



CAUTION

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Archives and Records Staff

MF113685

~~Unit 5291~~ *

Unit 6796

~~Unit 7840~~ *

FREE ROYALTY LEASE ACRES

REDUCED TO 160.22 ACRES

~~TO~~ ASSIGNED TO UNIT 6796. *

ML

Leasing: GH

Analyst: JA

Maps: JA

GIS: ML EG

DocuShare: _____

State Lease

MF113685

Control

08-029634

Base File

149558

County

REEVES

Survey

PUBLIC SCHOOL LAND

Block

53

Block Name

Township

Section/Tract

10

Land Part

Part Description

NE4 & N2 OF NW4 & N2 O

Acres

3¹/₄ 160.22

Depth Below

Depth Above

Depth Other

Name

CONOCOPHILLIPS COMPANY

Lease Date

12/30/2010

Primary Term

3 yrs

Bonus (\$)

\$0.00

Rental (\$)

\$0.00

Lease Royalty

0.0625

ATTENTION FILE USERS!
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③ Lease	1/25/12	report Unit 5291
4. Ltr. From ConocoPhillips	2/6/12	21 Zero production
5 Designation Pythian 10 #1H Unit	2/14/12	report Unit 7840
6. Amendment to Pythian Unit	2/14/12	scanned PJ 5-19-2023
7. Pooling Agreement Packet #5291		
Pythian 10 #1H Unit	2/14/12	
8. E-Mail From ConocoPhillips with Copy of Recorded Pythian Rat 7/18/12		
9. RRC Forms Pythian 10 #1H	12/10/12	
Scanned sm 2/19/13		
10. Assignment #9010, Pythian Home to Conoco Phillips	2-3-14	
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11. Ltr. From ConocoPhillips with recorded Pythian Unit A 10-3	10/24/14	
12. Ratification Packet #6796		
Pythian Unit A 10-3	11/21/14	
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scanned PJ 12-2-16		
19. Recorded Ratification of Pythian-Dartman Unit #7840	4/27/17	

October 24, 2011

GENERAL LAND OFFICE
Mr. Drew Reid
Stephen F Austin Bldg.
1700 North Congress Ave.
Austin, Texas 78701

★ 1/16
① OG - 029634 36149558 - NE/4, N/2 SE/4 + N/2 NW/4
② OG - 029643 151381 - S/2 NW/4 + N/2 SW/4
Free Roy. → 149558 - 1/2 SW/4 SW/4

RE: The NE/4, N/2 NW/4, N/2 SE/4 & SW/4 SW/4 of Section 10, A-5499, &
The S/2 NW/4 & N/2 SW/4 of Section 10, A-5703,
Block 53, PSL Survey
Reeves County, Texas
Containing 521.00 acres, more or less

★ Need two (3)
MF #s

Dear Mr. Reid,

Enclosed for filing, are certified copies of two separate Oil & Gas Leases each covering a portion of the above referenced free royalty lands.

1. An Oil & Gas Lease dated April 14, 2011, from Blake Oil & Gas Corporation, as Lessor to ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 367 of the Official Public Records of Reeves County, Texas.
2. An Oil & Gas Lease dated December 30, 2010, from Texas Pythian Home, Inc., as Lessor to ConocoPhillips Company, as Lessee, recorded in Volume 864, Page 394 of the Official Public Records of Reeves County, Texas.

If you have any questions or comments, please feel free to contact me at (432) 683-2449 or toll-free at 1-877-661-2400.

Sincerely,


Steven W. Horn

SWH/mac
Enclosures:2

File No. 113685

Cover Letter

Date Filed: 1/25/12

Jerry E. Patterson, Commissioner

By GH





Interactive Land Lease Mapping Program



SON

Streets

Aerial

Topo

Blank

W.E. TINNIN
A-3522

F.O. HOOVER
A-5499

S. ALSTON
A-4336

9

10

J.G. SMITH
A-5703

151381 REEVES
mi-113686

STATE SF 153524
A-STATE

* This is FR
mF-113687

F.O. HOOVER
A- 5499
149558

W.E. TINNIN
A-4195

G. HOPPER
A-2650 500 m

S. ALSTON
A-5099

K.M. ALSTON
A-4334

16

15

Latitude:31.612651 Longitude:-104.058579

<http://gismap/glogis/>

12/14/2011

OK 

புக 53 பசு

File No. 113685

Land SP

Date Filed: 1/25/12

Jerry E. Patterson, Commissioner

By CH

2011-12-15

2011-12-15
2011-12-15

2011-12-15

2011-12-15

2011-12-15

2011-12-15

10-28-11

FILE # 331

MF 113685

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 OF RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

Produced Pursuant to
Texas Form 9424-A 1-92

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT, made this 30th day of December, 2010 between Texas Pythian Home, Inc., a Texas corporation, whose address is, 1825 East Bankhead Drive, Weatherford, TX 76086, Lessor (whether one or more), and ConocoPhillips Company, whose address is P. O. Box 7500, Bartlesville, OK 74005-7500, Lessee,

WITNESSETH:

1. Lessor, in consideration of Ten and More Dollars, (\$10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of testing, by any method or methods, for formations or structures, investigating, exploring, prospecting, and drilling for and producing oil, gas and all other minerals, laying pipe lines, building tanks, power stations, telephone lines, and other structures thereon, to produce, save, take care of, treat, transport, and own said products, constructing and maintaining roads and bridges, and, in general, for all appliances or structures, equipment, servitude and privileges which may be necessary, useful or convenient in connection with any such operations conducted by Lessee thereon, the following-described land in the County of Reeves, State of Texas, to wit:

NE/4 and N/2 NW/4 and N/2 SE/4 and SW/4 SW/4, Abstract 5499, Section 10, Block 53, PSL Survey, containing 361.00 gross acres, more or less.

See Exhibit "A" and Exhibit "B" attached hereto and made a part hereof for additional provisions.

2. This lease shall be for a term of Five (5) years from this date hereof (called 'primary term') and as long thereafter as oil, gas (whether or not classified as a hydrocarbon), or other mineral is produced from the land hereinabove described.

3. The royalties to be paid Lessor are: (a) on oil, twenty-five percent (25%) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected. Lessee may from time to time purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of twenty-five percent (25%) of the gas used, provided that on gas sold on or off the premises the royalty shall twenty-five percent (25%) of the amount realized from such sale. Lessee shall have the free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, and gas shall be computed after deducting any so used. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for such term and under such conditions as are customary in the industry. 'Price' shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event Lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, Lessee, in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. Lessee may at any time execute and deliver to Lessor or place of record, a release or releases covering all or any portion or portions of the above-described premises and thereby surrender this leases as to such portion or portions and terminate from and after the date of surrender all obligations as to the acreage surrendered, including any obligations to offset producing wells.

5. If at the expiration of the primary term there is no well upon said land capable of producing oil, gas or other mineral, but Lessee has commenced operations for drilling or reworking thereon, the lease shall remain in force so long as operations are prosecuted with no cessation of more than sixty (60) consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas or other mineral is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if Lessee commences operations for additional drilling or reworking within one hundred and twenty (120) days thereafter. Production under the terms of this lease in order to continue the same in force subsequent to the primary term, need not be in paying quantities; provided, however, that Lessee shall not be obligated to, but may at its option produce any well which does not yield operating costs plus a reasonable profit.

6. Lessee is granted the right and option to consolidate the lands covered hereby, or any portion or portions thereof, whether or not Lessee has consolidation rights in such other lands, and Lessee may consolidate any stratum or strata under said lands with the same stratum or strata in and under other lands, to form a unit for the production of (1) oil and casinghead gas, or (2) dry or gas well gas, including crude oil produced from a gas well and condensate or distillate, the unit or units to be in such shape and of such dimensions as Lessee may elect; provided that such unit or units when completed shall be composed of tracts each of which is contiguous to, touches or corners with some one or more of the other tracts in the unit in such manner as to form one connected tract or unit, and provided, further, that any tracts included in such unit or units separated only by a road, highway, street, railroad right of way, river, canal, or a combination of such, or by a strip of land having an average width not greater than six hundred (600) feet, the title to which strip of land or the minerals therein or any part thereof is in any governmental body or agency, shall be considered as contiguous, cornering or touching within the meaning of this paragraph. Any unit formed for the production of oil and casinghead gas shall not exceed one hundred sixty (160) acres in surface area plus a tolerance of ten per cent (10%) thereof, except that any unit formed for the production of oil



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and casinghead gas from a horizontal drainhole well shall not exceed six hundred forty (640) acres in surface area plus a ten per cent (10%) tolerance thereof; and any such unit formed for the production of dry or gas well gas, including crude oil produced from a gas well and condensate or distillate, shall not exceed six hundred forty (640) acres in surface area plus a ten per cent (10%) tolerance thereof. Provided, however, that should governmental authority having jurisdiction permit the creation of units larger than those specified, units thereafter created may conform in size with those permitted by governmental regulations.

7. Lessee may exercise its right and option to consolidate said land or any part thereof as authorized in Paragraph 6 hereof at any time during the term of this lease by executing an instrument in writing describing the consolidated unit, specifying the purposes for which such consolidation is made, and mailing or delivering to the Lessor a copy thereof, or by filing same for record in the county where such land is located. Separate consolidations may be made, at the same or at different times, for the purposes of (1) oil and casinghead gas; and (2) dry or gas well gas, including crude oil produced from a gas well and condensate or distillate; and the inclusion of a particular area in a unit for one purpose shall not preclude the inclusion of such area or any part hereof in another unit for another purpose. The lands, stratum, strata or estates so consolidated shall be developed and operated as one tract as if said consolidation tract had been originally covered by one lease for the purposes for which the consolidation is made. Any well or wells of the type covered by the consolidation that may have been commenced or completed prior to, or that may be commenced after, the consolidation, on any portion of the consolidated tract, regardless of where located thereon, shall be deemed to have been drilled under the terms of this lease on lands covered hereby for all purposes except for the payment of royalties on production; provided further, that any operations for drilling and completing a well on the consolidated tract shall be deemed to be operations on the above-described lands under the terms of this lease, regardless of whether said operations result in a well of the type covered by the consolidation, or a well of a type not covered by the consolidation. In lieu of royalties specified elsewhere herein, Lessor shall receive on production from a consolidated tract subsequent to effective date of consolidation, only such portion of the royalties stipulated in Paragraph 3 hereof as his net royalty acreage interest in the lands, stratum or strata placed in the consolidated tract bears to the total surface area of the lands, stratum or strata comprising the consolidated tract.

The aforementioned units may be designated either before or after the completion of wells and Lessee may reduce, enlarge, modify or dissolve such unit or units at any time prior to the discovery of oil, gas, or other minerals on the pooled area, or, after discovery of same, at any time subsequent to the cessation of production thereon, by filing a written declaration to such effect in the county where such land is located.

8. If as a result of act of God, fire, storm, flood, war, insurrection, rebellion, labor troubles, or requisition or order of any governmental authority or agency, including but not limited to the exercise of rights of priority by any governmental authority or agency for national defense purposes, said Lessee is unable to or is prevented from commencing, drilling, completing or reworking any well or wells for oil, gas or other mineral on the leased premises, then in any such event Lessee shall be relieved, during the continuance of such preventing cause, and for sixty (60) days thereafter, from all obligations in this lease contained, if any, either express or implied, to commence, drill, complete or rework any well or wells on the leased premises.

9. If for any period or periods of time after discovery of oil, gas or other mineral, no oil, gas or other mineral is produced from the leased premises but there is located thereon a gas well, a bradenhead well, or a well capable of producing gas and condensate or gas and distillate from which the gas is not sold or used for any reason, or there is located on said premises an oil well which is not produced on account of any of the causes stated in Paragraph 8 hereof, this lease shall nevertheless continue in full force and effect and it shall be deemed that oil or gas is being produced from the leased premises as long as there remain upon the leased premises one or more wells capable of producing oil or gas. If any such well drilled and/or completed after expiration of the primary term is shut-in, Lessee shall be obligated to pay or tender to Lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut-in, as royalty, One Dollar (\$1.00) per net acre, applicable to the interest of Lessor in acreage embraced in this lease as of the end of such annual period; provided that, if production from such well is sold or used as aforesaid before the end of any such annual period, or if, at the end of any such annual period, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, Lessee shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Such payment may be made or tendered to Lessor by United States mail to the address shown above.

Royalty ownership as of the last day of each such annual period as shown by Lessee's records shall govern the determination of the party or parties entitled to receive such payments.

If any such well drilled and completed during the primary term remains shut-in on the expiration of the primary term, it shall be deemed for the purposes of the Paragraph 9 that such well was actually completed and shut-in on the date of the expiration of the primary term, but otherwise all of the foregoing provisions relating to shut-in well payments shall be applicable to such well.

10. If, at the expiration of the primary term hereof there shall be no well producing, or capable of producing oil, gas, or other mineral and if drilling or reworking operations are not being carried on, and if Lessee shall be prevented during the last sixty (60) days of the primary term from commencing, drilling or completing any well or wells on the leased premises for any of the causes specified in Paragraph 8, hereof, this lease shall continue in force during the period of time that such preventing causes remain in effect and for sixty (60) days thereafter, and if operations for drilling or reworking shall be commenced within said sixty (60) days, this lease shall continue in force as long as drilling or reworking operations continue without cessation for more than sixty (60) consecutive days, whether such operations be on the same well or on a different or additional well or wells, and in the event oil, gas, or other mineral is discovered, then as long as the same is produced from the leased premises; provided, however, that this paragraph shall not become effective unless Lessee shall pay or tender as royalty a sum equal to the royalties specified in Paragraph 9 hereof, which shall be payable in the manner therein specified on or before the last day of the primary term and annually thereafter while the provisions of this paragraph are invoked by Lessee.

11. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto. Notwithstanding any actual or constructive knowledge or notice to Lessee, no change or division in the ownership of the lands or royalties, however accomplished, shall be binding upon the Lessee (except at Lessee's option in any particular case), until sixty (60) days after Lessee shall have been furnished with the original, a copy certified by the official recorder of the county where the land or some part thereof is located, or a Photostat of the recorded instrument or instruments, evidencing the change or transfer, including any intermediate transfer from the Lessor prior to said date whether or not due. In case of death of any person entitled to receive royalties, the evidence of change in ownership shall consist of letters of administration or final decree of distribution of the estate of the decedent issued by a court of competent jurisdiction of the decedent's estate including his interest in the lands above described. Lessee



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may until such date continue to pay such royalties as if such change or transfer had not been made, or may pay the same according to the interest of record as disclosed by the last certification of an abstract in Lessee's possession subsequent to the date of the lease, or at Lessee's option, may suspend the payment thereof until sixty (60) days after such evidence is received. No change or division in the ownership of the land or royalties shall operate to enlarge the obligations or diminish the rights of the Lessee. No division of royalties shall be made effective except at the end of a calendar month. If the ownership of royalties becomes changed into separate divided portions of said land and the owner of any such royalty desires separate gauges for production from such separate tracts, he shall request the Lessee to set separate measuring and receiving tanks and pay to the Lessee in advance the Lessee's estimated cost of procuring and setting such tanks and making the connections therefor; and unless and until such is done, Lessee may pay such royalties to the separate owners jointly or may suspend payment until such time as said separate owners shall agree in writing upon an apportionment of such royalties and furnish Lessee with the original agreement.

Whether or not this lease be owned by one party or by two or more different parties, production under the terms of this lease, or drilling or reworking operations on any portion of the land above described, shall keep this lease in effect upon all land herein leased. The Lessee shall not be liable for the failure of any subsequent owner of this lease, in whole or in part, to perform the terms, conditions and obligations of this lease, express or implied. Offsetting shall never be required to protect one portion of the leased premises against drainage through a well or wells on another portion of the leased premises. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating a trustee to receive payment for all.

12. Lessee shall have the right within one (1) year from date of abandonment of last well on this lease or lands pooled therewith, to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury pipe lines below ordinary plow depth.

13. The Lessee agrees to pay for damages to crops or improvements caused by operations of Lessee.

14. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder.

15. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land; and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. The application of any royalties to the payment of any tax or any lien which appears of record against said land, or for the reimbursement of Lessee for the payment of any such tax or lien, shall constitute full and complete payment of such sum, in like manner as if such payment had been made to Lessor whether or not such tax or other liens constitutes a valid lien against said land. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns a less interest in the above described land, or any part thereof, than the entire undivided fee simple estate therein, whether or not this lease purports to cover the whole or a fractional interest, then the royalties to be paid Lessor shall be only in the proportion that his interest bears to the whole and undivided fee and in accordance with the nature of the estate of which he is seized. Lessee shall have the right to accept leases or conveyances from others owning or claiming to own interests in the land or minerals covered hereby adverse to the rights of Lessor herein. Provided, that nothing herein contained shall be construed to deprive Lessee of any right or remedy for breach of warranty afforded by law, including, but not limited to the marshaling of assets in the event of a foreclosure of any lien or encumbrance.

