BHP BILLITON PETROLEUM (TX GATHERING), LLC			
	"STATE CHAMP 56-T3-12X5 PAD A WELL CONNECT"			
	ZPZ DELAWARE I, LLC.			
	SECTION 12, BLOCK 56-T3S			
	REEVES COUNTY, TEXAS			
	TRACT NO. 01			
	SCALE: 1" = 300'	CHECKED BY: L. DOW	APPROVED BY: HFD	
	PLOT DATE: 01-17-2018	DRAWN BY: ALP	SHEET NO.: 2 OF 3	

LEGEND

● FOUND MONUMENT (AS NOTED)
⊕ CALCULATED CORNER

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE



REFERENCE CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NE CORNER 56-T3S-11	1-1/2" IRON ROD	N = 10613206.29 E = 1201016.59	LAT: 31.73796004 LONG: -103.85796510	N = 770629.51 E = 904554.28	LAT: 31.73783267 LONG: -103.85749629

SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NE CORNER 56-T3-12	CALCULATED CORNER	N = 10613351.85 E = 1195743.54	LAT: 31.73789966 LONG: -103.87493289	N = 770775.11 E = 899281.33	LAT: 31.73777247 LONG: -103.89446341
SE CORNER 56-T3-12	CALCULATED CORNER	N = 10608019.58 E = 1195586.43	LAT: 31.72323507 LONG: -103.8749203	N = 765442.94 E = 899124.19	LAT: 31.72310769 LONG: -103.87442271
SW CORNER 56-T3-12	1/2" IRON REBAR W/CAP (WEST CO)	N = 10608188.72 E = 1190315.75	LAT: 31.72323748 LONG: -103.89185199	N = 765612.12 E = 893853.60	LAT: 31.72311027 LONG: -103.89138201
NW CORNER 56-T3-12	CALCULATED CORNER	N = 10613497.41 E = 1190470.50	LAT: 31.73783707 LONG: -103.89190065	N = 770920.70 E = 894008.37	LAT: 31.73771006 LONG: -103.89143050

GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
- CONVERSION SCALE FACTOR AT P.O.C. - 0.999820733
- VERTICAL DATUM IS NAVD 88
- AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.

GRAPHIC SCALE IN FEET



REVISION		BHP BHP BILLITON PETROLEUM (TX GATHERING), LLC				
NO.	DATE	"STATE CHAMP 56-T3-12X5 PAD A WELL CONNECT" ZPZ DELAWARE I, LLC SECTION 12, BLOCK 56-T3S REEVES COUNTY, TEXAS TRACT NO. 01				
		SCALE: 1" = 2000'	CHECKED BY:	L. DOW	APPROVED BY:	HFD
		PLOT DATE: 01-17-2018	DRAWN BY:	ALP	SHEET NO.:	3 OF 3

BHP Billiton Petroleum (TX Gathering) LLC

State Perryman 56 T3 34 Pad A Well Connect

Section 34, Block 56 T3, Reeves County, TX

Line Length in feet = 455.74

Line Length in Rods = 27.62 (rounded)

Landowner	Owner Interest	% in Rods	Payment per Rod	Total Payment
Charles R. Qualia	0.04167	1.1509	Flat Fee	\$2,400.00
Hawk Family Trust	0.16667	4.6030	Flat Fee	\$2,000.00
Samuel L. Mayall	0.04167	1.1509	Flat Fee	\$400.00
The Julia Hearn Testamentary Trust	0.12500	3.4525		\$0.00
The Allar Company	0.16667	4.6030		\$0.00
Virginia Norfleet Sibley-Perryman	0.25000	6.9050		\$0.00
Elizabeth Wendy Roberts Sibley Harper	0.12500	3.4525		\$0.00
Blake Oil and Gas	0.08333	2.3020	Flat Fee	\$400.00
Totals	1.00001	27.620		\$5,200.00

Payable to TXGLO -

\$2,600.00

Plat and check enclosed

01.03.14

EXHIBIT "A", PAGE 1 OF 3
CENTERLINE DESCRIPTION FOR A 40' WIDE EASEMENT

ARGENTA TRUST COMPANY, ET AL

"STATE PERRYMAN 56-T3-34 PAD A WELL CONNECT"

A CENTERLINE DESCRIPTION OF A PROPOSED PIPELINE IN, OVER, ACROSS, AND THROUGH A 640 ACRE TRACT RECORDED IN VOLUME 1304, PAGE 194, REEVES COUNTY, TEXAS DEED RECORDS, BEING OUT OF ABSTRACT NUMBER 5138, J. E. VANCE & J. E. LUCY ESTATE, ORIGINAL GRANTEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2 INCH IRON REBAR, AT THE SOUTHWEST CORNER OF SECTION 48, BLOCK 57-T3S, REEVES COUNTY, TEXAS; THENCE N 63°20'32" E A DISTANCE OF 10,235.85 FEET TO THE POINT OF BEGINNING OF A 40 FOOT WIDE EASEMENT BEING 20 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

THENCE N 01°46'32" E A DISTANCE OF 455.74 FEET TO THE POINT OF TERMINATION, SAID POINT BEING LOCATED ON THE NORTH LINE OF SECTION 34, BLOCK 56-T3S, REEVES COUNTY, TEXAS AND THE SOUTH LINE OF SECTION 33, BLOCK 56-T3S, REEVES COUNTY, TEXAS, ALSO BEING S 57°54'24" E A DISTANCE OF 10,437.39 FEET FROM A 1-1/2 INCH IRON PIPE, AT THE NORTHWEST CORNER OF SECTION 37, BLOCK 57-T3S, REEVES COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 455.74 FEET OR 27.62 RODS AND CONTAINS 0.42 ACRES OF EASEMENT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

THIS LEGAL DESCRIPTION ACCOMPANIES A SKETCH PREPARED FOR THIS TRACT OF LAND.