16. This is a paid-up Lease and Lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve Lessee of the obligations to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

17. This agreement covers the entire understanding of the parties. There are no oral agreements, promises or representations inconsistent with or supplementary to the agreement herein expressed.

EXECUTED as of the day and year first above written.

LESSOR: Texas Pythian Home, Inc., a Texas corporation

BY: W. E. Talbot
W. E. Talbot

ITS: Treasurer of the Board



10.28.11

BOOK 864 PAGE 397

STATE OF TEXAS §
COUNTY OF Parker §

On this 30th day of December, 2010, before me, the undersigned, a Notary Public in and for said County and State, personally appeared, W. E. Talbot, Treasurer of the Board of Texas Pythian Home, Inc., a Texas corporation, known to me to be the person who executed the foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed of said corporation, for the uses and purposes therein set forth, and in the capacity stated herein.



Tanya Davis
Notary Public



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Original filed in
Reeves County
Clerks Office

EXHIBIT "A"

Attached to and made part of that certain Oil, Gas and Mineral Lease dated December 30, 2010 between Texas Pythian Home, Inc., Lessor, and ConocoPhillips Company, Lessee.

NE/4 and N/2 NW/4 and N/2 SE/4 and SW/4 SW/4, Abstract 5499, Section 10, Block 53, PSL Survey, Reeves County, Texas, containing 361.00 gross acres, more or less.

1. RETAINED ACCESS. If this lease terminates or expires, or is released or surrendered, at any time after the end of the primary term and/or cessation of the Continuous Development program as to any portion of the lands originally covered by this lease ("terminated lands") and this lease remains in effect as to any portion of the lands originally covered by this lease ("retained lands"), Lessee shall nevertheless continue to have as to all lands originally covered by this lease, including but not limited to terminated lands, full rights of ingress, egress and other surface estate use as may be necessary or convenient for purposes of Lessee's operations on any or all of said retained lands and/or operations on lands pooled with any or all of said retained lands.
2. USE OF WATER FOR OPERATIONS. Lessee shall not have the right to use fresh water underlying the lands covered by this Lease in connection with any water-flooding, secondary recovery, or other operations where water or other substance is to be injected into the producing formation or formations for the purpose of stimulation or increasing the production of hydrocarbons. Lessee may use for such purposes salt water or any other water which is unsuitable for human consumption, agricultural, or livestock-raising purposes. This provision shall not limit Lessee's right to use fresh water from all sources, except Lessor's wells or tanks, in connection with the drilling, fracing and completion of a well or wells on the lands covered by this Lease.

Signed for identification purposes only:

Texas Pythian Home, Inc., a Texas corporation

BY: W. E. Talbot

W. E. Talbot

ITS: Treasurer of the Board



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Reeves County
Clerks Office

EXHIBIT "B"

Attached to and made part of that certain Oil, Gas and Mineral Lease dated December 30, 2010 between Texas Pythian Home, Inc., Lessor, and ConocoPhillips Company, Lessee.

NE/4 and N/2 NW/4 and N/2 SE/4 and SW/4 SW/4, Abstract 5499, Section 10, Block 53, PSL Survey, Reeves County, Texas, containing 361.00 gross acres, more or less.

ADDITIONAL PROVISIONS:

1. Lessee shall pay for all damages to the property of Lessor and/or surface owner, including roads, fences, improvements and growing crops caused by its operations hereunder, and will fill and level all pits and mounds, remove all board roads and board road materials, level and fill all ruts, and restore the surface of the ground to as near its original condition as is reasonably practical.
2. It is agreed and understood that Lessee shall have the right to drill, operate and produce directional and horizontal wells. Lessee additionally agrees to pay to Lessor and/or the current surface estate owner liquidated surface damages for any and all drill sites located on the premises, which sum shall be paid prior to the commencement of drilling operations. Lessee shall additionally be responsible for all damage, if any, occurring to the surface estate as a result of its operations.
3. Lessee shall construct and maintain substantial fences around drilling and production fixtures sufficient to turn livestock of normal demeanor.
4. It is understood and agreed that this lease covers and includes oil and gas only (including with oil and gas, all constituent elements thereof and all other liquid or liquefiable hydrocarbons and products of every kind or character derived therefrom and produced therewith, including sulphur), and that all minerals other than oil and gas are excepted herefrom and reserved to Lessor. Included among the minerals reserved to Lessor and excluded from this lease are coal, uranium and lignite.
5. In the event a portion or portions of the leased premises is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to that portion of the leased premises not included in such unit or units. The lease may be maintained in force as to any portion of the leased premises covered hereby and not included in such unit or units in any manner provided for herein; provided, however, if at the end of the primary term or after the expiration of the primary term, Lessee is then engaged in drilling or reworking operations on the non-unitized portion of the leased premises or on acreage pooled therewith, or if Lessee has completed a well as a producer or a dry hole anywhere on the leased premises or lands pooled therewith within one hundred twenty (120) days prior to the expiration of the primary term, this lease shall remain in full force and effect as to all non-unitized acreage so long as Lessee commences drilling operations on the non-unitized portion of the leased premises or on acreage pooled therewith within one hundred twenty (120) days of the completion of such well as a producer or a dry hole and conducts continuous operations thereon with no cessation of longer than one hundred twenty (120) days between the completion of drilling or reworking operations on a well and the commencement of such operations for the next succeeding well. In the event any of the acreage covered by this lease is released by operation of the terms of this paragraph, Lessee shall have the right of ingress and egress for production purposes across the released acreage retained hereunder if such right is necessary for Lessee to have access to the retained acreage.
6. It is understood and agreed that one (1) year after the expiration of the primary term of this lease, upon the expiration of any extension or renewal, or after cessation of operations as provided herein, whichever occurs last, Lessee shall release all rights lying below the stratigraphic equivalent of one hundred feet (100') below the base of the deepest producing formation in any well drilled on the leased premises or on lands with which the leased premises has been pooled or unitized.
7. Notwithstanding any provisions hereof to the contrary, it is expressly agreed and understood that Lessee's right to maintain this lease in force after the expiration of the primary term hereof by the payment of shut-in gas royalty under paragraph 9 of this lease shall be limited to recurring periods after the primary term. Further, notwithstanding the provisions contained in Paragraph 9 of this lease the annual shut-in payment amount shall be \$50.00 per net mineral acre for the first twelve (12) months shut-in period and \$100.00 per net mineral acre for the second twelve (12) month shut-in period; or, any subsequent twelve (12) month periods.
8. LESSEE AGREES TO INDEMNIFY, DEFEND AND HOLD LESSOR HARMLESS FROM ALL CLAIMS, FINES, OR PENALTIES, INCLUDING BUT NOT LIMITED TO GOVERNMENTAL OR ADMINISTRATIVE CLEANUP OR COMPLIANCE ORDERS, WHICH RESULT OR ARE RELATED TO LESSEE'S OPERATIONS ON THE PREMISES.
9. In the event Lessee markets gas produced and saved from the leased premises through any affiliate company Lessor shall not bear, directly or indirectly, any production or post-production cost or expenses, including without limitation cost or expenses of gathering, dehydration, compression, transportation, processing, treating, or marketing the gas and associated liquid hydrocarbons produced from the Land that are charged to Lessee. In the event gas is marketed through a third party, Lessor shall receive, and Lessee agrees to pay to Lessor, the proceeds realized by Lessee from the sale of oil and/or gas and casinghead gas, including any other reimbursements or other forms of compensation paid by the purchaser of such oil and/or gas and casinghead gas to Lessee, produced from said land. In no event shall Lessor receive less per barrel of oil and cubic feet of gas than Lessee for such payment.
10. Lessee is granted the right to pool under the terms of this lease; however, Lessee agrees to provide Lessor a copy of any pooling agreement, unitization agreement and/or amendments prepared or executed by Lessee which include any land covered by this lease, within ninety (90) days of recordation or effective date of said pooling agreement, unit agreement or amendment.



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

11. It is further understood and agreed that Lessee will bury and maintain all pipelines and electrical transmission lines 18 inches deep below the surface of the ground. The exact location and placement shall be agreed upon between the parties prior to entry or construction.

12. It is understood and agreed that, notwithstanding the foregoing, Lessee shall have a period of 180 days from and after the termination of this lease to remove all property, casing, and fixtures from the premises, and in the event Lessee fails to remove such property, casing and/or fixtures within 180 days, the ownership of same shall vest in Lessors, their heirs and assigns, upon the expiration of 180 days from and after the date of termination of this lease. Lessor may require the removal of said equipment. Lessee agrees to remove debris and restore the surface to as near its original condition as practical within 180 days, weather permitting, after drilling or reworking operations are completed on each well.

13. Lessee further agrees that in the event of a dry hole or production from a well which production ceases and the abandonment of such well, or upon the abandonment of any well location of any well location, drillsite, tank battery site or roadway, the premises will be restored as nearly as reasonably possible to its former condition at the cost and expense of the Lessee, it being the intention of the parties hereto that the Lessee shall restore the surface to as nearly the state that it is at the time of execution of this lease.

14. Lessee shall not use surface water from Lessor's ponds, tanks, streams, creeks, or draws. Lessee may use water from fresh water stratum or strata only by means of a Lessee drilled water well. At such time as its need therefore has ceased, Lessee may remove the pump and tubing from the well and surrender all right, title and interest in said water well to Lessor. At such time as these items are removed from the well, Lessee agrees to notify Lessor in writing that this has occurred. In this event, Lessor agrees to indemnify, defend and hold Lessee harmless as to all claims and causes of action resulting from Lessor's assumption and operation of Lessee's interest in said water well.

15. If to obtain ingress and egress to leased premises, it becomes necessary for the Lessee to cut any fences of the Lessor, the Lessee shall install and maintain suitable and well built gates, installed to the Lessor's satisfaction, which gates shall upon termination of this lease for any cause become the property of Lessor. Said gates to be supported by H braces and be a minimum of 12 feet in width. Whether the Lessee uses gates presently in the Lessor's fences along the public roads or constructs his own gates, Lessee agrees to keep the same locked at all times so as to exclude the general public from the Lessor's property, permitting only Lessors, their tenants and Lessee's servants, agents and employees to have any keys thereto.

16. No well shall be located less than 450 feet from any house or barn now on leased premises or other lands of Lessor used by Lessee hereunder, without Lessor's permission.

17. Use of surface and/or sub-surface for disposal of drilling fluids and salt water shall be only upon specific approval and permission of the current landowner as to the manner and method of the disposal of drilling fluids and salt water and location of any such disposal of drilling fluids and salt water. Lessee shall be responsible for any loss or use or damage to the surface and/or sub-surface estate caused by the disposal of drilling fluids or salt water on the leased premises.

18. No debris will be left in any reserve pits or will be permitted to be stored on drill site during any operation and maintenance at wellsite except during the initial drilling of a well.

19. Lessee shall protect the lease premises from drainage by wells on adjoining lands. Lessee shall drill, complete, and produce wells on the lease premises which a reasonable and prudent operator would drill, complete, and produce to protect the correlative rights of both Lessor and Lessee to produce oil, gas, and other hydrocarbons from a common reservoir under the lease premises which is being produced on adjoining lands.

20. If a compressor is placed on said leased premises it will be powered by electricity, rather than by natural gas or diesel. To the extent an electric compressor is not otherwise available, or, the costs are prohibitive for the operation of such unit, then Lessee shall have the right to use a natural gas or diesel compressor, provided such compressor is screened and appropriate noise abatement is utilized to minimize to the greatest degree possible, the noise level of such compressor, while in use.

21. Notwithstanding anything to the contrary, it is agreed that should Lessee exercise its option to pool or combine any portion of the land covered hereby with other lands, lease or leases as hereinbefore provided, then such operations and production on and in any such pooled unit as herein provided, shall continue this lease in force and effect during or after the primary term as to that portion of the lands covered by this lease, included in such unit or units as hereinabove provided, but not as to such portion of said lands covered by this lease and not included in any such unit. This lease maybe kept in force and effect as to such remainder in any manner elsewhere provided in this lease not inconsistent with this paragraph.

22. Lessee agrees to consult with the surface owner regarding the placement of all drilling locations, roads, lines, tank batteries, electric poles, telephone poles and other structures and to locate any and all of such items which it has the right to locate on the leased premises pursuant to the terms contained herein at such locations as to reduce the interference with the surface use of said land for farming and ranching purposes, and for Lessor's enjoyment of the surface, insofar as it is reasonably practicable to do so and in such a manner as to reduce the risk of soil erosion insofar as it is reasonably practicable to do so, provided, however, Lessee will not be prevented from exercising reasonable use of the surface of the leased premises in order to accomplish the purposes of this lease.

23. Any pipelines constructed on the above described land shall be for gathering purposes only and not used as transmission lines for gas produced from other leases and lands.

24. Notwithstanding the terms and conditions of Paragraph 15 of the Oil, Gas and Mineral Lease attached hereto, this Lease is given and accepted without warranty, express or implied; and, Lessor shall have no obligation to Lessee to defend the title to the mineral estate.



10-28-11

BOOK 864 PAGE 401

Signed for identification purposes only:

Texas Pythian Home, Inc., a Texas corporation

BY: W. E. Talbot

ITS: Treasurer of the Board

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

FILE# 331

FILED FOR RECORD ON THE 18TH DAY OF JANUARY

A.D. 2011 2:25P M.

DUTY RECORDED ON THE 27TH DAY OF JANUARY

A.D. 2011 9:00A M.

BY: Dianne O. Florez, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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

3

11-25-01

File No. 113685
Lease
Date Filed: 11/25/01
Jerry E. Patterson, Commissioner
By CH

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 864, PAGE 394, THRU 401 OFFICIAL PUBLIC RECORD

I hereby certified on 10/18/11



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Mary Abila DEPUTY
MARY ABILA



ConocoPhillips Company
P. O. Box 2197
Mail Stop: 2WL-15001
Houston, Texas 77252-2197

Telephone: 832.486.2114
Facsimile: 832.486.2674
E-mail: Doris.Broussard@
contractor.conocophillips.com

February 3, 2012

Mr. J. Daryl Morgan, CPL
Texas General Land Office
Energy Resources Division
P.O. Box 12873
Austin, TX 78711-2873

Dear Mr. Morgan:

Subject: Ratification
Pythian 10 #1H Well
Reeves County, Texas

In accordance with the instructions contained in your letter of January 19, 2012, enclosed in duplicate for execution by the Commissioner of the General Land Office is the subject ratification to the Declaration of Pooling and Designation of Unit and the amendment thereto for the ConocoPhillips 160-acre unit created for the Pythian 10 #1H Well located in Section 10, Block 53, PSL, Reeves County, Texas.

Please return one copy to us for recording. A certified copy will be provided to you, together with certified copies of the unit designation and amendment. It will take at least a couple of months, however.

Thank you for your assistance. If you have any questions, please let me know.

Yours very truly,

A handwritten signature in blue ink, reading 'D. Broussard'.

Doris L. Broussard

Contract Landman - Permian Land Team

Enclosure

(4)

File No. M-103685
Ltr. From Conoco Phillips

Date Filed: 2/6/12

Jerry E. Patterson, Commissioner

By me

5. 0.15

**DECLARATION OF POOLING AND
DESIGNATION OF UNIT**

CONOCOPHILLIPS – PYTHIAN 10 #1H UNIT

STATE OF TEXAS §

COUNTY OF REEVES §

This instrument is made and entered into on this 13th day of December, 2011, by ConocoPhillips Company ("ConocoPhillips") whose address is 600 North Dairy Ashford Road, Houston, Texas 77079.

Reference is made for all purposes to those certain Oil, Gas and Mineral Leases described in Exhibit "A" attached hereto and incorporated herein by reference (the "Leases"), covering and including those certain tracts of land more particularly described in the Leases (the "Lands") located in Reeves County, Texas, which Leases are owned by ConocoPhillips.