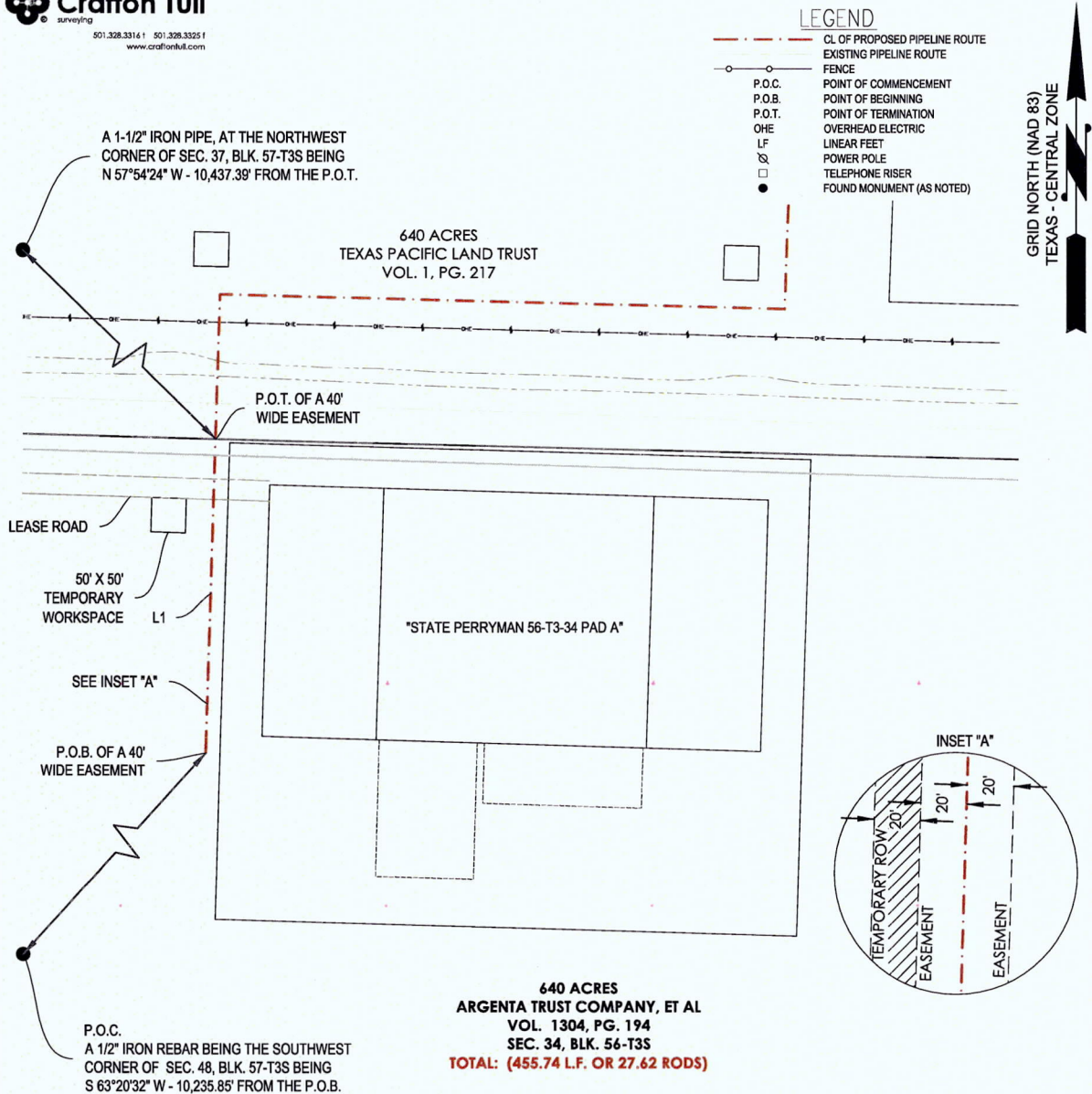
CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgeawn Dr.
Conway, AR 72034

1000 Ledgeawn Dr.
Conway, Arkansas 72034



501.328.3316 t 501.328.3325 f
www.craftontull.com



"STATE PERRYMAN 56-T3-34 PAD A WELL CONNECT"

NUMBER	BEARING	DISTANCE
L1	N 01°46'32" E	455.74'

GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
- COMBINED SCALE FACTOR AT P.O.C. - 0.999800271
- VERTICAL DATUM IS NAVD 88
- AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



10/17/2017

CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgeland Dr.
Conway, AR 72034

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

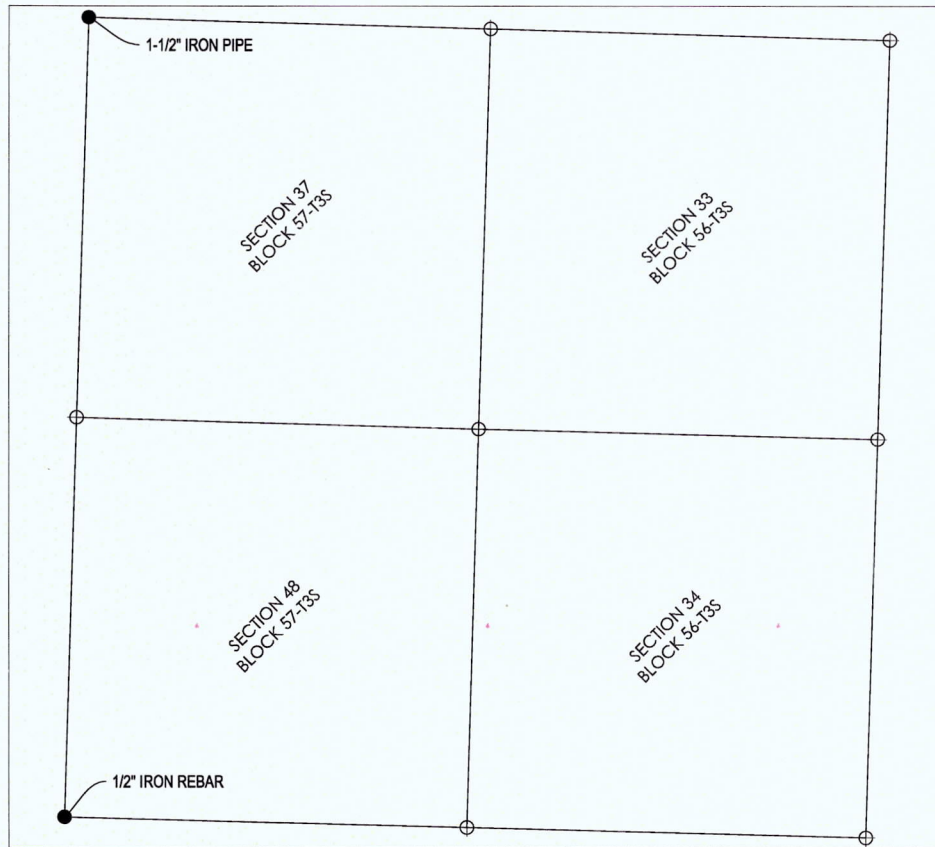


REVISION	BHP	BHP BILLITON PETROLEUM (TX GATHERING), LLC
		"STATE PERRYMAN 56-T3-34 PAD A WELL CONNECT"
		ARGENTA TRUST COMPANY, ET AL
		SECTION 34, BLOCK 56-T3S
		REEVES COUNTY, TEXAS
		TRACT NO. 01
	SCALE: 1" = 200'	CHECKED BY: L. DOW
	PLOT DATE: 10-17-2017	DRAWN BY: HFD
		APPROVED BY: C. GRAY
		SHEET NO.: 2 OF 3

LEGEND

● FOUND MONUMENT (AS NOTED)
○ CALCULATED CORNER

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE



REFERENCE CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NW CORNER 57-T3S-37	1-1/2" IRON PIPE	N = 10592631.98 E = 1179263.18	LAT: 31.67951764 LONG: -103.92576460	N = 750055.76 E = 882801.13	LAT: 31.67939015 LONG: -103.92529378
SW CORNER 57-T3S-48	1/2" IRON REBAR	N = 10582038.64 E = 1178943.64	LAT: 31.65038293 LONG: -103.92569177	N = 739462.62 E = 882481.54	LAT: 31.65025503 LONG: -103.92522127

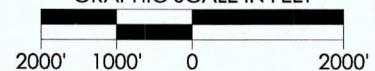
SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NE CORNER 56-T3S-34	CALCULATED CORNER	N = 10587045.74 E = 1189677.16	LAT: 31.66508879 LONG: -103.89172996	N = 744469.56 E = 893214.91	LAT: 31.66496080 LONG: -103.89126062
SE CORNER 56-T3S-34	CALCULATED CORNER	N = 10581763.23 E = 1189516.73	LAT: 31.65056024 LONG: -103.89170232	N = 739187.15 E = 893054.46	LAT: 31.65043204 LONG: -103.89123314
SW CORNER 56-T3S-34	CALCULATED CORNER	N = 10581900.26 E = 1184253.93	LAT: 31.65047293 LONG: -103.90862073	N = 739324.21 E = 887791.74	LAT: 31.65034488 LONG: -103.90815088
NW CORNER 56-T3S-34	CALCULATED CORNER	N = 10587182.59 E = 1184411.07	LAT: 31.66500069 LONG: -103.90866149	N = 744606.44 E = 887948.91	LAT: 31.66487285 LONG: -103.90819149

GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
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- VERTICAL DATUM IS NAVD 88
- AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.

GRAPHIC SCALE IN FEET



REVISION



BHP BILLITON PETROLEUM (TX GATHERING), LLC

"STATE PERRYMAN 56-T3-34 PAD A WELL CONNECT"
ARGENTA TRUST COMPANY, ET AL
SECTION 34, BLOCK 56-T3S
REEVES COUNTY, TEXAS
TRACT NO. 01

SCALE: 1" = 2000'

PLOT DATE: 10-17-2017

CHECKED BY:

DRAWN BY:

L. DOW

HFD

APPROVED BY:

SHEET NO.: 3 OF 3

C. GRAY

File No. MF113637

Reeves County

Surface Damage Pmt

Date Filed: 10.12.2021

George P. Bush, Commissioner

By VZ

45970



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

BPX Operating Company
Attn: Patty Burg
Office: WM11 6025-1
15377 Memorial Drive
Houston, TX 77079-4101

Billing Date: 9/8/2021
Billing Due Date: 10/8/2021
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
22I00003	MF113637	\$3,169.71	\$0.00	\$380.24	\$265.52	\$3,815.47
Total Due		\$3,169.71	\$0.00	\$380.24	\$265.52	\$3,815.47

Penalty and interest have been calculated thru 9/30/2021. Payment remitted after 9/30/2021 will result in additional penalty and interest charges.

Charlton, Andrea M (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 9/8/2021

Billing Due Date: 10/8/2021

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
22I00003	MF113637	\$3,169.71	\$0.00	\$380.24	\$265.52	\$3,815.47
Total Due		\$3,169.71	\$0.00	\$380.24	\$265.52	\$3,815.47
Amt. Paid						

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF113637
 GLO Review: BPX OPERATING COMPANY
 Review Period: 201909-202008

Category: Gas
 Auditor/AE: Acharito
 Billing Date: 9/1/2021
 P&I Calculation Date: 9/30/2021
 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 Roy	Number of Day	Interest Rate For	Penalty Rate From	Interest Rate From	Revenue Due
Sep-19	08-281881	(73)	1.00000000	1.458771	1.003900	(\$106.91)	(\$13.36)	\$0.00	(\$13.36)	685	6.50%	\$0.00	\$0.00	(\$13.36)
Nov-19	08-281881	10,982	1.00000000	0.720000	1.000000	\$7,907.04	\$988.38	\$0.00	\$988.38	624	5.75%	\$98.84	\$87.97	\$1,175.19
Dec-19	08-281881	9,523	1.00000000	1.309713	1.003157	\$12,511.77	\$1,563.97	\$0.00	\$1,563.97	593	5.75%	\$156.40	\$131.57	\$1,851.94
Jan-20	08-281881	2,251	1.00000000	0.698397	1.003500	\$1,577.59	\$197.20	\$0.00	\$197.20	564	5.75%	\$25.00	\$15.69	\$237.89
Feb-20	08-281881	2,909	1.00000000	0.460023	1.005344	\$1,345.36	\$168.17	\$0.00	\$168.17	533	5.75%	\$25.00	\$12.56	\$205.73
Mar-20	08-281881	3,873	1.00000000	0.405453	1.005000	\$1,578.17	\$197.27	\$0.00	\$197.27	503	5.75%	\$25.00	\$13.80	\$236.07
Apr-20	08-281881	1,354	1.00000000	0.247505	1.005733	\$337.04	\$42.13	\$0.00	\$42.13	472	5.75%	\$25.00	\$2.74	\$69.87
Aug-20	08-281881	160	1.00000000	1.289127	1.006600	\$207.62	\$25.95	\$0.00	\$25.95	350	5.75%	\$25.00	\$1.19	\$52.14
TOTALS		30,979				\$25,357.69	\$3,169.71	\$0.00	\$3,169.71			\$380.24	\$265.52	\$3,815.47

ATTN: Patty Burg
 E-MAIL: Patty.Burg@bpx.com

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

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-281881 08-289014 08-289015 08-289016

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, SEND AN EMAIL TO account.services@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER, REMITTANCE DATE AND AMOUNT OF PAYMENT.