For valuable consideration and pursuant to those certain rights granted in the Leases, ConocoPhillips hereby pools, consolidates and unitizes the Leases and Lands into a pooled unit in order to promote conservation and for the exploration, development and production of oil and gas (defined herein below) insofar as the Leases and Lands cover that certain 180.00 acres of land, more or less (the "Unit Acreage"), described in Exhibit "B," covered by the Leases listed on Exhibit "A" and depicted on the plat attached as Exhibit "C," said exhibits being made a part hereof by reference thereto for all purposes, **INSOFAR AND ONLY INSOFAR** as the Leases and Lands cover and include the oil and gas rights in and under the Unit Acreage as defined herein and shall extend to and cover the interval known as the Bone Spring Formation, the stratigraphic equivalent of which being between the depths of 5,877 feet and 9,092 feet in the American Quasar – State 1-32 located in the SE/4 of Section 32, Block 45, PSL Survey, Culberson County, Texas, API #42-109-31407, for the purpose of forming or creating a pooled unit for the drilling for, and development and production of, oil, gas, condensate, casinghead gas and other constituent products associated with the production of hydrocarbons pursuant to this agreement ("Unitized Substances"). In addition to the Leases, Lands and Unitized Substances, ConocoPhillips further does hereby pool, consolidate, combine and unitize all royalty interests, working interests, overriding royalty interests, and all other interests in the oil, gas and other minerals pertaining to the Leases and Lands insofar as the Leases and Lands cover and include Unitized Substances in, under and produced from the Unit Acreage.

The Lands described in the first and second Leases listed in Exhibit "A" attached hereto were sold under the 1931 Sales Act, in which the State of Texas reserved a free royalty of 1/16 on oil and gas. Pursuant to Subchapter E of Chapter 52 of the Texas Natural Resources Code, V.A.T.C.S., the Commissioner of the General Land Office by execution of a separate document shall pool the free royalty belonging to the State of Texas in the oil and gas in and under and that may be produced from the Lands with the oil and gas interests of the Lessors and Lessee, their successors and assigns, in this voluntary unit known as the CONOCOPHILLIPS – PYTHIAN 10 #1H UNIT (the "Unit").

The term "oil and gas rights" means oil, casinghead gas, condensate and all other associated liquid and gaseous hydrocarbons produced from a well classified by the Railroad Commission of Texas as an oil or gas well. The production of such Unitized Substances from any part of the Unit Acreage shall constitute production of Unitized Substances from all of the Leases and Lands contained in the Unit. Drilling or reworking operations or other operations conducted on any of the Lands and Leases within the Unit Acreage for the production of Unitized Substances from the Unit shall constitute such operations for the production of Unitized Substances on all Lands included within the Unit. The Unit formed hereby may be dissolved by ConocoPhillips, at any time by an instrument filed for record in Reeves County, Texas.

For purposes of computing the share of Unitized Substances produced from the Unit to which each interest owner shall be entitled from the Unit, there shall be allocated proportionately among all of the tracts within such Unit, in the proportion that the number of acres in each of such tracts, which are included in the Unit bears to the total

number of acres in such Unit, and all working interests, royalty interests, overriding royalty interests, production payments or other interests in the production from such Unit shall be computed on the basis of the respective interests in the production allocated to the tract or tracts in which such interests are owned.

As to any outstanding interests, if any, not herein committed to this Unit, it is not intended that this Unit Declaration shall in any way affect interests or rights of the owners thereof; nor shall this Unit Declaration be construed as an offer to any such owner or owners to include their interest in this Unit. In the event any interest is declared to have terminated, to have been pooled improperly, or is not otherwise committed to the Unit, the terminated or improperly pooled interest shall be deleted from the Unit. In the event it is determined that any of the Leases terminated prior to the effective date of the Unit, then the Unit shall be deemed to exclude such terminated Lease or Leases; but as between all other owners of pooled interests, there shall be no recalculation of interests in the Unit.

ConocoPhillips reserves the continuing right to amend, correct or alter this instrument and the Unit to the extent permitted by law and the authority granted in the Leases, as now or hereafter amended, covering the Unitized Acreage. Any such amendment to this pooling agreement shall be in writing, signed by the parties hereto or their successors in interest or title, and filed for record in the Office of the County Clerk of Reeves County, Texas.

This instrument and the pooled unit created hereby shall be effective on the date the ConocoPhillips - Pythian 10 #1H Well, Reeves County, Texas, is spudded as set forth on the completion report filed with the Texas Railroad Commission.

CONOCOPHILLIPS COMPANY

By: Robert N. Welch TD
Name: ROBERT N. WELCH
Title: ATTORNEY-IN-FACT

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the 13th day of December, 2011, by ROBERT N. WELCH as Attorney-in-Fact of **ConocoPhillips Company**, a Delaware corporation, on behalf of said corporation.

GIVEN under my hand and seal of office this 13th day of December, 2011.

Debbie Lynn Wright
Notary Public, State of Texas

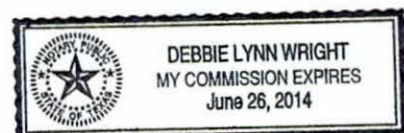


EXHIBIT "A"

Attached to and made a part of
Declaration of Pooling and Designation of Unit,
CONOCOPHILLIPS – TEXAS PYTHIAN 10 #1H UNIT, containing 180.00 Acres, more or
less, out of Section 10, Block 53, PSL Survey, Reeves County, Texas

Lease No.: 0340671-000
Lease Date: December 30, 2010
Lessor: Texas Pythian Home, Inc.
Lessee: ConocoPhillips Company
Recording: Book 864 at page 394, Official Public Records, Reeves County, Texas

Lease No.: 0342834-000
Lease Date: April 14, 2011
Lessor: Blake Oil & Gas Corporation
Lessee: ConocoPhillips Company
Recording: Book 877 at page 367, Official Public Records, Reeves County, Texas

Lease No.: 0340678-001
Lease Date: December 29, 2010
Lessor: Mary Lou Smith
Lessee: ConocoPhillips Company
Recording: Book 864 at page 386, Official Public Records, Reeves County, Texas

Lease No.: 0340678-002
Lease Date: December 15, 2010
Lessor: Lester Stafford
Lessee: ConocoPhillips Company
Recording: Book 861 at page 685, Official Public Records, Reeves County, Texas
Ratification: Clerk's File No. 7865 – Executed by Jean Stafford on 11/1/2011

EXHIBIT "B"
Pythian 10 #1H Unit, Reeves County, Texas

TRACT 1

FIELD NOTE DESCRIPTION of 85.390 acres of land out of a 361.00 acre tract of land leased to ConocoPhillips Company by Texas Pythian Home, Inc. in Section 10, Block 53, Public School Land Survey, Reeves County, Texas. Said 85.390 acres consists of a 44.976 acre tract out of the Northwest-quarter of said Section 10 and the North-part of said 361.00 acre tract, and a 40.414 acre tract out of Southwest-quarter of said Section 10, being all of the South-part of said 361.00 acre tract.

44.976 Acre Tract

BEGINNING at a point for the Northwest corner of this tract and the Northwest corner of said Section 10, from which a one-inch galvanized iron pipe marked "NE5 B53" found for the patented Northeast corner of Section 5, Block 53, Public School Land Survey as surveyed by R.S. Dod in 1911 bears N 1°44'42" E, 5289.2 feet and N 88°20'11" W, 5292.4 feet;

THENCE S 88°05'20" E, along the North line of said Section 10, the North line of the North-part of said 361.00 acre tract, a distance of 1482.0 feet to a point for the Northeast corner of this tract, from which a one-inch iron pipe in old stone mound found for the patented Northeast corner of said Section 10 as surveyed by Fred P. Armstrong in 1956 bears S 88°05'20" E, 3814.2 feet;

THENCE S 1°44'42" W, parallel with the West line of said Section 10, a distance of 1321.6 feet to a point for the Southeast corner of this tract in the Westernmost South line of the North-part of said 361.00 acre tract and the North line of a 160.00 acre tract of land leased to ConocoPhillips Company by Blake Oil & Gas Corporation;

THENCE N 88°07'02" W, along the North line of said 160.00 acre tract and the Westernmost South line of the North-part of said 361.00 acre tract, a distance of 1482.0 feet to a point in the West line of said Section 10 for the Westernmost Southwest corner of the North-part of said 361.00 acre tract, the Northwest corner of said 160.00 acre tract and the Southwest corner of this tract, from which a five-eighths inch iron pipe with aluminum cap marked "9-10-16-15 B53" in old stone mound accepted as the patented Southwest corner of said Section 10 as surveyed by Fred P. Armstrong in 1956 bears S 1°44'42" W, 3966.9 feet;

THENCE N 1°44'42" E, along the West line of said Section 10 and the Northernmost West line of the North-part of said 361.00 acre tract, a distance of 1322.3 feet to the PLACE OF BEGINNING, and containing 44.976 acres of land.

40.414 Acre Tract

BEGINNING at a five-eighths inch iron pipe with aluminum cap marked "9-10-16-15 B53" in old stone mound accepted as the patented Southwest corner of said Section 10 as surveyed by Fred P. Armstrong in 1956, the Southwest corner of the South-part of said 361.00 acre tract and the Southwest corner of this tract;

THENCE N 1°44'42" E, along the West line of said Section 10 and the West line of the South-part of said 361.00 acre tract, a distance of 1314.5 feet to a point for the Southwest corner of said 160.00 acre tract for the Northwest corner of the South-part of said 361.00 acre tract and the Northwest corner of this tract, from which a point for the Northwest corner of said Section 10 bears N 1°44'42" E, 3974.7 feet. From said Northwest section corner, a one-inch galvanized iron pipe marked "NE5 B53" found for the patented Northeast corner of Section 5, Block 53, Public School Land Survey as surveyed by R.S. Dod in 1911 bears N 1°44'42" E, 5289.2 feet and N 88°20'11" W, 5292.4 feet;

THENCE S 88°16'06" E, along the South line of said 160.00 acre tract and the North line of the South-part of said 361.00 acre tract, a distance of 1334.2 feet to a point for the Northwest corner of a 120.00 acre tract of land leased to ConocoPhillips Company by Lester Stafford, the Northeast corner of the South-part of said 361.00 acre tract and the Northeast corner of this tract;

THENCE S 1°36'13" W, along the West line of said 120.00 acre tract and the East line of the South-part of said 361.00 acre tract, a distance of 1321.3 feet to a one-inch iron pipe in the South line of said Section 10 found for the patented Southeast corner of the Southwest-quarter of the Southwest-quarter of said Section 10 as surveyed by Fred P. Armstrong in 1956, the Southwest corner of said 120.00 acre tract, the Southeast corner of the South-part of said 361.00 acre tract and the Southeast corner of this tract;

THENCE N 87°58'55" W, along the South line of the Southwest-quarter of the Southwest-quarter of said Section 10 and the South-part of said 361.00 acre tract, a distance of 1337.4 feet to the PLACE OF BEGINNING and containing 40.414 acres of land.

Said two tracts described in this Tract 1 containing 85.390 acres in total.

TRACT 2

FIELD NOTE DESCRIPTION of 90.174 acres of land out of a 160.00 acre tract of land leased to ConocoPhillips Company by Blake Oil & Gas Corporation in Section 10, Block 53, Public School Land Survey, Reeves County, Texas.

BEGINNING at a point in the West line of said Section 10, the Westernmost Southwest corner of the North-part of a 361.00 acre tract of land leased to Conoco Phillips Company by Texas Pythian Home, Inc., the Northwest corner of said 160.00 acre tract and the Northwest corner of this tract, from which a point for the Northwest corner of said Section 10 bears N 1°44'42" E, 1322.3 feet. From said Northwest section corner, a one-inch galvanized iron pipe marked "NE5 B53" found for the patented Northeast corner of Section 5, Block 53, Public School Land Survey as surveyed by R.S. Dod in 1911 bears N 1°44'42" E, 5289.2 feet and N 88°20'11" W, 5292.4 feet;

THENCE S 88°07'02" E, along the Westernmost South line of the North-part of said 361.00 acre tract and the North line of said 160.00 acre tract, a distance of 1482.0 feet to a point for the Northeast corner of this tract;

THENCE S 1°44'42" W, parallel with the West line of said Section 10, a distance of 2648.5 feet to a point in the South line of said 160.00 acre tract for the Southeast corner of this tract in the North line of a 120.00 acre tract of land leased to ConocoPhillips Company by Lester Stafford and the Southeast corner of this tract;

THENCE N 88°16'06" W, along the North line of said 120.00 acre tract and the South line of said 160.00 acre tract, at 147.8 feet pass the Northwest corner of said 120.00 acre tract, the Northeast corner of the South-part of said 361.00 acre tract, continuing in all along the North line of the South-part of said 361.00 acre tract and the South line of said 160.00 acre tract, a distance of 1482.0 feet to a point in the West line of said Section 10, the Northwest corner of the South-part of said 361.00 acre tract and the Southwest corner of this tract;

THENCE N 1°44'42" E, along the West line of said Section 10 and the West line of said 160.00 acre tract, a distance of 2652.4 feet to the PLACE OF BEGINNING and containing 90.174 acres of land.

TRACT 3

FIELD NOTE DESCRIPTION of 4.436 acres of land out of a 120.00 acre tract of land leased to ConocoPhillips Company by Lester Stafford in Section 10, Block 53, Public School Land Survey, Reeves County, Texas.

BEGINNING at one-inch iron pipe in the South line of said Section 10 found for the patented Southeast corner of the Southwest-quarter of the Southwest-quarter of said Section 10 as surveyed by Fred P. Armstrong in 1956, the Southeast corner of the South-part of a 361.00 acre tract of land leased to ConocoPhillips Company by Texas Pythian Home, Inc., the Southwest corner of said 120.00 acre tract and the Southwest corner of this tract;

THENCE N 1°36'13" E, along the East line of the South-part of said 361.00 acre tract, a distance of 1321.3 feet to a point in the South line of a 160.00 acre tract of land leased to ConocoPhillips Company by Blake Oil & Gas Corporation, the Northeast corner of the South-part of said 361.00 acre tract, the Northwest corner of said 120.00 acre tract and the Northwest corner of this tract;

THENCE S 88°16'06" E, along the North line of said 120.00 acre tract, a distance of 147.8 feet to a point for the Northeast corner of this tract;

THENCE S 1°44'42" W, parallel with the West line of said Section 10, a distance of 1321.2 feet to a point in the South line of said Section 10, the South line of said 120.00 acre tract for the Southeast corner of this tract;

THENCE N 88°16'36" W, along the South line of said Section 10 and the South line of said 120.00 acre tract, a distance of 144.6 feet to the PLACE OF BEGINNING and containing 4.436 acres of land.

5

File No. M-113695
Designation of Within 10
#14 Unit
Date Filed: 2/14/12
Jerry E. Patterson, Commissioner
By [Signature]

2012.02.14

11312
**AMENDMENT TO
DECLARATION OF POOLING AND
DESIGNATION OF UNIT**

CONOCOPHILLIPS – PYTHIAN 10 #1H UNIT

STATE OF TEXAS §

COUNTY OF REEVES §

This instrument is made and entered into on this 12th day of January, 2012, by ConocoPhillips Company (“ConocoPhillips”) whose address is 600 North Dairy Ashford Road, Houston, Texas 77079.

Reference is made for all purposes to those certain Oil and Gas Leases described in Exhibit “A” attached hereto and incorporated herein by reference (the “Leases”), covering and including those certain tracts of land more particularly described in the Leases (the “Lands”) located in Reeves County, Texas, which Leases are owned by ConocoPhillips.

For valuable consideration and pursuant to those certain rights granted in the Leases, ConocoPhillips hereby pools, consolidates and unitizes the Leases and Lands into a pooled unit in order to promote conservation and for the exploration, development and production of oil and gas (defined herein below) insofar as the Leases and Lands cover that certain 161.076 acres of land, more or less (the “Unit Acreage”), described in Exhibit “B,” covered by the Leases listed on Exhibit “A” and depicted on the plat attached as Exhibit “C,” said exhibits being made a part hereof by reference thereto for all purposes, **INSOFAR AND ONLY INSOFAR** as the Leases and Lands cover and include the oil and gas rights in and under the Unit Acreage as defined herein and shall extend to and cover the interval known as the Bone Spring Formation, the stratigraphic equivalent of which being between the depths of 5,877 feet and 9,092 feet in the American Quasar – State 1-32 located in the SE/4 of Section 32, Block 45, PSL Survey, Culberson County, Texas, API #42-109-31407, for the purpose of forming or creating a pooled unit for the drilling for, and development and production of, oil, gas, condensate, casinghead gas and other constituent products associated with the production of hydrocarbons pursuant to this agreement (“Unitized Substances”). In addition to the Leases, Lands and Unitized Substances, ConocoPhillips further does hereby pool, consolidate, combine and unitize all royalty interests, working interests, overriding royalty interests, and all other interests in the oil, gas and other minerals pertaining to the Leases and Lands insofar as the Leases and Lands cover and include Unitized Substances in, under and produced from the Unit Acreage.

The Lands described in the Leases listed in Exhibit “A” attached hereto were sold under the 1931 Sales Act, in which the State of Texas reserved a free royalty of 1/16 on oil and gas. Pursuant to Subchapter E of Chapter 52 of the Texas Natural Resources Code, V.A.T.C.S., the Commissioner of the General Land Office by ratification of this instrument shall pool the free royalty belonging to the State of Texas in the oil and gas in and under and that may be produced from the Lands with the oil and gas interests of the Lessors and Lessee, their successors and assigns, in this voluntary unit known as the CONOCOPHILLIPS – PYTHIAN 10 #1H UNIT (the “Unit”).

In that certain Declaration of Pooling and Designation of Unit dated December 13, 2011, recorded in Book ____ at page ____ in the Office of the County Clerk, Reeves County, Texas, ConocoPhillips reserved the right to amend, correct or alter the Unit Declaration which covered the production of Unitized Substances from the ConocoPhillips – Pythian 10 #1H Well; and ConocoPhillips hereby exercises said right by (i) its execution of this instrument, to which Exhibits A,” “B” and “C” have been revised and by reference are made a part hereof, and (ii) the filing of this instrument in the Office of the County Clerk of Reeves County, Texas.

Further, ConocoPhillips continues to reserve the right to amend, correct or alter this Amendment to Declaration of Pooling and Designation of Unit to the extent permitted by law and the authority granted in the Leases, as now or hereafter amended, covering the Unitized Acreage. Any such amendment to this amended pooling

agreement shall be in writing, signed by the parties hereto or their successors in interest or title, and filed for record in the Office of the County Clerk of Reeves County, Texas.

The term "oil and gas rights" means oil, casinghead gas, condensate and all other associated liquid and gaseous hydrocarbons produced from a well classified by the Railroad Commission of Texas as an oil or gas well. The production of such Unitized Substances from any part of the Unit Acreage shall constitute production of Unitized Substances from both of the Leases and Lands contained in the Unit. Drilling or reworking operations or other operations conducted on any of the Lands and Leases within the Unit Acreage for the production of Unitized Substances from the Unit shall constitute such operations for the production of Unitized Substances on all Lands included within the Unit. The Unit formed hereby may be dissolved by ConocoPhillips, at any time by an instrument filed for record in Reeves County, Texas.

For purposes of computing the share of Unitized Substances produced from the Unit to which each interest owner shall be entitled from the Unit, there shall be allocated proportionately between both tracts within such Unit, in the proportion that the number of acres in each of such tracts, which are included in the Unit bears to the total number of acres in such Unit, and all working interests, royalty interests, overriding royalty interests, production payments or other interests in the production from such Unit shall be computed on the basis of the respective interests in the production allocated to the tract or tracts in which such interests are owned.

As to any outstanding interests, if any, not herein committed to this Unit, it is not intended that this Amendment to Declaration of Pooling and Designation of Unit shall in any way affect interests or rights of the owners thereof; nor shall this Amendment to Declaration of Pooling and Designation of Unit be construed as an offer to any such owner or owners to include their interest in this Unit. In the event any interest is declared to have terminated, to have been pooled improperly, or is not otherwise committed to the Unit, the terminated or improperly pooled interest shall be deleted from the Unit. In the event it is determined that any of the Leases terminated prior to the effective date of the Unit, then the Unit shall be deemed to exclude such terminated Lease or Leases; but as between all other owners of pooled interests, there shall be no recalculation of interests in the Unit.

This instrument and the pooled unit created hereby shall be effective on the date the ConocoPhillips – Pythian 10 #1H Well, Reeves County, Texas, is spudded as set forth on the completion report filed with the Texas Railroad Commission.

CONOCOPHILLIPS COMPANY

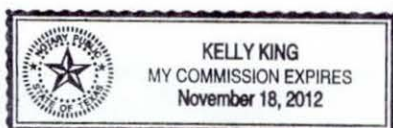
By: Robert N. Welch
Name: ROBERT N. WELCH
Title: ATTORNEY-IN-FACT

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the 12th day of January, 2012, by ROBERT N. WELCH as Attorney-in-Fact of **ConocoPhillips Company**, a Delaware corporation, on behalf of said corporation.

GIVEN under my hand and seal of office this 12th day of January, 2012.



Kelly King
Notary Public, State of Texas

EXHIBIT "A"

**Attached to and made a part of
Revised Declaration of Pooling and Designation of Unit,
CONOCOPHILLIPS – TEXAS PYTHIAN 10 #1H UNIT, containing 161.076 Acres, more
or less, out of Section 10, Block 53, PSL Survey, Reeves County, Texas**

Lease No.: 0340671-000
Lease Date: December 30, 2010
Lessor: Texas Pythian Home, Inc.
Lessee: ConocoPhillips Company
Recording: Book 864 at page 394, Official Public Records, Reeves County, Texas

Lease No.: 0342834-000
Lease Date: April 14, 2011
Lessor: Blake Oil & Gas Corporation
Lessee: ConocoPhillips Company
Recording: Book 877 at page 367, Official Public Records, Reeves County, Texas



EXHIBIT "B"

Attached to and made a part of
Revised Declaration of Pooling and Designation of Unit,
CONOCOPHILLIPS – TEXAS PYTHIAN 10 #1H UNIT, containing 161.076 Acres, more or less, out of
Section 10, Block 53, PSL Survey, Reeves County, Texas

TRACT 1

FIELD NOTE DESCRIPTION of 80.567 acres of land out of a 361.00 acre tract of land leased to ConocoPhillips Company by Texas Pythian Home, Inc. in Section 10, Block 53, Public School Land Survey, Reeves County, Texas. Said 80.567 acres consists of a 40.153 acre tract out of the Northwest-quarter of said Section 10 and the North-part of said 361.00 acre tract, and a 40.414 acre tract out of Southwest-quarter of said Section 10, being all of the South-part of said 361.00 acre tract.

40.153 Acre Tract

BEGINNING at a point for the Northwest corner of this tract and the Northwest corner of said Section 10, from which a one-inch galvanized iron pipe marked "NE5 B53" found for the patented Northeast corner of Section 5, Block 53, Public School Land Survey as surveyed by R.S. Dod in 1911 bears N 1°44'42" E, 5289.2 feet and N 88°20'11" W, 5292.4 feet;

THENCE S 88°05'20" E, along the North line of said Section 10, the North line of the North-part of said 361.00 acre tract, a distance of 1323.1 feet to a point for the Northeast corner of this tract;

THENCE S 1°44'42" W, parallel with the West line of said Section 10, a distance of 1321.6 feet to a point for the Southeast corner of this tract in the Westernmost South line of the North-part of said 361.00 acre tract and the North line of a 160.00 acre tract of land leased to ConocoPhillips Company by Blake Oil & Gas Corporation;

THENCE N 88°07'02" W, along the North line of said 160.00 acre tract and the Westernmost South line of the North-part of said 361.00 acre tract, a distance of 1323.1 feet to a point in the West line of said Section 10 for the Westernmost Southwest corner of the North-part of said 361.00 acre tract, the Northwest corner of said 160.00 acre tract and the Southwest corner of this tract, from which a five-eighths inch iron pipe with aluminum cap marked "9-10-16-15 B53" in old stone mound accepted as the patented Southwest corner of said Section 10 as surveyed by Fred P. Armstrong in 1956 bears S 1°44'42" W, 3966.9 feet;

THENCE N 1°44'42" E, along the West line of said Section 10 and the Northernmost West line of the North-part of said 361.00 acre tract, a distance of 1322.3 feet to the PLACE OF BEGINNING, and containing 40.153 acres of land.

40.414 Acre Tract

BEGINNING at a five-eighths inch iron pipe with aluminum cap marked "9-10-16-15 B53" in old stone mound accepted as the patented Southwest corner of said Section 10 as surveyed by Fred P. Armstrong in 1956, the Southwest corner of the South-part of said 361.00 acre tract and the Southwest corner of this tract;

THENCE N 1°44'42" E, along the West line of said Section 10 and the West line of the South-part of said 361.00 acre tract, a distance of 1314.5 feet to a point for the Southwest corner of said 160.00 acre tract for the Northwest corner of the South-part of said 361.00 acre tract and the Northwest corner of this tract, from which a point for the Northwest corner of said Section 10 bears N 1°44'42" E, 3974.7 feet. From said Northwest section corner, a one-inch galvanized iron pipe marked "NE5 B53" found for the patented Northeast corner of Section 5, Block 53, Public School Land Survey as surveyed by R.S. Dod in 1911 bears N 1°44'42" E, 5289.2 feet and N 88°20'11" W, 5292.4 feet;

THENCE S $88^{\circ}16'06''$ E, along the South line of said 160.00 acre tract and the North line of the South-part of said 361.00 acre tract, a distance of 1334.2 feet to a point for the Northwest corner of a 120.00 acre tract of land leased to ConocoPhillips Company by Lester Stafford, the Northeast corner of the South-part of said 361.00 acre tract and the Northeast corner of this tract;

THENCE S $1^{\circ}36'13''$ W, along the West line of said 120.00 acre tract and the East line of the South-part of said 361.00 acre tract, a distance of 1321.3 feet to a one-inch iron pipe in the South line of said Section 10 found for the patented Southeast corner of the Southwest-quarter of the Southwest-quarter of said Section 10 as surveyed by Fred P. Armstrong in 1956, the Southwest corner of said 120.00 acre tract, the Southeast corner of the South-part of said 361.00 acre tract and the Southeast corner of this tract;

THENCE N $87^{\circ}58'55''$ W, along the South line of the Southwest-quarter of the Southwest-quarter of said Section 10 and the South-part of said 361.00 acre tract, a distance of 1337.4 feet to the PLACE OF BEGINNING and containing 40.414 acres of land.

Said two tracts described in this Tract 1 containing 80.567 acres in total.

TRACT 2

FIELD NOTE DESCRIPTION of 80.509 acres of land out of a 160.00 acre tract of land leased to ConocoPhillips Company by Blake Oil & Gas Corporation in Section 10, Block 53, Public School Land Survey, Reeves County, Texas.

BEGINNING at a point in the West line of said Section 10, the Westernmost Southwest corner of the North-part of a 361.00 acre tract of land leased to Conoco Phillips Company by Texas Pythian Home, Inc., the Northwest corner of said 160.00 acre tract and the Northwest corner of this tract, from which a point for the Northwest corner of said Section 10 bears N $1^{\circ}44'42''$ E, 1322.3 feet. From said Northwest section corner, a one-inch galvanized iron pipe marked "NE5 B53" found for the patented Northeast corner of Section 5, Block 53, Public School Land Survey as surveyed by R.S. Dod in 1911 bears N $1^{\circ}44'42''$ E, 5289.2 feet and N $88^{\circ}20'11''$ W, 5292.4 feet;

THENCE S $88^{\circ}07'02''$ E, along the Westernmost South line of the North-part of said 361.00 acre tract and the North line of said 160.00 acre tract, a distance of 1323.1 feet to a point for the Northeast corner of this tract;

THENCE S $1^{\circ}44'42''$ W, parallel with the West line of said Section 10, a distance of 2648.5 feet to a point in the South line of said 160.00 acre tract for the Southeast corner of this tract in the North line of a 120.00 acre tract of land leased to ConocoPhillips Company by Lester Stafford and the Southeast corner of this tract;

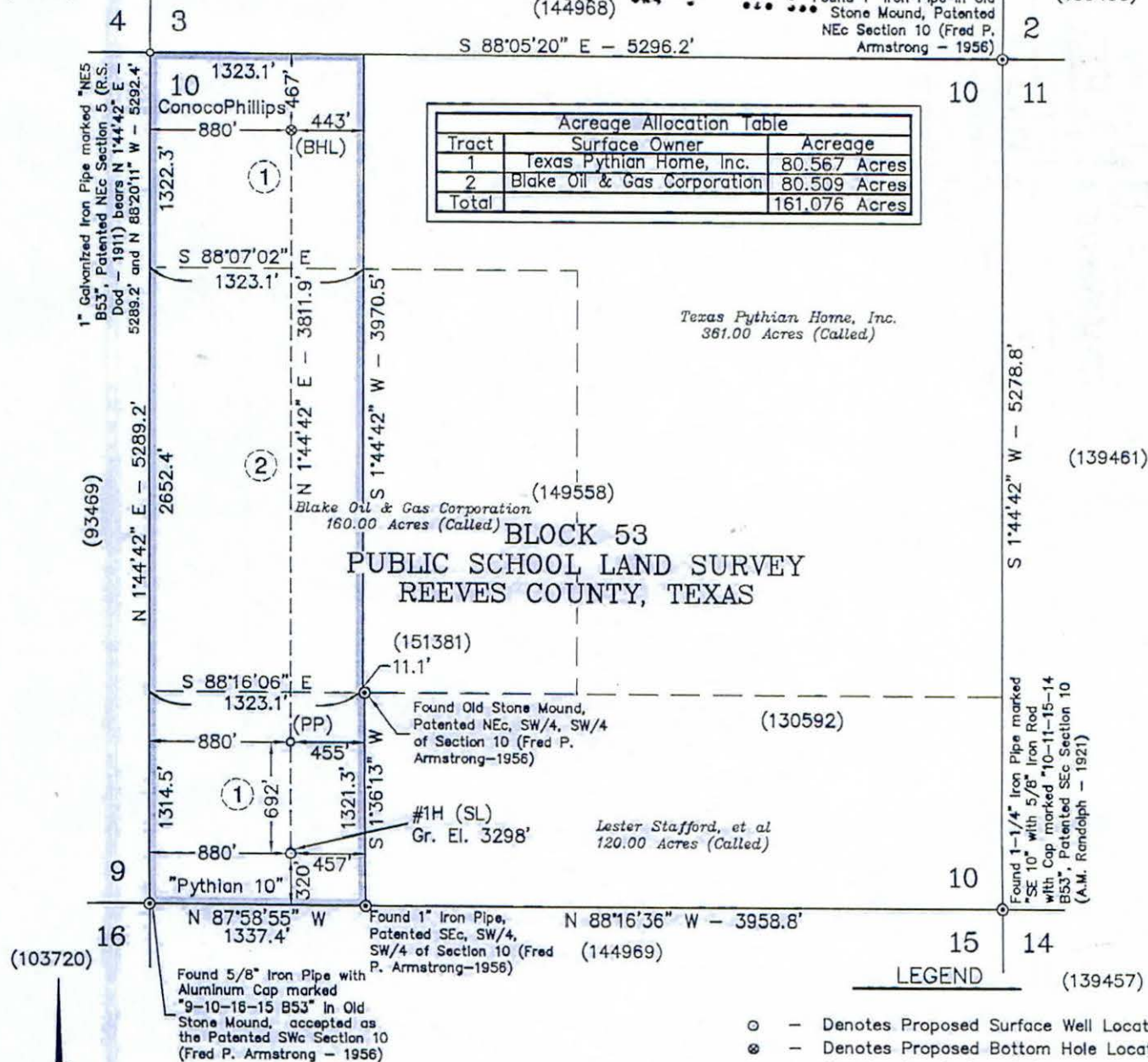
THENCE N $88^{\circ}16'06''$ W, along the North line of the South-part of said 361.00 acre tract and the South line of said 160.00 acre tract, a distance of 1323.1 feet to a point in the West line of said Section 10, the Northwest corner of the South-part of said 361.00 acre tract and the Southwest corner of this tract;

THENCE N $1^{\circ}44'42''$ E, along the West line of said Section 10 and the West line of said 160.00 acre tract, a distance of 2652.4 feet to the PLACE OF BEGINNING and containing 80.509 acres of land.

(94297)

(144968)

(139460)



Date Surveyed: July 28, 2011
Weather: Hot & Clear

Coordinate Table		
Description	Plane Coordinate	Geodetic Coordinate
Pythian 10 #1H	X = 844,142.6	Longitude = 104°02'47.25" W
Surface Location	Y = 721,732.9	Latitude = 31°35'53.08" N
Pythian 10 #1H	X = 844,163.7	Longitude = 104°02'47.27" W
Penetration Point	Y = 722,424.4	Latitude = 31°35'59.93" N
Pythian 10 #1H	X = 844,279.7	Longitude = 104°02'47.40" W
Bottom Hole Location	Y = 726,233.6	Latitude = 31°36'37.65" N

NOTE:

- Plane Coordinates and Bearings shown hereon are Lambert Grid and Conform to the "Texas Coordinate System", Texas Central Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.
- Geodetic Coordinate shown hereon references the North American Datum of 1927, (Clarke Spheroid of 1866). Reference Stations - "KERMIT" - CORS (DM4161), "PECOS" - CORS (DM4167) and "MONAHANS" - CORS (DM4702).
- See information filed in the office of this Surveyor which describes the reconstruction of this Section.