File No. MF 113 637 (26)

Recon Billing County

Date Filed: 12/27/2021

George P. Bush, Commissioner
By VD



BP America Production Company
BPX Energy Inc.
3800 E 42nd St
Ste 105
Odessa, TX 79762

General Land Office State Of Texas
1700 N Congress Ave
Austin, TX 78701

RE: Receipt of Funds – Pipelines (Lease Obligation Payment, Lease # ELS-0192, Blake Oil and Gas Corporation, dated July 25th 2014) State Whiteacre 57-T3-44 Pad B, Block 57-T3, Section 44, Reeves County, Texas

Dear Sir or Madam,

In regard to the above referenced well and in accordance with the terms of the landowner lease with BHP Billiton Petroleum (TX Gathering), LLC, enclosed herein, please find a check in the amount of \$123.36 which is made payable to the addressee above for surface damages resulting from pipeline operations for the subject well.

Enclosed is a breakdown of the payments being made to the surface owners along with copies of the alignment sheets used to determine your payment.

The enclosed check covers damages for the pipeline. By cashing Check No.8005000097 in the amount of \$123.36 you agree this payment is the full and final settlement for the damages listed above.

Should you have any questions regarding this matter, please do not hesitate to contact me at the telephone number listed below.

Respectfully,
Mark E. Winsett
Independent Contractor / BPX Midstream LLC
(812) 480-1734 mobile
markewinsett@gmail.com

Pipelines (Lease Obligation Payment, Lease # ELS-0192 Blake Oil and Gas Corporation) State Whiteacre
57-T3-44 Pad B, Block 57-T3, Section 44, Reeves County, Texas

Rate per current UT Rate Schedule = \$64.00 per rod for 12 inch or under pipelines

Number of pipelines = 2

Distance = 36.30 rods

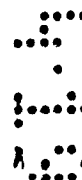
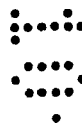
Total to Blake Oil and Gas Corporation 5.31% landowner = \$123.36

Remaining % owners = N/A in accordance of land leases = \$00.00

Total to State of Texas = \$123.36

Payment to Texas GLO = \$123.36

The alignment sheet and check are enclosed



[illegible]

bpx energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenville Road, Building 605, 3rd
Floor
Naperville, IL 60563

PAGE 1 OF 1

09/18/19

X01LH

20701431

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

VENDOR NUMBER: 0069000251

TRACE NUMBER: 2000000488

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900000654 Pipeline Sec 44 Blk 57-T3 Pipeline Sec 44 Blk 57-T3	09/16/19	2019.037	123.36		X 123.36
TOTALS			123.36		123.36

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO OUR OFFICE, PLEASE CALL
(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000251

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005000097 ATTACHED BELOW



BP America Production Company
BPX Energy Inc.
3800 E 42nd St
Ste 105
Odessa, TX 79762

General Land Office State Of Texas
1700 N Congress Ave
Austin, TX 78701

RE: – Pipelines (Lease Obligation Payment, Lease # ELS-0353) State Whiteacre 57-T3-44 Pad B, Block 57-T3, Section 44, Reeves County, Texas

Dear Sir or Madam,

In regard to the above referenced well and in accordance with the terms of the landowner lease with BHP Billiton Petroleum (TX Gathering), LLC, dated March 4th, 2016, enclosed herein, please find a check in the amount of \$133.82 which is made payable to the addressee above for surface damages resulting from pipeline operations for the subject well.

Enclosed is a breakdown of the payments being made to the surface owners along with copies of the alignment sheets used to determine your payment.

The enclosed check covers damages for the pipeline. By cashing Check No.8005000125 in the amount of \$133.82 you agree this payment is the full and final settlement for the damages listed above.

Should you have any questions regarding this matter, please do not hesitate to contact me at the telephone number listed below.

Respectfully,
Mark E. Winsett
Independent Contractor / BPX Midstream LLC
(812) 480-1734 mobile
markewinsett@gmail.com

Pipelines (Lease Obligation Payment, Lease # ELS-0353, M. Brad Bennett) State Whiteacre 57-T3-44 Pad
B, Block 57-T3, Section 44, Reeves County, Texas

Rate per current UT Rate Schedule = \$64.00 per rod for 12 inch or under pipelines

Number of pipelines = 2

Distance = 36.30 rods

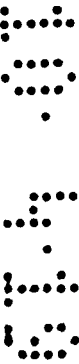
Total to M. Brad Bennett 5.76% landowner = \$133.82

Remaining % owners = N/A in accordance of land leases = \$00.00

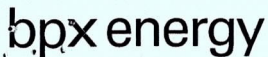
Total to State of Texas = \$133.82

Payment to Texas GLO = \$133.82

The alignment sheet and check are enclosed



© 2019 © Crillon Ltd. DRAWING FILE NAME AND LOCATION: G15372 (North Reeves St) - 85327w0200 - Project:65327w0355 Whiteside Pad B Pipeline Preliminary - 4507919999@aimcast.org. LAYOUT TAB: ALIGNMENT_SHEET (3)
LAST SAVED BY K01444, 3/8/2019 10:58:12 AM PLOTTED BY KEVIN DELAUGHTER (ONLY VALID ON HARD COPY)



BPX Operating Company
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenville Road, Building 605, 3rd
Floor
Naperville, IL 60563

PAGE 1 OF 1

09/20/19

X01LH

20701430

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

VENDOR NUMBER: 0069000251

TRACE NUMBER: 2000000587

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900000673 Pipeline Sec 44 Blk 57-T3 Pipeline Sec 44 Blk 57-T3	09/17/19	2019.039	133.82		X 133.82
TOTALS			133.82		/ 133.82

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO OUR OFFICE, PLEASE CALL
(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000251

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005000125 ATTACHED BELOW

File No. MF113637
County _____

Date Filed: 3-28-2022

George P. Bush, Chairman Emeritus

By VD

unit 7871
DIVISION ORDER

To: BPX Operating Company
PO Box 696505
San Antonio, TX 78269-6505

Date: 02/07/2020
Effective Date: 10/01/2019

Property Name: Various Properties (see exhibit A)
Property Number: Various (see exhibit A)
Operator: BPX Operating Company
County/State: Various (see exhibit A)
Description: See Exhibit A

Production: Oil: X Gas: X Other: X

Owner Number:	60468207	Type of Interest:	See Exhibit A
Owner Name:	STATE OF TEXAS GLO	Interest Sequence:	See Exhibit A
Owner Address:	1700 N CONGRESS AVE NO 640 AUSTIN, TX 78701-1495 US	Tract Factor:	See Exhibit A
		Tract Interest:	See Exhibit A
		Unit Interest:	See Exhibit A

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by BPX Operating Company ("Payor") on its behalf or on behalf of a Payor affiliate.