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

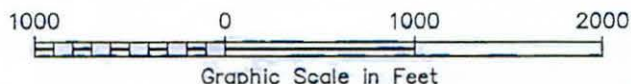
J. FRANK NEWMAN
MAISON McDONALD
R. CRAIG ALDERMAN

TEXAS R.P.L.S. No. 5011
TEXAS R.P.L.S. No. 4398
TEXAS R.P.L.S. No. 5285

WEST COMPANY
of Midland, Inc.

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

The Pythian 10 #1H is located approximately
18 miles Southwest of Orla, Texas.



ConocoPhillips

Location of the

PYTHIAN 10 #1H

Surface Location: 320' FSL & 880' FWL
Penetration Point: 1012' FSL & 880' FWL
Bottom Hole Location: 467' FNL & 880' FWL
Section 10, Block 53, Public School Land Survey
Reeves County, Texas

Drawn By: KHY/LVA	Date: November 15, 2011
Scale: 1" = 1000'	Field Book: 526 / 11-14
Revision Date: 1-10-2012	Quadrangle: Orla NE
W.O. No: 2011-1335-1	Dwg. No.: L-2011-1335

16

File No. M-113685
Amendment of Pythian Unit

Date Filed: 2/14/12
Jerry E. Patterson, Commissioner

By JEP

2012

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

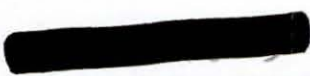
PA12-26

Unit Number	5291		
Operator Name	CONOCOPHILLIPS COMPANY	Effective Date	1/17/2012
Customer ID	C000044468	Unitized For	Oil & Gas
Unit Name	Pythian 10 #1H Unit	Unit Term	0 Months
County 1	Reeves		
County 2		<u>Old Unit Number</u>	<u>Inactive Status Date</u>
County 3		0	
RRC District:	08	0	
Unit Type:	Permanent	0	
State Royalty Interest:	0.0625000000	0	
State Part in Unit:	1.0000000000		
Unit Depth			
Below Depth	5877	Well:	Other
Above Depth	9092	Formation:	Bone Spring
		Participation Basis:	Surface Acreage
		[If Exclusions Apply: See Remarks]	

MF Number	MF113685	Tract Number	1
Lease Acres	80.567	Total Unit Acres	161.076
Tract Participation:	0.5001800		X
Lease Royalty	0.0625		=
Tract Royalty Participation	0.0312613	Manual Tract Participation:	
		Manual Tract Royalty:	

	0	See Remark
	0	

Tract Royalty Reduction	No
Tract Royalty Rate	0
Tract On-Line Date:	

MF Number	MF113686	Tract Number	2								
Lease Acres	80.509	Total Unit Acres	161.076 =								
Tract Participation:	0.4998200	X									
Lease Royalty	0.0625	=									
Tract Royalty Participation	0.0312387	Manual Tract Participation:	<table border="1"><tr><td> </td><td>0</td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr></table> See Remark		0						
	0										
Tract Royalty Reduction	No	Manual Tract Royalty:	<table border="1"><tr><td> </td><td>0</td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr></table>		0						
	0										
Tract Royalty Rate	0										
Tract On-Line Date:											

API Number	RRC Number
423893309700	0

Remarks:

Prepared By:	<u>REW</u>	Prepared Date:	<u>1-17-12</u>
GLO Base Updated By:	<u>REW</u>	GLOBase Date:	<u>1-18-12</u>
RAM Approval By:	<u>JK</u>	RAM Approval Date:	<u>1-23-2012</u>
GIS By:	<u>ZO</u>	GIS Date:	<u>3-1-2012</u>

Pooling Committee Report

To: School Land Board
Date of Board Meeting: January 17, 2012
Effective Date: 1/17/2012
Unit Expiration Date: Permanent
Applicant: CONOCOPHILLIPS COMPANY
Attorney Rep:
Operator: CONOCOPHILLIPS COMPANY
County 1: Reeves
County 2:
County 3:
Unit Name: Pythian 10 #1H Unit
Field Name: Wildcat

PA12-26

Unit Number: 5291

<u>Lease Type</u>	<u>MF 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>
FR	MF113685	0.0625	12/30/2015	5 years	361	80.567	0.0312613
FR	MF113686	0.0625	4/14/2014	3 years	160	80.509	0.0312387

SF = State Fee RAL = Relinquishment Act FR = Free Royalty UR = Unleased River

Private Acres:	0
State Acres:	161.076
Total Unit Acres:	161.076

<u>Participation Basis:</u>	
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Unit Royalty:</u>	6.25%

<u>Unit Type:</u>	<u>Unitized for:</u>
Permanent	Oil & Gas
<u>Term:</u>	0 Months

<u>Well Location:</u>
State Land

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Statewide	40 acres

REMARKS:

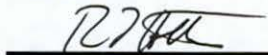
- ConocoPhillips Company is requesting Board ratification of the 161.076 acre Pythian 10 #1H Unit located in Reeves County. The unit includes two Free Royalty tracts totalling 161.076 acres. Ratification includes permanent oil and gas pooling from 5,877 feet to 9,092 feet, described as the stratigraphic equivalent of the Bone Spring Formation as seen in the American Quasar State 1-32 well log (API # 42-109-31407).
- The applicant plans to spud the unit well by the end of January 2012 and the proposed total depth is 7,000 feet. A 4,500 foot lateral is expected to be drilled.
- With approval of the ratification, the State's unit royalty participation will be 6.25%.

POOLING COMMITTEE RECOMMENDATION:

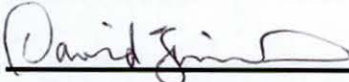
- The Pooling Committee recommends Board ratification of the Pythian 10 # 1H Unit under the above-stated provisions.



Jeffee L. Palmer - Office of the Attorney General



Robert Hatter - General Land Office



David Zimmerman - Office of the Governor

1-11-12

Date:

1/11/12

Date:

1/11/12

Date:

PSL
A-3454

PSL
A-5098

9

MF113685
PSL
A-5499

BHL

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MF113686

PSL
A-5703

PSL
A-3522

MF113685

MF113686

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MF113685

PSL
A-4195

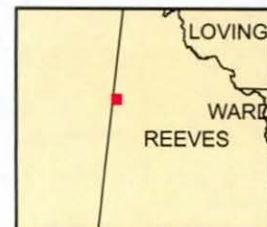
SL

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A-2650

16

PSL
A-5099



RATIFICATION OF DECLARATION OF POOLING AND DESIGNATION OF UNIT
CONOCOPHILLIPS-PYTHIAN 10 #1H UNIT
GLO UNIT NO. 5291
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Declaration of Pooling and Designation of Unit, ConocoPhillips-Pythian 10 #1H Unit" ("Designation"), has been executed as of December 13, 2011, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation recorded in Book _____, Page _____ of the Official Public Records of Reeves County, Texas and as amended by the Amendment to Declaration of Pooling and Designation of unit recorded in Book _____, Page _____ of the Official Public Records of Reeves County, Texas; and,

WHEREAS, the Designation describes the leases included within the Unit by Exhibit "A", describes the Tracts in the Unit by Exhibit "B" and shows a plat of the unit as Exhibit "C", and,

WHEREAS, a person may become a party to said Designation by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the amended Pythian 10 #1H Unit ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Designation, does hereby commit to said Unit the Free Royalty Interest of the State of Texas in all Tracts within the Unit Area as described in the Designation and does hereby agree that the State of Texas shall be bound by all of the provisions of said Designation, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Designation.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Free Royalty Interests to said Designation:

PURPOSES:

1.

This Ratification ("Ratification") 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 Ratification to effect equitable participation within the Unit. This Ratification 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. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

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 over 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 in the Bone Spring Formation as described in the Designation ("unitized interval").

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation 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 Ratification.

(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 Ratification.

(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.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each 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 or otherwise diminished by reason of this Ratification.

(f) 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 161 acres, 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.

(g) There shall not be brought into the Unit Area any tract lying outside its boundaries until approval of such enlargement has been obtained from the School Land Board of the State of Texas.

(h) This Ratification shall not relieve Lessee from the duty of protecting the State Leases within the Unit Area from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, 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 Unit Area, nor to develop the tracts separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

4.

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:

5.

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 Ratification 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.

FULL MARKET VALUE:

6.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

(a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greatest;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Ratification "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of January 17, 2012.

TERM:

8.

This Ratification 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 Ratification.

STATE LAND:

9.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Ratification 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:

10.

The Unit Area covered by this Ratification 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.

RATIFICATION/WAIVER:

11.

Nothing in this Ratification, nor the approval of this Ratification by the School Land Board, nor the execution of this Ratification 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:

12.

This Ratification 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 Ratification are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification 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 hereto have executed this Ratification upon the dates indicated below.

Date Executed 2/10/12

STATE OF TEXAS

Content
Legal
Geology
Executive

AM
AM
AM
AM

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

Date Executed 1/24/2012

CONOCOPHILLIPS COMPANY

By: Robert N. Welch
Robert N. Welch, Attorney-In-Fact

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of said Board duly held on the 17th day of January, 2012, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 13th day of February, 2012.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 24th day of January, 2012,

by Robert N. Welch as Attorney-in-Fact of ConocoPhillips Company, a Delaware corporation on behalf of said corporation.



Kelly King
Notary Public in and for the State of Texas

7

File No. M-113685
Pooling Agreement Packet # 5291
Application # 214 Unit

Date Filed: 2/14/12

Jerry E. Patterson, Commissioner

By [Signature]

2012



Daryl Morgan - Pythian 10 #1H Unit, Certified Ratification of Amended Pooling and Designation of Unit, Section 10, Block 53, PSL, Reeves County, TX

From: "Carpenter, Laura (TEAM, Inc.)" <Laura.Carpenter@contractor.conocophillips.com>
To: "'Daryl.Morgan@glo.state.tx.us'" <Daryl.Morgan@glo.state.tx.us>
Date: 7/18/2012 4:31 PM
Subject: Pythian 10 #1H Unit, Certified Ratification of Amended Pooling and Designation of Unit, Section 10, Block 53, PSL, Reeves County, TX
Attachments: Pythian 10 1H Certified Amend. Unit Des.pdf **M-113685**

Dear Daryl,

Attached for your files and information please find a scan of the recorded and certified Ratification of the amended Pooling and Designation for the Pythian 10 #1H Unit located on the W2W2 of Section 10, Block 53, PSL, Reeves County, TX and comprised of 161.076 acres.

It was a pleasure speaking with you this afternoon and I look forward to working with you more in the future.

Best regards,

Laura H. Carpenter, CPL

Contract Landman-Permian Land Team
ConocoPhillips Company
PO Box 2197
Houston, TX 77252-2197
580 2WL-15002
Houston, TX 77079
832.486.2316
281.685.0802

RATIFICATION OF DECLARATION OF POOLING AND DESIGNATION OF UNIT
CONOCOPHILLIPS-PYTHIAN 10 #1H UNIT
GLO UNIT NO. 5291
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Declaration of Pooling and Designation of Unit, ConocoPhillips-Pythian 10 #1H Unit" ("Designation"), has been executed as of December 13, 2011, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation recorded in Book 0917, Page 0325 of the Official Public Records of Reeves County, Texas and as amended by the Amendment to Declaration of Pooling and Designation of unit recorded in Book 0926, Page 0084 of the Official Public Records of Reeves County, Texas; and,

WHEREAS, the Designation describes the leases included within the Unit by Exhibit "A", describes the Tracts in the Unit by Exhibit "B" and shows a plat of the unit as Exhibit "C", and,

WHEREAS, a person may become a party to said Designation by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the amended Pythian 10 #1H Unit ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Designation, does hereby commit to said Unit the Free Royalty Interest of the State of Texas in all Tracts within the Unit Area as described in the Designation and does hereby agree that the State of Texas shall be bound by all of the provisions of said Designation, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Designation.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Free Royalty Interests to said Designation:

PURPOSES:

1.

This Ratification ("Ratification") 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 Ratification to effect equitable participation within the Unit. This Ratification 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. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

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 over 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 in the Bone Spring Formation as described in the Designation ("unitized interval").

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation 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



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

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 Ratification.

(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 Ratification.

(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.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each 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 or otherwise diminished by reason of this Ratification.

(f) 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 161 acres, 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.

(g) There shall not be brought into the Unit Area any tract lying outside its boundaries until approval of such enlargement has been obtained from the School Land Board of the State of Texas.

(h) This Ratification shall not relieve Lessee from the duty of protecting the State Leases within the Unit Area from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, 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 Unit Area, nor to develop the tracts separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

4.

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:

5.

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 Ratification 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.

FULL MARKET VALUE:

6.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

(a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greatest;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Ratification "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of January 17, 2012.

TERM:

8.

This Ratification 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 Ratification.

STATE LAND:

9.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Ratification 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:

10.

The Unit Area covered by this Ratification 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.

RATIFICATION/WAIVER:

11.

Nothing in this Ratification, nor the approval of this Ratification by the School Land Board, nor the execution of this Ratification 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:

12.

This Ratification 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 Ratification are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification 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 hereto have executed this Ratification upon the dates indicated below.

Date Executed 2/10/12

STATE OF TEXAS

Content AM
Legal AM
Geology AM
Executive AM

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

Date Executed 1/24/2012

CONOCOPHILLIPS COMPANY

By: Robert N. Welch
Robert N. Welch, Attorney-In-Fact

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of said Board duly held on the 17th day of January, 2012, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 13th day of February, 2012.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 24th day of January, 2012,

by Robert N. Welch as Attorney-in-Fact of ConocoPhillips Company, a Delaware corporation on behalf of said corporation.



Kelly King
Notary Public in and for the State of Texas

4



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

DIANNE O. FLOREZ
COUNTY CLERK
REEVES COUNTY, TEXAS
2012 May 23 at 08:38 AM
BY: EF *[Signature]*
DEPUTY

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



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
the original of the same as the same is on file in my office this 23rd day of May, 2012.
Filed for record in my office this 23rd day of May, 2012.
Records of Reeves County, Texas.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 23rd day of May, 2012.
Dianne O. Florez, County Clerk
REEVES COUNTY, TEXAS

8

File No. M-113685
Recorded, Pythian Unit Rat
& E-Mail
Date Filed: 7/18/12
Jerry E. Patterson, Commissioner
By ME

Permit Status: **Approved**

*The RRC has not approved this application.
Duplication or distribution of information is
at the user's own risk.*

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

*This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.*

Form W-1H

07/2004

Supplemental Horizontal Well Information

Permit # **728499**

Approved Date: **Nov 21, 2011**

1. RRC Operator No. 172232	2. Operator's Name (exactly as shown on form P-5, Organization Report) CONOCOPHILLIPS COMPANY	3. Lease Name PYTHIAN 10	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 WILDCAT (Field # 00018001, RRC District 08)			
6. Section 10	7. Block 53	8. Survey PSL/HOOVER, F O	9. Abstract 5499
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 467 ft. from the North line, and 602 ft. from the East line			
12. Terminus Survey Line Perpendiculars 467 ft. from the North line, and 880 ft. from the W line			
13. Penetration Point Lease Line Perpendiculars 1012 ft. from the South line, and 602 ft. from the East line			

Groundwater
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date October 27, 2011

GAU File No.: SC- 3712

***** EXPEDITED APPLICATION *****

API Number 38900000

Attention: DORIAN K. FUENTES

RRC Lease No. 000000

SC_172232_38900000_000000_3712.pdf

CONOCOPHILLIPS CO
P O BOX 51810
MIDLAND TX 79710

P-5# 172232

--Measured--

880 ft FWL

320 ft FSL

MRL: SURVEY

Digital Map Location:

X-coord/Long 104.02473

Y-coord/Lat 31.35599

Datum 27

Zone

County REEVES

Lease & Well No. PYTHIAN 10 #1H

Purpose ND

Location SUR-PSL, BLK-53, SEC-10, -- [TD=11280], [RRC 8],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Texas Railroad Commission recommends:

The interval from the land surface to the base of the RUSTLER ,
which is estimated to occur at a depth of 750 feet, must be protected.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,

Mark R. Vining
Digitally signed by Mark Vining
DN: cn=US, st=TEXAS, o=Austin, c=Railroad
Commission of Texas, cn=Mark Vining,
email=mark.vining@rrc.state.tx.us
Date: 2011.10.27 09:25:13 -05'00'

Mark R. Vining, P.G.

GEOLOGIST SEAL



Geologist, Groundwater Advisory Unit
Oil & Gas Division

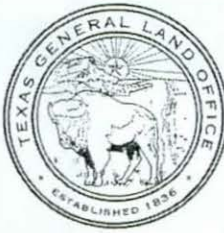
The seal appearing on this document was authorized by Mark R. Vining on 10/27/2011
Note: Alteration of this electronic document will invalidate the digital signature.