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

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

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

Payor may accrue proceeds until the total amount equals one hundred dollars (\$100), or pay annually in April, or as required by applicable state statute.

THIS DIVISION ORDER DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE UNDERSIGNED AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

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

Special Clauses: None

Owner(s) Signatures(s): _____

Owner Address Correction: _____

Owner's Tax I.D. Number: _____

Owner's Daytime Telephone: _____

Owner's Alternate Telephone: _____

Owner's Email: _____

Failure to furnish your proper Social Security/Tax I.D. Number on IRS Form W-9 will result in income tax withholding in accordance with federal law, and any tax withheld will not be refundable by Payor.

To: BPX Operating Company

DIVISION ORDER EXHIBIT "A"

Dated: 02/07/2020

Page: 1

OWNER: 60468207

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

•••••	•Property Name
•••••	STATE WHITEACRE 57-T3-44 W107H
•••••	•Operator
•	BPX Operating Company
•••••	•Legal Description
•••••	•County or Parish: REEVES State: TEXAS
	T&P RR CO GRANTEE J.S. OWENS T ; WSP T3 BLK 57 SEC 44



To: BPX Operating Company

DIVISION ORDER EXHIBIT "A"

Dated: 02/07/2020

Page: 2

OWNER: 60468207

STATE OF TEXAS GLO

1700 N CONGRESS AVE NO 640

AUSTIN TX 78701-1495

Property Name							
STATE WHITEACRE 57-T3-44 W107H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: REEVES State: TEXAS							
T&P RR CO GRANTEE J.S. OWENS T ; WSP T3 BLK 57 SEC 44							
DOI/ PROPERTY CODE	DOI SUFFIX	TRACT FACTOR	TRACT INTEREST	INTEREST TYPE	PRODUCT CODE	UNIT INTEREST	ACCOUNT STATUS
130163	2	1.00000000	0.00162664	Royalty Interest	All Products	0.00162664	Pay
130163	2	1.00000000	0.00146372	Royalty Interest	All Products	0.00146372	Pay
130163	2	1.00000000	0.00162664	Royalty Interest	All Products	0.00162664	Pay
130163	2	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	2	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	2	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	2	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	2	1.00000000	0.00097624	Royalty Interest	All Products	0.00097624	Pay
130163	2	1.00000000	0.00146437	Royalty Interest	All Products	0.00146437	Pay
130163	2	1.00000000	0.00048812	Royalty Interest	All Products	0.00048812	Pay
130163	2	1.00000000	0.00065083	Royalty Interest	All Products	0.00065083	Pay
130163	2	1.00000000	0.00016176	Royalty Interest	All Products	0.00016176	Pay
130163	2	1.00000000	0.00145584	Royalty Interest	All Products	0.00145584	Pay
130163	2	1.00000000	0.00048812	Royalty Interest	All Products	0.00048812	Pay
130163	2	1.00000000	0.00048812	Royalty Interest	All Products	0.00048812	Pay
130163	2	1.00000000	0.02827216	Royalty Interest	All Products	0.02827216	Pay
130163	2	1.00000000	0.00070511	Royalty Interest	All Products	0.00070511	Pay
130163	2	1.00000000	0.00070511	Royalty Interest	All Products	0.00070511	Pay
130163	2	1.00000000	0.00070511	Royalty Interest	All Products	0.00070511	Pay
130163	2	1.00000000	0.00597269	Royalty Interest	All Products	0.00597269	Pay
130163	2	1.00000000	0.00008298	Royalty Interest	All Products	0.00008298	Pay
130163	2	1.00000000	0.00008298	Royalty Interest	All Products	0.00008298	Pay
130163	2	1.00000000	0.00006809	Royalty Interest	All Products	0.00006809	Pay
130163	2	1.00000000	0.00009959	Royalty Interest	All Products	0.00009959	Pay
130163	2	1.00000000	0.00025627	Royalty Interest	All Products	0.00025627	Pay
130163	2	1.00000000	0.00002904	Royalty Interest	All Products	0.00002904	Pay
130163	2	1.00000000	0.00006224	Royalty Interest	All Products	0.00006224	Pay
130163	2	1.00000000	0.00005857	Royalty Interest	All Products	0.00005857	Pay
130163	2	1.00000000	0.00005857	Royalty Interest	All Products	0.00005857	Pay
130163	2	1.00000000	0.00013399	Royalty Interest	All Products	0.00013399	Pay
130163	2	1.00000000	0.00001464	Royalty Interest	All Products	0.00001464	Pay
130163	2	1.00000000	0.00001464	Royalty Interest	All Products	0.00001464	Pay
130163	2	1.00000000	0.00080880	Royalty Interest	All Products	0.00080880	Pay
130163	2	1.00000000	0.01436071	Royalty Interest	All Products	0.01436071	Pay
130163	2	1.00000000	0.00647041	Royalty Interest	All Products	0.00647041	Pay
130163	2	1.00000000	0.00431361	Royalty Interest	All Products	0.00431361	Pay
130163	2	1.00000000	0.00549985	Royalty Interest	All Products	0.00549985	Pay
130163	2	1.00000000	0.00215680	Royalty Interest	All Products	0.00215680	Pay
130163	2	1.00000000	0.00215680	Royalty Interest	All Products	0.00215680	Pay
130163	2	1.00000000	0.00431361	Royalty Interest	All Products	0.00431361	Pay
130163	2	1.00000000	0.00107840	Royalty Interest	All Products	0.00107840	Pay

To: BPX Operating Company

DIVISION ORDER EXHIBIT "A"

Dated: 02/07/2020

Page: 3

OWNER: 60468207

STATE OF TEXAS GLO

1700 N CONGRESS AVE NO 640

AUSTIN TX 78701-1495

Property Name							
STATE WHITEACRE 57-T3-44 W107H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: REEVES State: TEXAS							
T&P RR CO GRANTEE J.S. OWENS T ; WSP T3 BLK 57 SEC 44							
130163	2	1.00000000	0.00174841	Royalty Interest	All Products	0.00174841	Pay
130163	2	1.00000000	0.00095059	Royalty Interest	All Products	0.00095059	Pay
130163	2	1.00000000	0.00129408	Royalty Interest	All Products	0.00129408	Pay
130163	2	1.00000000	0.00129408	Royalty Interest	All Products	0.00129408	Pay
130163	2	1.00000000	0.00647041	Royalty Interest	All Products	0.00647041	Pay
130163	2	1.00000000	0.00549985	Royalty Interest	All Products	0.00549985	Pay
130163	2	1.00000000	0.00032352	Royalty Interest	All Products	0.00032352	Pay
130163	2	1.00000000	0.00032352	Royalty Interest	All Products	0.00032352	Pay
130163	2	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	2	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	2	1.00000000	0.00129408	Royalty Interest	All Products	0.00129408	Pay
130163	2	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	2	1.00000000	0.00032352	Royalty Interest	All Products	0.00032352	Pay
130163	2	1.00000000	0.00107840	Royalty Interest	All Products	0.00107840	Pay
130163	2	1.00000000	0.00058280	Royalty Interest	All Products	0.00058280	Pay
130163	2	1.00000000	0.00058280	Royalty Interest	All Products	0.00058280	Pay
130163	2	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay
130163	2	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay
130163	2	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	2	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay
130163	2	1.00000000	0.00058280	Royalty Interest	All Products	0.00058280	Pay
130163	2	1.00000000	0.00862721	Royalty Interest	All Products	0.00862721	Pay
130163	2	1.00000000	0.00079782	Royalty Interest	All Products	0.00079782	Pay
130163	2	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay

DIVISION ORDER

To: BPX Operating Company
PO Box 696505
San Antonio, TX 78269-6505

Date: 02/07/2020
Effective Date: 10/01/2019

Property Name: Various Properties (see exhibit A)
Property Number: Various (see exhibit A)
Operator: BPX Operating Company
County/State: Various (see exhibit A)
Description: See Exhibit A

Production: Oil: X Gas: X Other: X

Owner Number: 60468207	Type of Interest: See Exhibit A
Owner Name: STATE OF TEXAS GLO	Interest Sequence: See Exhibit A
	Tract Factor: See Exhibit A
Owner Address: 1700 N CONGRESS AVE NO 640	Tract Interest: See Exhibit A
AUSTIN, TX 78701-1495 US	Unit Interest: See Exhibit A

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by BPX Operating Company ("Payor") on its behalf or on behalf of a Payor affiliate.

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

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

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

Payor may accrue proceeds until the total amount equals one hundred dollars (\$100), or pay annually in April, or as required by applicable state statute.

THIS DIVISION ORDER DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE UNDERSIGNED AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

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

Special Clauses: None

Owner(s) Signatures(s): _____

Owner Address Correction: _____

Owner's Tax I.D. Number: _____

Owner's Daytime Telephone: _____

Owner's Alternate Telephone: _____

Owner's Email: _____

Failure to furnish your proper Social Security/Tax I.D. Number on IRS Form W-9 will result in income tax withholding in accordance with federal law, and any tax withheld will not be refundable by Payor.

To: BPX Operating Company

DIVISION ORDER EXHIBIT "A"

Dated: 02/07/2020

Page: 1

OWNER: 60468207

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

Property Name
STATE WHITEACRE 57-T3-44 W108H
Operator
BPX Operating Company
Legal Description
County or Parish: REEVES State: TEXAS
T&P RR CO GRANTEE J.S. OWENS T ; WSP T3 BLK 57 SEC 44

To: BPX Operating Company

DIVISION ORDER EXHIBIT "A"

Dated: 02/07/2020

Page: 2

OWNER: 60468207

STATE OF TEXAS GLO

1700 N CONGRESS AVE NO 640

AUSTIN TX 78701-1495

Property Name							
STATE WHITEACRE 57-T3-44 W108H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: REEVES State: TEXAS							
T&P RR CO GRANTEE J.S. OWENS T ; WSP T3 BLK 57 SEC 44							
DOI/ PROPERTY CODE	DOI SUFFIX	TRACT FACTOR	TRACT INTEREST	INTEREST TYPE	PRODUCT CODE	UNIT INTEREST	ACCOUNT STATUS
130163	3	1.00000000	0.00162664	Royalty Interest	All Products	0.00162664	Pay
130163	3	1.00000000	0.00146372	Royalty Interest	All Products	0.00146372	Pay
130163	3	1.00000000	0.00162664	Royalty Interest	All Products	0.00162664	Pay
130163	3	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	3	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	3	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	3	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	3	1.00000000	0.00097624	Royalty Interest	All Products	0.00097624	Pay
130163	3	1.00000000	0.00146437	Royalty Interest	All Products	0.00146437	Pay
130163	3	1.00000000	0.00048812	Royalty Interest	All Products	0.00048812	Pay
130163	3	1.00000000	0.00065083	Royalty Interest	All Products	0.00065083	Pay
130163	3	1.00000000	0.00016176	Royalty Interest	All Products	0.00016176	Pay
130163	3	1.00000000	0.00145584	Royalty Interest	All Products	0.00145584	Pay
130163	3	1.00000000	0.00048812	Royalty Interest	All Products	0.00048812	Pay
130163	3	1.00000000	0.00048812	Royalty Interest	All Products	0.00048812	Pay
130163	3	1.00000000	0.02827216	Royalty Interest	All Products	0.02827216	Pay
130163	3	1.00000000	0.00070511	Royalty Interest	All Products	0.00070511	Pay
130163	3	1.00000000	0.00070511	Royalty Interest	All Products	0.00070511	Pay
130163	3	1.00000000	0.00070511	Royalty Interest	All Products	0.00070511	Pay
130163	3	1.00000000	0.00597269	Royalty Interest	All Products	0.00597269	Pay
130163	3	1.00000000	0.00008298	Royalty Interest	All Products	0.00008298	Pay
130163	3	1.00000000	0.00008298	Royalty Interest	All Products	0.00008298	Pay
130163	3	1.00000000	0.00006809	Royalty Interest	All Products	0.00006809	Pay
130163	3	1.00000000	0.00009959	Royalty Interest	All Products	0.00009959	Pay
130163	3	1.00000000	0.00025627	Royalty Interest	All Products	0.00025627	Pay
130163	3	1.00000000	0.00002904	Royalty Interest	All Products	0.00002904	Pay
130163	3	1.00000000	0.00006224	Royalty Interest	All Products	0.00006224	Pay
130163	3	1.00000000	0.00005857	Royalty Interest	All Products	0.00005857	Pay
130163	3	1.00000000	0.00005857	Royalty Interest	All Products	0.00005857	Pay
130163	3	1.00000000	0.00013399	Royalty Interest	All Products	0.00013399	Pay
130163	3	1.00000000	0.00001464	Royalty Interest	All Products	0.00001464	Pay
130163	3	1.00000000	0.00001464	Royalty Interest	All Products	0.00001464	Pay
130163	3	1.00000000	0.00080880	Royalty Interest	All Products	0.00080880	Pay
130163	3	1.00000000	0.01436071	Royalty Interest	All Products	0.01436071	Pay
130163	3	1.00000000	0.00647041	Royalty Interest	All Products	0.00647041	Pay
130163	3	1.00000000	0.00431361	Royalty Interest	All Products	0.00431361	Pay
130163	3	1.00000000	0.00549985	Royalty Interest	All Products	0.00549985	Pay
130163	3	1.00000000	0.00215680	Royalty Interest	All Products	0.00215680	Pay
130163	3	1.00000000	0.00215680	Royalty Interest	All Products	0.00215680	Pay
130163	3	1.00000000	0.00431361	Royalty Interest	All Products	0.00431361	Pay
130163	3	1.00000000	0.00107840	Royalty Interest	All Products	0.00107840	Pay