(432) 687-0865 - (432) 687-0868 FAX

File No. MF 113685
RRC Forms Python 10 #14

Date Filed: 12/10/12
Jerry E. Patterson, Commissioner
By REU

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

July 23, 2014

Kelly King
ConocoPhillips
P.O. Box 2197
Houston, Texas 2197

RE: GLO Assignment ID # 9010

Dear Ms. King,

The General Land Office received the following instrument(s) and has filed them in the appropriate files.

Oil, Gas and Mineral Lease, is effective December 30, 2010 from Texas Pythian Home, Inc., as lessor, to ConocoPhillips Company, as lessee. As filed for record in Reeves County.

Please see attached "Exhibit A" for reference. Filing fees of \$25.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Alberto Amesquita
Mineral Leasing
Energy Resources

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

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

512.463.5001 • 800.998.4GLO

glo.texas.gov

Exhibit "A"

<i>GLO ID</i>	<i>County</i>	<i>Lease</i>
9010	Reeves	MF113685

Wednesday, July 23, 2014

14707053

2

This check was issued by ConocoPhillips Company

DATE	INVOICE(DESCRIP)	CO	DOCUMENT NO.	GROSS	DISCOUNT	NET
01/23/14	342834-000	HZ	1200007049 USD	25.00	0.00	25.00
PAYEE NUMBER	CHECK DATE	CHECK NO	CHECK AMOUNT			
30214	01/24/2014	01080088	25.00			

If you have questions about this check, call (918)661-5746
or logon to <https://vis.conocophillips.com>.

ConocoPhillips is currently adopting direct deposit (ACH) as our primary tool for payment in place of checks. Please access the following website <http://vendors.conocophillips.com/EN/payment/Pages/index.aspx> for application instructions. Your prompt response is greatly appreciated.

14101023
14101023

THIS PORTION IS NON-NEGOTIABLE

THIS PORTION IS NON-NEGOTIABLE

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14707053

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17-15750 N, 04-09

THIS IS WATERMARKED PAPER - DO NOT ACCEPT WITHOUT NOTING WATERMARK - HOLD TO LIGHT TO VERIFY WATERMARK

Deutsche Bank Trust
Company Delaware

ConocoPhillips Company
Houston, TX

14707053

Check No: 01080088

30214

01/24/2014 01080088 \$25.00*

PAY TO THE ORDER OF

EXACTLY *****25 US Dollars and 00 Cents*****

TEXAS GENERAL LAND OFFICE
ASSET MANAGEMENT DIV
1700 N CONGRESS AVE R 720
AUSTIN, TX 78701-1495

Francis M Vallejo
Treasurer

⑈01080088⑈

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 OF RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

Paid-Up Lease Form
TEXAS Form 9424-N 1-92

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT, made this 30th day of December, 2010 between Texas Pythian Home, Inc., a Texas corporation, whose address is, 1825 East Bankhead Drive, Weatherford, TX 76086, Lessor (whether one or more), and ConocoPhillips Company, whose address is P. O. Box 7500, Bartlesville, OK 74005-7500, Lessee,

WITNESSETH:

1. Lessor, in consideration of Ten and More Dollars, (\$10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of testing, by any method or methods, for formations or structures, investigating, exploring, prospecting, and drilling for and producing oil, gas and all other minerals, laying pipe lines, building tanks, power stations, telephone lines, and other structures thereon, to produce, save, take care of, treat, transport, and own said products, constructing and maintaining roads and bridges, and, in general, for all appliances or structures, equipment, servitude and privileges which may be necessary, useful or convenient in connection with any such operations conducted by Lessee thereon, the following-described land in the County of Reeves, State of Texas, to wit:

NE/4 and N/2 NW/4 and N/2 SE/4 and SW/4 SW/4, Abstract 5499, Section 10, Block 53, PSL Survey, containing 361.00 gross acres, more or less.

See Exhibit "A" and Exhibit "B" attached hereto and made a part hereof for additional provisions.

2. This lease shall be for a term of Five (5) years from this date hereof (called 'primary term') and as long thereafter as oil, gas (whether or not classified as a hydrocarbon), or other mineral is produced from the land hereinabove described.

3. The royalties to be paid Lessor are: (a) on oil, **twenty-five percent (25%)** of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected. Lessee may from time to time purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of **twenty-five percent (25%)** of the gas used, provided that on gas sold on or off the premises the royalty shall **twenty-five percent (25%)** of the amount realized from such sale. Lessee shall have the free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, and gas shall be computed after deducting any so used. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for such term and under such conditions as are customary in the industry. 'Price' shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event Lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, Lessee, in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. Lessee may at any time execute and deliver to Lessor or place of record, a release or releases covering all or any portion or portions of the above-described premises and thereby surrender this leases as to such portion or portions and terminate from and after the date of surrender all obligations as to the acreage surrendered, including any obligations to offset producing wells.

5. If at the expiration of the primary term there is no well upon said land capable of producing oil, gas or other mineral, but Lessee has commenced operations for drilling or reworking thereon, the lease shall remain in force so long as operations are prosecuted with no cessation of more than sixty (60) consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas or other mineral is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if Lessee commences operations for additional drilling or reworking within one hundred and twenty (120) days thereafter. Production under the terms of this lease in order to continue the same in force subsequent to the primary term, need not be in paying quantities; provided, however, that Lessee shall not be obligated to, but may at its option produce any well which does not yield operating costs plus a reasonable profit.

6. Lessee is granted the right and option to consolidate the lands covered hereby, or any portion or portions thereof, whether or not Lessee has consolidation rights in such other lands, and Lessee may consolidate any stratum or strata under said lands with the same stratum or strata in and under other lands, to form a unit for the production of (1) oil and casinghead gas, or (2) dry or gas well gas, including crude oil produced from a gas well and condensate or distillate, the unit or units to be in such shape and of such dimensions as Lessee may elect; provided that such unit or units when completed shall be composed of tracts each of which is contiguous to, touches or corners with some one or more of the other tracts in the unit in such manner as to form one connected tract or unit, and provided, further, that any tracts included in such unit or units separated only by a road, highway, street, railroad right of way, river, canal, or a combination of such, or by a strip of land having an average width not greater than six hundred (600) feet, the title to which strip of land or the minerals therein or any part thereof is in any governmental body or agency, shall be considered as contiguous, cornering or touching within the meaning of this paragraph. Any unit formed for the production of oil and casinghead gas shall not exceed one hundred sixty (160) acres in surface area plus a tolerance of ten per cent (10%) thereof, except that any unit formed for the production of oil

and casinghead gas from a horizontal drainhole well shall not exceed six hundred forty (640) acres in surface area plus a ten per cent (10%) tolerance thereof; and any such unit formed for the production of dry or gas well gas, including crude oil produced from a gas well and condensate or distillate, shall not exceed six hundred forty (640) acres in surface area plus a ten per cent (10%) tolerance thereof. Provided, however, that should governmental authority having jurisdiction permit the creation of units larger than those specified, units thereafter created may conform in size with those permitted by governmental regulations.

7. Lessee may exercise its right and option to consolidate said land or any part thereof as authorized in Paragraph 6 hereof at any time during the term of this lease by executing an instrument in writing describing the consolidated unit, specifying the purposes for which such consolidation is made, and mailing or delivering to the Lessor a copy thereof, or by filing same for record in the county where such land is located. Separate consolidations may be made, at the same or at different times, for the purposes of (1) oil and casinghead gas; and (2) dry or gas well gas, including crude oil produced from a gas well and condensate or distillate; and the inclusion of a particular area in a unit for one purpose shall not preclude the inclusion of such area or any part hereof in another unit for another purpose. The lands, stratum, strata or estates so consolidated shall be developed and operated as one tract as if said consolidation tract had been originally covered by one lease for the purposes for which the consolidation is made. Any well or wells of the type covered by the consolidation that may have been commenced or completed prior to, or that may be commenced after, the consolidation, on any portion of the consolidated tract, regardless of where located thereon, shall be deemed to have been drilled under the terms of this lease on lands covered hereby for all purposes except for the payment of royalties on production; provided further, that any operations for drilling and completing a well on the consolidated tract shall be deemed to be operations on the above-described lands under the terms of this lease, regardless of whether said operations result in a well of the type covered by the consolidation, or a well of a type not covered by the consolidation. In lieu of royalties specified elsewhere herein, Lessor shall receive on production from a consolidated tract subsequent to effective date of consolidation, only such portion of the royalties stipulated in Paragraph 3 hereof as his net royalty acreage interest in the lands, stratum or strata placed in the consolidated tract bears to the total surface area of the lands, stratum or strata comprising the consolidated tract.

The aforementioned units may be designated either before or after the completion of wells and Lessee may reduce, enlarge, modify or dissolve such unit or units at any time prior to the discovery of oil, gas, or other minerals on the pooled area, or, after discovery of same, at any time subsequent to the cessation of production thereon, by filing a written declaration to such effect in the county where such land is located.

8. If as a result of act of God, fire, storm, flood, war, insurrection, rebellion, labor troubles, or requisition or order of any governmental authority or agency, including but not limited to the exercise of rights of priority by any governmental authority or agency for national defense purposes, said Lessee is unable to or is prevented from commencing, drilling, completing or reworking any well or wells for oil, gas or other mineral on the leased premises, then in any such event Lessee shall be relieved, during the continuance of such preventing cause, and for sixty (60) days thereafter, from all obligations in this lease contained, if any, either express or implied, to commence, drill, complete or rework any well or wells on the leases premises.

9. If for any period or periods of time after discovery of oil, gas or other mineral, no oil, gas or other mineral is produced from the leased premises but there is located thereon a gas well, a bradenhead well, or a well capable of producing gas and condensate or gas and distillate from which the gas is not sold or used for any reason, or there is located on said premises an oil well which is not produced on account of any of the causes stated in Paragraph 8 hereof, this lease shall nevertheless continue in full force and effect and it shall be deemed that oil or gas is being produced from the leased premises as long as there remain upon the leased premises one or more wells capable of producing oil or gas. If any such well drilled and/or completed after expiration of the primary term is shut-in, Lessee shall be obligated to pay or tender to Lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut-in, as royalty, One Dollar (\$1.00) per net acre, applicable to the interest of Lessor in acreage embraced in this lease as of the end of such annual period; provided that, if production from such well is sold or used as aforesaid before the end of any such annual period, or if, at the end of any such annual period, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, Lessee shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Such payment may be made or tendered to Lessor by United States mail to the address shown above.

Royalty ownership as of the last day of each such annual period as shown by Lessee's records shall govern the determination of the party or parties entitled to receive such payments.

If any such well drilled and completed during the primary term remains shut-in on the expiration of the primary term, it shall be deemed for the purposes of the Paragraph 9 that such well was actually completed and shut-in on the date of the expiration of the primary term, but otherwise all of the foregoing provisions relating to shut-in well payments shall be applicable to such well.

10. If, at the expiration of the primary term hereof there shall be no well producing, or capable of producing oil, gas, or other mineral and if drilling or reworking operations are not being carried on, and if Lessee shall be prevented during the last sixty (60) days of the primary term from commencing, drilling or completing any well or wells on the leased premises for any of the causes specified in Paragraph 8, hereof, this lease shall continue in force during the period of time that such preventing causes remain in effect and for sixty (60) days thereafter, and if operations for drilling or reworking shall be commenced within said sixty (60) days, this lease shall continue in force as long as drilling or reworking operations continue without cessation for more than sixty (60) consecutive days, whether such operations be on the same well or on a different or additional well or wells, and in the event oil, gas, or other mineral is discovered, then as long as the same is produced from the leased premises; provided, however, that this paragraph shall not become effective unless Lessee shall pay or tender as royalty a sum equal to the royalties specified in Paragraph 9 hereof, which shall be payable in the manner therein specified on or before the last day of the primary term and annually thereafter while the provisions of this paragraph are invoked by Lessee.

11. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto. Notwithstanding any actual or constructive knowledge or notice to Lessee, no change or division in the ownership of the lands or royalties, however accomplished, shall be binding upon the Lessee (except at Lessee's option in any particular case), until sixty (60) days after Lessee shall have been furnished with the original, a copy certified by the official recorder of the county where the land or some part thereof is located, or a Photostat of the recorded instrument or instruments, evidencing the change or transfer, including any intermediate transfer from the Lessor prior to said date whether or not due. In case of death of any person entitled to receive royalties, the evidence of change in ownership shall consist of letters of administration or final decree of distribution of the estate of the decedent issued by a court of competent jurisdiction of the decedent's estate including his interest in the lands above described. Lessee

may until such date continue to pay such royalties as if such change or transfer had not been made, or may pay the same according to the interest of record as disclosed by the last certification of an abstract in Lessee's possession subsequent to the date of the lease, or at Lessee's option, may suspend the payment thereof until sixty (60) days after such evidence is received. No change or division in the ownership of the land or royalties shall operate to enlarge the obligations or diminish the rights of the Lessee. No division of royalties shall be made effective except at the end of a calendar month. If the ownership of royalties becomes changed into separate divided portions of said land and the owner of any such royalty desires separate gauges for production from such separate tracts, he shall request the Lessee to set separate measuring and receiving tanks and pay to the Lessee in advance the Lessee's estimated cost of procuring and setting such tanks and making the connections therefor; and unless and until such is done, Lessee may pay such royalties to the separate owners jointly or may suspend payment until such time as said separate owners shall agree in writing upon an apportionment of such royalties and furnish Lessee with the original agreement.

Whether or not this lease be owned by one party or by two or more different parties, production under the terms of this lease, or drilling or reworking operations on any portion of the land above described, shall keep this lease in effect upon all land herein leased. The Lessee shall not be liable for the failure of any subsequent owner of this lease, in whole or in part, to perform the terms, conditions and obligations of this lease, express or implied. Offsetting shall never be required to protect one portion of the leased premises against drainage through a well or wells on another portion of the leased premises. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating a trustee to receive payment for all.

12. Lessee shall have the right within one (1) year from date of abandonment of last well on this lease or lands pooled therewith, to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury pipe lines below ordinary plow depth.

13. The Lessee agrees to pay for damages to crops or improvements caused by operations of Lessee.

14. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder.

15. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land; and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. The application of any royalties to the payment of any tax or any lien which appears of record against said land, or for the reimbursement of Lessee for the payment of any such tax or lien, shall constitute full and complete payment of such sum, in like manner as if such payment had been made to Lessor whether or not such tax or other liens constitutes a valid lien against said land. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns a less interest in the above described land, or any part thereof, than the entire undivided fee simple estate therein, whether or not this lease purports to cover the whole or a fractional interest, then the royalties to be paid Lessor shall be only in the proportion that his interest bears to the whole and undivided fee and in accordance with the nature of the estate of which he is seized. Lessee shall have the right to accept leases or conveyances from others owning or claiming to own interests in the land or minerals covered hereby adverse to the rights of Lessor herein. Provided, that nothing herein contained shall be construed to deprive Lessee of any right or remedy for breach of warranty afforded by law, including, but not limited to the marshaling of assets in the event of a foreclosure of any lien or encumbrance.

16. This is a paid-up Lease and Lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve Lessee of the obligations to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

17. This agreement covers the entire understanding of the parties. There are no oral agreements, promises or representations inconsistent with or supplementary to the agreement herein expressed.

EXECUTED as of the day and year first above written.

LESSOR: Texas Pythian Home, Inc., a Texas corporation

BY: W. E. Talbot
W. E. Talbot

ITS: Treasurer of the Board

STATE OF TEXAS

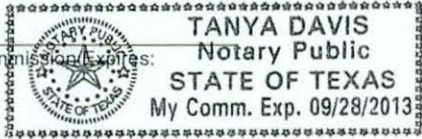
COUNTY OF

Parker

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On this 30th day of December, 2010, before me, the undersigned, a Notary Public in and for said County and State, personally appeared, **W. E. Talbot, Treasurer of the Board of Texas Pythian Home, Inc, a Texas corporation**, known to me to be the person who executed the foregoing instrument, and acknowledged to me that **he** executed the same as **his** free and voluntary act and deed of said corporation, for the uses and purposes therein set forth, and in the capacity stated herein.

My Commission Expires:



Tanya Davis
Notary Public

EXHIBIT "A"

Attached to and made part of that certain Oil, Gas and Mineral Lease dated December 30, 2010 between Texas Pythian Home, Inc., Lessor, and ConocoPhillips Company, Lessee.

NE/4 and N/2 NW/4 and N/2 SE/4 and SW/4 SW/4, Abstract 5499, Section 10, Block 53, PSL Survey, Reeves County, Texas, containing 361.00 gross acres, more or less.