To: BPX Operating Company

DIVISION ORDER EXHIBIT "A"

Dated: 02/07/2020

Page: 3

OWNER: 60468207

STATE OF TEXAS GLO

1700 N CONGRESS AVE NO 640

AUSTIN TX 78701-1495

Property Name							
STATE WHITEACRE 57-T3-44 W108H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: REEVES State: TEXAS							
T&P RR CO GRANTEE J.S. OWENS T ; WSP T3 BLK 57 SEC 44							
130163	3	1.00000000	0.00174841	Royalty Interest	All Products	0.00174841	Pay
130163	3	1.00000000	0.00095059	Royalty Interest	All Products	0.00095059	Pay
130163	3	1.00000000	0.00129408	Royalty Interest	All Products	0.00129408	Pay
130163	3	1.00000000	0.00129408	Royalty Interest	All Products	0.00129408	Pay
130163	3	1.00000000	0.00647041	Royalty Interest	All Products	0.00647041	Pay
130163	3	1.00000000	0.00549985	Royalty Interest	All Products	0.00549985	Pay
130163	3	1.00000000	0.00032352	Royalty Interest	All Products	0.00032352	Pay
130163	3	1.00000000	0.00032352	Royalty Interest	All Products	0.00032352	Pay
130163	3	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	3	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	3	1.00000000	0.00129408	Royalty Interest	All Products	0.00129408	Pay
130163	3	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	3	1.00000000	0.00032352	Royalty Interest	All Products	0.00032352	Pay
130163	3	1.00000000	0.00107840	Royalty Interest	All Products	0.00107840	Pay
130163	3	1.00000000	0.00058280	Royalty Interest	All Products	0.00058280	Pay
130163	3	1.00000000	0.00058280	Royalty Interest	All Products	0.00058280	Pay
130163	3	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay
130163	3	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay
130163	3	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	3	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay
130163	3	1.00000000	0.00058280	Royalty Interest	All Products	0.00058280	Pay
130163	3	1.00000000	0.00862721	Royalty Interest	All Products	0.00862721	Pay
130163	3	1.00000000	0.00079782	Royalty Interest	All Products	0.00079782	Pay
130163	3	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay



DIVISION ORDER

To: BPX Operating Company
PO Box 696505
San Antonio, TX 78269-6505

Date: 02/07/2020
Effective Date: 10/01/2019

Property Name: Various Properties (see exhibit A)
Property Number: Various (see exhibit A)
Operator: BPX Operating Company
County/State: Various (see exhibit A)
Description: See Exhibit A

Production: Oil: X Gas: X Other: X

Owner Number: 60468207	Type of Interest: See Exhibit A
Owner Name: STATE OF TEXAS GLO	Interest Sequence: See Exhibit A
Owner Address: 1700 N CONGRESS AVE NO 640 AUSTIN, TX 78701-1495 US	Tract Factor: See Exhibit A
	Tract Interest: See Exhibit A
	Unit Interest: See Exhibit A

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by BPX Operating Company ("Payor") on its behalf or on behalf of a Payor affiliate.

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

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

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

Payor may accrue proceeds until the total amount equals one hundred dollars (\$100), or pay annually in April, or as required by applicable state statute.

THIS DIVISION ORDER DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE UNDERSIGNED AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

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

Special Clauses: None

Owner(s) Signatures(s): _____

Owner Address Correction: _____

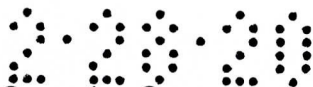
Owner's Tax I.D. Number: _____

Owner's Daytime Telephone: _____

Owner's Alternate Telephone: _____

Owner's Email: _____

Failure to furnish your proper Social Security/Tax I.D. Number on IRS Form W-9 will result in income tax withholding in accordance with federal law, and any tax withheld will not be refundable by Payor.



To: BPX Operating Company

DIVISION ORDER EXHIBIT "A"

Dated: 02/07/2020

Page: 1

OWNER: 60468207

STATE OF TEXAS GLO

1700 N CONGRESS AVE NO 640

AUSTIN TX 78701-1495

Property Name
STATE WHITEACRE 57-T3-44 W109H
Operator
BPX Operating Company
Legal Description
County or Parish: REEVES State: TEXAS
T&P RR CO GRANTEE J.S. OWENS T ; WSP T3 BLK 57 SEC 44

DIVISION ORDER EXHIBIT "A"

Dated: 02/07/2020

Page: 2

OWNER: 60468207

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

Property Name							
STATE WHITEACRE 57-T3-44 W109H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: REEVES State: TEXAS							
T&P RR CO GRANTEE J.S. OWENS T ; WSP T3 BLK 57 SEC 44							
DOI/ PROPERTY CODE	DOI SUFFIX	TRACT FACTOR	TRACT INTEREST	INTEREST TYPE	PRODUCT CODE	UNIT INTEREST	ACCOUNT STATUS
130163	4	1.00000000	0.00162664	Royalty Interest	All Products	0.00162664	Pay
130163	4	1.00000000	0.00146372	Royalty Interest	All Products	0.00146372	Pay
130163	4	1.00000000	0.00162664	Royalty Interest	All Products	0.00162664	Pay
130163	4	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	4	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	4	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	4	1.00000000	0.00097581	Royalty Interest	All Products	0.00097581	Pay
130163	4	1.00000000	0.00097624	Royalty Interest	All Products	0.00097624	Pay
130163	4	1.00000000	0.00146437	Royalty Interest	All Products	0.00146437	Pay
130163	4	1.00000000	0.00048812	Royalty Interest	All Products	0.00048812	Pay
130163	4	1.00000000	0.00065083	Royalty Interest	All Products	0.00065083	Pay
130163	4	1.00000000	0.00016176	Royalty Interest	All Products	0.00016176	Pay
130163	4	1.00000000	0.00145584	Royalty Interest	All Products	0.00145584	Pay
130163	4	1.00000000	0.00048812	Royalty Interest	All Products	0.00048812	Pay
130163	4	1.00000000	0.00048812	Royalty Interest	All Products	0.00048812	Pay
130163	4	1.00000000	0.02827216	Royalty Interest	All Products	0.02827216	Pay
130163	4	1.00000000	0.00070511	Royalty Interest	All Products	0.00070511	Pay
130163	4	1.00000000	0.00070511	Royalty Interest	All Products	0.00070511	Pay
130163	4	1.00000000	0.00070511	Royalty Interest	All Products	0.00070511	Pay
130163	4	1.00000000	0.00597269	Royalty Interest	All Products	0.00597269	Pay
130163	4	1.00000000	0.00008298	Royalty Interest	All Products	0.00008298	Pay
130163	4	1.00000000	0.00008298	Royalty Interest	All Products	0.00008298	Pay
130163	4	1.00000000	0.00006809	Royalty Interest	All Products	0.00006809	Pay
130163	4	1.00000000	0.00009959	Royalty Interest	All Products	0.00009959	Pay
130163	4	1.00000000	0.00025627	Royalty Interest	All Products	0.00025627	Pay
130163	4	1.00000000	0.00002904	Royalty Interest	All Products	0.00002904	Pay
130163	4	1.00000000	0.00006224	Royalty Interest	All Products	0.00006224	Pay
130163	4	1.00000000	0.00005857	Royalty Interest	All Products	0.00005857	Pay
130163	4	1.00000000	0.00005857	Royalty Interest	All Products	0.00005857	Pay
130163	4	1.00000000	0.00013399	Royalty Interest	All Products	0.00013399	Pay
130163	4	1.00000000	0.00001464	Royalty Interest	All Products	0.00001464	Pay
130163	4	1.00000000	0.00001464	Royalty Interest	All Products	0.00001464	Pay
130163	4	1.00000000	0.00080880	Royalty Interest	All Products	0.00080880	Pay
130163	4	1.00000000	0.01436071	Royalty Interest	All Products	0.01436071	Pay
130163	4	1.00000000	0.00647041	Royalty Interest	All Products	0.00647041	Pay
130163	4	1.00000000	0.00431361	Royalty Interest	All Products	0.00431361	Pay
130163	4	1.00000000	0.00549985	Royalty Interest	All Products	0.00549985	Pay
130163	4	1.00000000	0.00215680	Royalty Interest	All Products	0.00215680	Pay
130163	4	1.00000000	0.00215680	Royalty Interest	All Products	0.00215680	Pay
130163	4	1.00000000	0.00431361	Royalty Interest	All Products	0.00431361	Pay
130163	4	1.00000000	0.00107840	Royalty Interest	All Products	0.00107840	Pay



DIVISION ORDER EXHIBIT "A"

Dated: 02/07/2020

Page: 3

OWNER: 60468207

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

Property Name							
STATE WHITEACRE 57-T3-44 W109H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: REEVES State: TEXAS							
T&P RR CO GRANTEE J.S. OWENS T ; WSP T3 BLK 57 SEC 44							
130163	4	1.00000000	0.00174841	Royalty Interest	All Products	0.00174841	Pay
130163	4	1.00000000	0.00095059	Royalty Interest	All Products	0.00095059	Pay
130163	4	1.00000000	0.00129408	Royalty Interest	All Products	0.00129408	Pay
130163	4	1.00000000	0.00129408	Royalty Interest	All Products	0.00129408	Pay
130163	4	1.00000000	0.00647041	Royalty Interest	All Products	0.00647041	Pay
130163	4	1.00000000	0.00549985	Royalty Interest	All Products	0.00549985	Pay
130163	4	1.00000000	0.00032352	Royalty Interest	All Products	0.00032352	Pay
130163	4	1.00000000	0.00032352	Royalty Interest	All Products	0.00032352	Pay
130163	4	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	4	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	4	1.00000000	0.00129408	Royalty Interest	All Products	0.00129408	Pay
130163	4	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	4	1.00000000	0.00032352	Royalty Interest	All Products	0.00032352	Pay
130163	4	1.00000000	0.00107840	Royalty Interest	All Products	0.00107840	Pay
130163	4	1.00000000	0.00058280	Royalty Interest	All Products	0.00058280	Pay
130163	4	1.00000000	0.00058280	Royalty Interest	All Products	0.00058280	Pay
130163	4	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay
130163	4	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay
130163	4	1.00000000	0.00274992	Royalty Interest	All Products	0.00274992	Pay
130163	4	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay
130163	4	1.00000000	0.00058280	Royalty Interest	All Products	0.00058280	Pay
130163	4	1.00000000	0.00862721	Royalty Interest	All Products	0.00862721	Pay
130163	4	1.00000000	0.00079782	Royalty Interest	All Products	0.00079782	Pay
130163	4	1.00000000	0.00020220	Royalty Interest	All Products	0.00020220	Pay

By VJ