1. RETAINED ACCESS. If this lease terminates or expires, or is released or surrendered, at any time after the end of the primary term and/or cessation of the Continuous Development program as to any portion of the lands originally covered by this lease ("terminated lands") and this lease remains in effect as to any portion of the lands originally covered by this lease ("retained lands"), Lessee shall nevertheless continue to have as to all lands originally covered by this lease, including but not limited to terminated lands, full rights of ingress, egress and other surface estate use as may be necessary or convenient for purposes of Lessee's operations on any or all of said retained lands and/or operations on lands pooled with any or all of said retained lands.
2. USE OF WATER FOR OPERATIONS. Lessee shall not have the right to use fresh water underlying the lands covered by this Lease in connection with any water-flooding, secondary recovery, or other operations where water or other substance is to be injected into the producing formation or formations for the purpose of stimulation or increasing the production of hydrocarbons. Lessee may use for such purposes salt water or any other water which is unsuitable for human consumption, agricultural, or livestock-raising purposes. This provision shall not limit Lessee's right to use fresh water from all sources, except Lessor's wells or tanks, in connection with the drilling, fracing and completion of a well or wells on the lands covered by this Lease.

Signed for identification purposes only:

Texas Pythian Home, Inc., a Texas corporation

BY: W. E. Talbot

W. E. Talbot

ITS: Treasurer of the Board

EXHIBIT "B"

Attached to and made part of that certain Oil, Gas and Mineral Lease dated December 30, 2010 between Texas Pythian Home, Inc., Lessor, and ConocoPhillips Company, Lessee.

NE/4 and N/2 NW/4 and N/2 SE/4 and SW/4 SW/4, Abstract 5499, Section 10, Block 53, PSL Survey, Reeves County, Texas, containing 361.00 gross acres, more or less.

ADDITIONAL PROVISIONS:

1. Lessee shall pay for all damages to the property of Lessor and/or surface owner, including roads, fences, improvements and growing crops caused by its operations hereunder, and will fill and level all pits and mounds, remove all board roads and board road materials, level and fill all ruts, and restore the surface of the ground to as near its original condition as is reasonably practical.
2. It is agreed and understood that Lessee shall have the right to drill, operate and produce directional and horizontal wells. Lessee additionally agrees to pay to Lessor and/or the current surface estate owner liquidated surface damages for any and all drill sites located on the premises, which sum shall be paid prior to the commencement of drilling operations. Lessee shall additionally be responsible for all damage, if any, occurring to the surface estate as a result of its operations.
3. Lessee shall construct and maintain substantial fences around drilling and production fixtures sufficient to turn livestock of normal demeanor.
4. It is understood and agreed that this lease covers and includes oil and gas only (including with oil and gas, all constituent elements thereof and all other liquid or liquefiable hydrocarbons and products of every kind or character derived therefrom and produced therewith, including sulphur), and that all minerals other than oil and gas are excepted herefrom and reserved to Lessor. Included among the minerals reserved to Lessor and excluded from this lease are coal, uranium and lignite.
5. In the event a portion or portions of the leased premises is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to that portion of the leased premises not included in such unit or units. The lease may be maintained in force as to any portion of the leased premises covered hereby and not included in such unit or units in any manner provided for herein; provided, however, if at the end of the primary term or after the expiration of the primary term, Lessee is then engaged in drilling or reworking operations on the non-unitized portion of the leased premises or on acreage pooled therewith, or if Lessee has completed a well as a producer or a dry hole anywhere on the leased premises or lands pooled therewith within one hundred twenty (120) days prior to the expiration of the primary term, this lease shall remain in full force and effect as to all non-unitized acreage so long as Lessee commences drilling operations on the non-unitized portion of the leased premises or on acreage pooled therewith within one hundred twenty (120) days of the completion of such well as a producer or a dry hole and conducts continuous operations thereon with no cessation of longer than one hundred twenty (120) days between the completion of drilling or reworking operations on a well and the commencement of such operations for the next succeeding well. In the event any of the acreage covered by this lease is released by operation of the terms of this paragraph, Lessee shall have the right of ingress and egress for production purposes across the released acreage retained hereunder if such right is necessary for Lessee to have access to the retained acreage.
6. It is understood and agreed that one (1) year after the expiration of the primary term of this lease, upon the expiration of any extension or renewal, or after cessation of operations as provided herein, whichever occurs last, Lessee shall release all rights lying below the stratigraphic equivalent of one hundred feet (100') below the base of the deepest producing formation in any well drilled on the leased premises or on lands with which the leased premises has been pooled or unitized.
7. Notwithstanding any provisions hereof to the contrary, it is expressly agreed and understood that Lessee's right to maintain this lease in force after the expiration of the primary term hereof by the payment of shut-in gas royalty under paragraph 9 of this lease shall be limited to recurring periods after the primary term. Further, notwithstanding the provisions contained in Paragraph 9 of this lease the annual shut-in payment amount shall be \$50.00 per net mineral acre for the first twelve (12) months shut-in period and \$100.00 per net mineral acre for the second twelve (12) month shut-in period; or, any subsequent twelve (12) month periods.
8. LESSEE AGREES TO INDEMNIFY, DEFEND AND HOLD LESSOR HARMLESS FROM ALL CLAIMS, FINES, OR PENALTIES, INCLUDING BUT NOT LIMITED TO GOVERNMENTAL OR ADMINISTRATIVE CLEANUP OR COMPLIANCE ORDERS, WHICH RESULT OR ARE RELATED TO LESSEE'S OPERATIONS ON THE PREMISES.
9. In the event Lessee markets gas produced and saved from the leased premises through any affiliate company Lessor shall not bear, directly or indirectly, any production or post-production cost or expenses, including without limitation cost or expenses of gathering, dehydration, compression, transportation, processing, treating, or marketing the gas and associated liquid hydrocarbons produced from the Land that are charged to Lessee. In the event gas is marketed through a third party, Lessor shall receive, and Lessee agrees to pay to Lessor, the proceeds realized by Lessee from the sale of oil and/or gas and casinghead gas, including any other reimbursements or other forms of compensation paid by the purchaser of such oil and/or gas and casinghead gas to Lessee, produced from said land. In no event shall Lessor receive less per barrel of oil and cubic feet of gas than Lessee for such payment.
10. Lessee is granted the right to pool under the terms of this lease; however, Lessee agrees to provide Lessor a copy of any pooling agreement, unitization agreement and/or amendments prepared or executed by Lessee which include any land covered by this lease, within ninety (90) days of recordation or effective date of said pooling agreement, unit agreement or amendment.

11. It is further understood and agreed that Lessee will bury and maintain all pipelines and electrical transmission lines 18 inches deep below the surface of the ground. The exact location and placement shall be agreed upon between the parties prior to entry or construction.

12. It is understood and agreed that, notwithstanding the foregoing, Lessee shall have a period of 180 days from and after the termination of this lease to remove all property, casing, and fixtures from the premises, and in the event Lessee fails to remove such property, casing and/or fixtures within 180 days, the ownership of same shall vest in Lessors, their heirs and assigns, upon the expiration of 180 days from and after the date of termination of this lease. Lessor may require the removal of said equipment. Lessee agrees to remove debris and restore the surface to as near its original condition as practical within 180 days, weather permitting, after drilling or reworking operations are completed on each well.

13. Lessee further agrees that in the event of a dry hole or production from a well which production ceases and the abandonment of such well, or upon the abandonment of any well location of any well location, drillsite, tank battery site or roadway, the premises will be restored as nearly as reasonably possible to its former condition at the cost and expense of the Lessee, it being the intention of the parties hereto that the Lessee shall restore the surface to as nearly the state that it is at the time of execution of this lease.

14. Lessee shall not use surface water from Lessor's ponds, tanks, streams, creeks, or draws. Lessee may use water from fresh water stratum or strata only by means of a Lessee drilled water well. At such time as its need therefore has ceased, Lessee may remove the pump and tubing from the well and surrender all right, title and interest in said water well to Lessor. At such time as these items are removed from the well, Lessee agrees to notify Lessor in writing that this has occurred. In this event, Lessor agrees to indemnify, defend and hold Lessee harmless as to all claims and causes of action resulting from Lessor's assumption and operation of Lessee's interest in said water well.

15. If to obtain ingress and egress to leased premises, it becomes necessary for the Lessee to cut any fences of the Lessor, the Lessee shall install and maintain suitable and well built gates, installed to the Lessor's satisfaction, which gates shall upon termination of this lease for any cause become the property of Lessor. Said gates to be supported by H braces and be a minimum of 12 feet in width. Whether the Lessee uses gates presently in the Lessor's fences along the public roads or constructs his own gates, Lessee agrees to keep the same locked at all times so as to exclude the general public from the Lessor's property, permitting only Lessors, their tenants and Lessee's servants, agents and employees to have any keys thereto.

16. No well shall be located less than 450 feet from any house or barn now on leased premises or other lands of Lessor used by Lessee hereunder, without Lessor's permission.

17. Use of surface and/or sub-surface for disposal of drilling fluids and salt water shall be only upon specific approval and permission of the current landowner as to the manner and method of the disposal of drilling fluids and salt water and location of any such disposal of drilling fluids and salt water. Lessee shall be responsible for any loss or use or damage to the surface and/or sub-surface estate caused by the disposal of drilling fluids or salt water on the leased premises.

18. No debris will be left in any reserve pits or will be permitted to be stored on drill site during any operation and maintenance at wellsite except during the initial drilling of a well.

19. Lessee shall protect the lease premises from drainage by wells on adjoining lands. Lessee shall drill, complete, and produce wells on the lease premises which a reasonable and prudent operator would drill, complete, and produce to protect the correlative rights of both Lessor and Lessee to produce oil, gas, and other hydrocarbons from a common reservoir under the lease premises which is being produced on adjoining lands.

20. If a compressor is placed on said leased premises it will be powered by electricity, rather than by natural gas or diesel. To the extent an electric compressor is not otherwise available; or, the costs are prohibitive for the operation of such unit, then Lessee shall have the right to use a natural gas or diesel compressor, provided such compressor is screened and appropriate noise abatement is utilized to minimize to the greatest degree possible, the noise level of such compressor, while in use.

21. Notwithstanding anything to the contrary, it is agreed that should Lessee exercise its option to pool or combine any portion of the land covered hereby with other lands, lease or leases as hereinbefore provided, then such operations and production on and in any such pooled unit as herein provided, shall continue this lease in force and effect during or after the primary term as to that portion of the lands covered by this lease, included in such unit or units as hereinabove provided, but not as to such portion of said lands covered by this lease and not included in any such unit. This lease maybe kept in force and effect as to such remainder in any manner elsewhere provided in this lease not inconsistent with this paragraph.

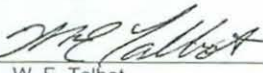
22. Lessee agrees to consult with the surface owner regarding the placement of all drilling locations, roads, lines, tank batteries, electric poles, telephone poles and other structures and to locate any and all of such items which it has the right to locate on the leased premises pursuant to the terms contained herein at such locations as to reduce the interference with the surface use of said land for farming and ranching purposes, and for Lessor's enjoyment of the surface, insofar as it is reasonably practicable to do so and in such a manner as to reduce the risk of soil erosion insofar as it is reasonably practicable to do so; provided, however, Lessee will not be prevented from exercising reasonable use of the surface of the leased premises in order to accomplish the purposes of this lease.

23. Any pipelines constructed on the above described land shall be for gathering purposes only and not used as transmission lines for gas produced from other leases and lands.

24. Notwithstanding the terms and conditions of Paragraph 15 of the Oil, Gas and Mineral Lease attached hereto, this Lease is given and accepted without warranty, express or implied; and, Lessor shall have no obligation to Lessee to defend the title to the mineral estate.

Signed for identification purposes only:

Texas Pythian Home, Inc., a Texas corporation

BY: 
W. E. Talbot

ITS: Treasurer of the Board

Certificate of Record

38.00

Recording Fee

Certified Copy Fee

38.00

Total Paid

000331

FILED FOR REC...

2011 JUL 10 5:21 PM

Return to:

R.D. Davis & Associates
LLC.

COMPARED

[Signature]

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

I, hereby certify that this instrument with its certificates of authenticity was FILED on the
date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC
RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 864 PAGE 394 DATE RECORDED 01/27/11



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: *[Signature]*, Deputy

10

File No. MR 113685

Assignment #9010

Returning Home to Conoco Phillips

Date Filed: 2-3-14

Jerry E. Patterson, Commissioner

By ac

2014



Katusha Mercer
Associate Landman
Mid-Continent – West Permian
600 N. Dairy Ashford
BKC – 2104
Houston, TX 77079
Tel: 281-206-5341
Fax: 281-206-5721
Ekaterina.L.Mercer@ConocoPhillips.com

October 20, 2014

Mr. Daryl Morgan
Texas General Land Office
Mineral Leasing
1700 Congress Ave, Room 840
Austin, Texas 78701

Re: State Ratification Form
ConocoPhillips Company- Pythian Unit A 10-3 1H
Reeves County, Texas

Dear Mr. Morgan,

Please find enclosed and accept the recorded Designation of Pooled Unit for the Pythian Unit A 10-3 1H.

The State owns a 1/16th free royalty under the Texas Pythian Home, Inc. private lease. ConocoPhillips Company respectfully requests the State's form of Ratification for Pooling of the Pythian Unit A 10-3 1H.

Please contact the undersigned at Ekaterina.L.Mercer@conocophillips.com or 281-206-5341 should you have any questions.

Kindest Regards,

A handwritten signature in blue ink that reads 'Katusha Mercer'.

Katusha Mercer
Associate Landman

Enclosures

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.

DESIGNATION OF POOLED UNIT
CONOCOPHILLIPS COMPANY
PYTHIAN UNIT A 10-3
481.07 ACRE POOLED UNIT

14-08207
FILED FOR RECORD
REEVES COUNTY, TEXAS
Sep 09, 2014 at 11:21:00 AM

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS THAT:

COUNTY OF REEVES

§

§

This instrument is made and entered into by ConocoPhillips Company, whose address is 600 North Dairy Ashford, Houston, Texas 77079 and the undersigned leasehold interest owners (whether one or more, collectively "Owners").

Reference is made for all purposes to those certain Oil, Gas and Mineral Leases described in Exhibit "A" attached hereto and incorporated hereinafter by reference, and as amended (hereinafter referred to as the "Leases"), covering and including those certain tracts of land more particularly described in the Leases (hereinafter referred to as the "Lands") in Reeves County, Texas.

For valuable consideration and pursuant to the rights granted in the Leases, the Owners hereby pool, consolidate and unitize the Leases and Lands into a pooled unit for the exploration for, development of and production of oil, gas and associated hydrocarbons as the Leases and Lands cover that certain 481.07 acres of land (hereinafter referred to as the "Unit Acreage") described by metes and bounds in Exhibit "B" attached hereto and incorporated hereinafter by reference and also depicted on the plat attached as Exhibit "C" attached hereto and incorporated hereinafter by reference, and as the Leases and Lands cover and include the oil, gas and associated hydrocarbons in and under the unit. The Owners do further hereby pool, consolidate, combine and unitize the royalty interests, working interests, overriding royalty interests, production payments, and all other interests in the oil, gas and other minerals pertaining to the Leases and Lands. The unit hereby created shall be known as the Pythian Unit A 10-3 (hereinafter referred to as the "Unit").

As to any outstanding interests not herein committed to this Unit, it is not intended that this Designation of Pooled Unit shall in any way affect interests or rights of the owners thereof; nor shall this Designation of Pooled Unit be construed as an offer to any such owner or owners to include their interest in this Unit. In the event any interest is declared to have terminated, to have been pooled improperly, or is not otherwise committed to the Unit, the terminated or improperly pooled interest shall be deleted from the Unit. In the event it is determined that any of the Leases terminated prior to the effective date of the Unit, then the Unit shall be deemed to exclude such terminated Lease or Leases, but as between all other owners of pooled interests, there shall be no recalculation of interests in the Unit.

Owners reserve the continuing right to amend, correct or alter this instrument and the Unit, as now or hereafter amended, covering the Unit Acreage. Any such amendment shall be in writing, signed by the Owners hereto or their successors in interest or title, and filed for record in

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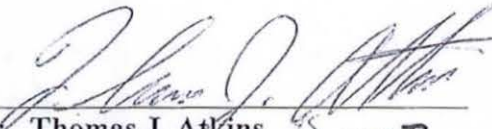
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the Offices of the County Clerk of Reeves County, Texas. This instrument may be executed in counterparts, and each such counterpart shall have the same force and effect as an original instrument, the same as if all Owners to the aggregate counterparts had executed the same instrument. It shall not be necessary that each party sign the same counterpart of this instrument, only that each party signs at least one (1) counterpart. Each of the executed counterparts of this instrument or portions thereof may be placed together so as to form one (1) document, and all taken together shall constitute one (1) instrument. However, should all Owners to this Designation of Pooled Unit not execute this instrument or a counterpart thereof, it shall nevertheless be binding and effective as to those Owners who execute the same.

Dated on the respective dates of the acknowledgements hereto, but effective as of the date of first production.

Owners:

CONOCOPHILLIPS COMPANY

By: 

Name: Thomas J. Atkins

Title: Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS

§

COUNTY OF HARRIS

§

BEFORE ME, the undersigned authority, on this day personally appeared **Thomas J. Atkins** known to me to be the person whose name is subscribed to the foregoing instrument on behalf of **CONOCOPHILLIPS COMPANY** in his capacity as its Attorney-in-fact and executed the same as his free and voluntary act and deed of said Corporation and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of August 2014.




Notary Public in and for the State of Texas

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EXHIBIT "A"

**Attached to and made a part of
Designation of Pooled Unit**

Pythian Unit A 10-3, Effective as of June 1, 2014

**Entered into by ConocoPhillips Company, containing 481.07 Acres in Section 10, Block 53,
PSL Survey, Reeves County, Texas and Section 3, Block 53, PSL Survey, Reeves County,
Texas.**

- 1) Oil, Gas and Mineral Lease dated August 4, 2011, between Patricia Fields Lee, also known as Patricia D. Lee and her husband, Bill Lee, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 918, Page 470, Official Public Records of Reeves County, Texas, Lease #343788/001.
- 2) Oil and Gas Lease dated June 5, 2012, between Wells Fargo Bank, N.A., Agent for Desert Waterfall LLC, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 956, Page 497, Official Public Records of Reeves County, Texas, Lease #343788/002.
- 3) Oil and Gas Lease dated June 5, 2012, between Wells Fargo Bank, N.A., Trustee of the Adriana Elkan Trust, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 956, Page 499, Official Public Records of Reeves County, Texas, Lease #343788/003.
- 4) Oil and Gas Lease dated June 5, 2012, between Wells Fargo Bank, N.A., Trustee of the Alston Elkan Trust, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 956, Page 501, Official Public Records of Reeves County, Texas, Lease #343788/004.
- 5) Oil, Gas and Mineral Lease dated May 10, 2012, between Priscilla F. Gilmore, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 973, Page 283, Official Public Records of Reeves County, Texas, Lease #343788/005.
- 6) Oil and Gas Lease dated August 15, 2012, between Harold Alston Elkan and Nancy Hastings Elkan, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 973, Page 30, Official Public Records of Reeves County, Texas, Lease #343788/006.
- 7) Oil, Gas and Mineral Lease dated December 31, 2010, between W. W. Oatman, Carolyn C. Oatman Trust, Carolyn C. Oatman, a/k/a Carolyn Clark Oatman, Trustee, Warren Malcolm Clark Trust, Warren Malcolm Clark Trustee with Carolyn Clark Oatman a/k/a Carolyn C. Oatman, As Agent and as Attorney-in-Fact and Reed-George Land and Minerals, Ltd., as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 884, Page 715, Official Public Records of Reeves County,

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Texas, and Volume 106, Page 651, Oil and Gas Records of Culberson County, Texas, Lease # 342845/001.

- 8) Replacement Oil, Gas and Mineral Lease dated March 23, 2011, between The Allar Company, a Texas Corporation, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 1062, Page 147, Official Public Records of Reeves County, Texas, Lease # 342827/001.
- 9) Oil, Gas and Mineral Lease dated March 24, 2011, between Patricia Goble, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 579, Official Public Records of Reeves County, Texas, Lease # 342836/001.
- 10) Oil, Gas and Mineral Lease dated March 24, 2011, between Fern Sawyer Ward, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 593, Official Public Records of Reeves County, Texas, Lease # 342836/002.
- 11) Oil, Gas and Mineral Lease dated March 24, 2011, between Scharbauer Alston Ward, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 589, Official Public Records of Reeves County, Texas, Lease # 342836/003.
- 12) Oil, Gas and Mineral Lease dated March 23, 2011, between Patsy Ruth Alston Ward, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 597, Official Public Records of Reeves County, Texas, Lease # 342836/004.
- 13) Oil, Gas and Mineral Lease dated March 24, 2011, between Clara Irene Elkan Vucetic, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 142, Official Public Records of Reeves County, Texas, Lease # 342836/006.
- 14) Oil, Gas and Mineral Lease dated March 24, 2011, between Cyndi Mancille Johnson, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 138, Official Public Records of Reeves County, Texas, Lease # 342836/007.
- 15) Oil, Gas and Mineral Lease dated March 24, 2011, between Penny Mancille Willer, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 158, Official Public Records of Reeves County, Texas, Lease # 342836/008.
- 16) Oil, Gas and Mineral Lease dated March 24, 2011, between Bennett McBride, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 880, Page 424, Official Public Records of Reeves County, Texas, Lease # 342836/009.
- 17) Oil, Gas and Mineral Lease dated March 24, 2011, between Bill M. Clifford, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 880, Page 428, Official Public Records of Reeves County, Texas, Lease # 342836/010.

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- 18) Oil, Gas and Mineral Lease dated March 23, 2011, between Edward Armstrong Elkan, III, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 880, Page 432, Official Public Records of Reeves County, Texas, Lease # 342836/011.
- 19) Oil, Gas and Mineral Lease dated June 16, 2011, between Jason Elkan, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 896, Page 332, Official Public Records of Reeves County, Texas, Lease # 342836/012.
- 20) Oil, Gas and Mineral Lease dated August 15, 2012, between Cristine Anna Elkan, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 967, Page 604, Official Public Records of Reeves County, Texas, Lease # 342836/013.
- 21) Oil, Gas and Mineral Lease dated December 30, 2010, between Texas Pythian Home, Inc., as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 864, Page 394, Official Public Records of Reeves County, Texas, Lease # 340671/000.
- 22) Oil and Gas Lease dated April 27, 2012, by and between Jack C. Provine, William Provine and Robert Provine, as Lessor, and Petrohawk Properties, LP, as Lessee, a Memorandum of which is recorded in Volume 946, Page 234 of the Official Public Records of Reeves County, Texas, Lease #343788/007.

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TOGETHER WITH ALL AMENDMENTS, RATIFICATIONS, CORRECTIONS AND/OR
MODIFICATIONS OF THE OIL, GAS AND MINERAL LEASES DESCRIBED HEREIN ABOVE

END OF EXHIBIT "A"



UELS, LLC

Regional Office * 111 NE 3rd Street
Seminole, TX 79350 * (432) 955-6100
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017
TBPLS Firm No. 10193884
www.uintahgroup.com

Exhibit "B"
ATTACHED TO AND MADE A PART OF
DESIGNATION OF POOLED UNIT
PYTHIAN UNIT A 10-3, EFFECTIVE AS OF JUNE 1, 2014
ENTERED INTO BY ConocoPhillips Company, CONTAINING 481.07 ACRES
IN SECTION 10, BLOCK 53, PSL SURVEY, REEVES COUNTY TEXAS
AND SECTION 3, BLOCK 53, PSL SURVEY, REEVES COUNTY TEXAS

Being a 481.07 acre tract, more or less, and being the East Half of Section 3 and the
Northeast Quarter of Section 10, Block 53, Public School Land Survey, Reeves County, Texas
and being described by Metes and Bounds as follows:

BEGINNING at a Iron Pipe found for the Northeast corner of Section 3, Block 53, Public
School Land Survey, Reeves County, Texas;

Thence S00°10'19"E 5292.84 feet along the East line of said Section 3 to a 1" Iron Pipe
found for the Southeast corner of said Section 3 same being the Northeast corner of Section 10,
Block 53, Public School Land Survey, Reeves County, Texas;

Thence S00°10'16"E 2639.26 feet along the East line of said Section 10 to a point for the
Southeast corner of the Northeast Quarter of said Section 10, which bears N00°10'16"W
2369.26 feet from a 1 1/4" Iron Pipe found for the Southeast Corner of said section 10;

Thence S89°52'40"W 2645.65 feet to the Southwest corner of the Northeast quarter of
said Section 10;

Thence N00°07'12"W 2639.11 feet along the West line of the Northeast quarter of said
Section 10 to a point on the North line of said Section 10, same being the South line of said
Section 3;

Thence N00°07'14"W 5291.71 feet along the West line of the East Half of Section 3 to a
point on the North line of said Section 3;

Thence N89°51'01"E 2638.54 feet along the North line of said Section 3 to the POINT
OF BEGINNING and containing 481.07 acres more or less.

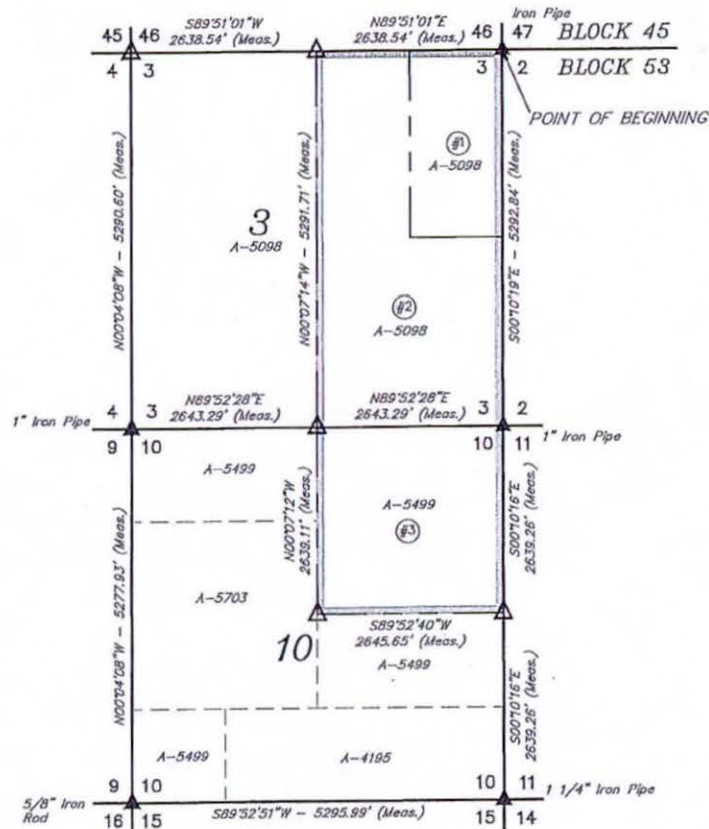
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SECTIONS 10 & 3, BLOCK 53, PUBLIC SCHOOL LAND SURVEY



UNIT BOUNDARY BREAKDOWN		
#1	HAROLD ALSTON ELKAN, ET AL	80.18 ACRES
#2	W. OATMAN, ET AL	240.67 ACRES
#3	TEXAS PYTHIAN HOME, INC.	160.22 ACRES
	TOTAL (Meas.)	481.07 ACRES

CERTIFICATE
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM THE
NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION
AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF.



TRPLS Firm No. 10193884

EXHIBIT "C"
ATTACHED TO AND MADE A PART OF
DESIGNATION OF POOLED UNIT
PYTHIAN UNIT A 10-3, EFFECTIVE AS OF JUNE 1, 2014
ENTERED INTO BY ConocoPhillips Company, CONTAINING 481.07 ACRES IN
SECTION 10, BLOCK 53, PSL SURVEY, REEVES, TEXAS AND
SECTION 3, BLOCK 53, PSL SURVEY, REEVES COUNTY, TEXAS



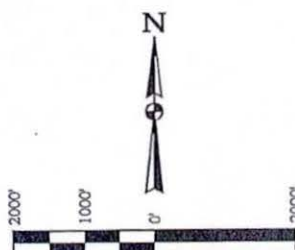
UELS, LLC
Regional Office * 111 NE 3rd Street
Seminole, TX 79360 * (432) 955-6100
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

SURVEYED BY: B.B., J.W.	SURVEY DATE: 02-05-14
DRAWN BY: B.D.H.	DATE DRAWN: 06-10-14
SCALE: 1" = 2000'	REVISED: 06-12-14

EXHIBIT "C"

LEGEND:

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



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(11)

File No. M-113685
Ltr. From Conoco Phillips with
Recorded by Philip Unit # 10-3
Date Filed: 10/24/14
Jerry E. Patterson, Commissioner
By W

10.54.34

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA148123

Unit Number 6796
Operator Name ConocoPhillips Company
Customer ID C000044468
Unit Name Pythian Unit A 10-3 1H
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 0.02081558
State Part in Unit 0.33304924
Unit Depth Specified Depths
From Depth 0 Surface
To Depth 13619 TVD
Well Formation Base of Wolfcamp
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 05/06/2014
Unitized For Oil And Gas
Unit Term
Old Unit Number Inactive Status Date

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF113685	1	160.220000	481.070000	0.33304924	0.06250000	0.02081558	No

API Number

389-34279

Remarks:

Unit amended to reflect updated acreage amounts and adjusted unit royalty.

Prepared By:

REW

Prepared Date:

10-21-14

GLO Base Updated By:

REW

GLO Base Date:

10-21-14

RAM Approval By:

VDD

RAM Approval Date:

11-21-14

GIS By:

MC

GIS Date:

2-3-15

Well Inventory By:

MB

WI Date:

10/21/14

Pooling Committee Report

To: School Land Board

UPA148123

Date of Board Meeting: 05/06/2014

Unit Number: 6796

Effective Date: 05/06/2014

Unit Expiration Date:

Applicant: ConocoPhillips Company

Attorney Rep:

Operator: Conocophillips Company, Houston

Unit Name: Pythian Unit A 10-3 1H

Field Name: Ford, West (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>
FR	MF113685	0.06250000	12/30/2013	3 years	361.000000	160.220000	0.02081558

Private Acres:	320.850000
State Acres:	160.220000
Total Unit Acres:	481.070000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	33.30%
<u>State Net Revenue Interest:</u>	2.08%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1220 acres for a 6000 foot lateral.

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA148123

Unit Number 6796
Operator Name ConocoPhillips Company Effective Date 05/06/2014
Customer ID C000044468 Unitized For Oil And Gas
Unit Name Pythian Unit A 10-3 1H Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest 0.02083330
State Part in Unit 0.33333333
Unit Depth Specified Depths Well
From Depth 0 Surface Formation Base of Wolfcamp
To Depth 13619 TVD Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF113685	1	160.000000	480.000000	0.333333	0.06250000	0.020833	No

160.22

480.07

API Number n/a

Remarks:

Prepared By:

REW

Prepared Date:

5/6/14

GLO Base Updated By:

REW

GLO Base Date:

5/6/14

RAM Approval By:

YD D

RAM Approval Date:

5/8/14

GIS By:

GIS Date:

Well Inventory By:

mb

WI Date:

5/6/14

Pooling Committee Report

To: School Land Board

UPA148123

Date of Board Meeting: 05/06/2014

Unit Number: 6796

Effective Date: 05/06/2014

Unit Expiration Date:

Applicant: ConocoPhillips Company

Attorney Rep:

Operator: Conocophillips Company, Houston

Unit Name: Pythian Unit A 10-3 1H

Field Name: Ford, West (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>
FR	MF113685	0.06250000	12/30/2013	3 years	361.000000	160.000000	0.02083333

Private Acres:	320.000000
State Acres:	160.000000
Total Unit Acres:	480.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	33.33%
<u>State Net Revenue Interest:</u>	2.08%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1220 acres for a 6000 foot lateral.

Working File Number: UPA148123

REMARKS:

- 160.22 481.07
- ConocoPhillips Company is requesting School Land Board ratification of the ~~480~~ acre Pythian Unit A 10-3 1H unit which includes a ~~160~~ acre Free Royalty tract.
 - The applicant plans to spud the unit well on September 28, 2014, with a proposed TD of 10,475 feet TVD. A 6,365 foot lateral is expected to be drilled.
 - With approval of the unit the State's unit royalty participation will be 2.08%.
 - The State will participate on a unitized basis from the date of first production.

POOLING COMMITTEE RECOMMENDATION:

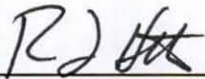
The Pooling Committee recommends Board ratification of the Pythian Unit A 10-3 1H Unit under the above-stated provisions.



Mary Smith - Office of the Attorney General

4/23/2014

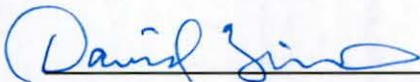
Date



Robert Hatter - General Land Office

4/23/14

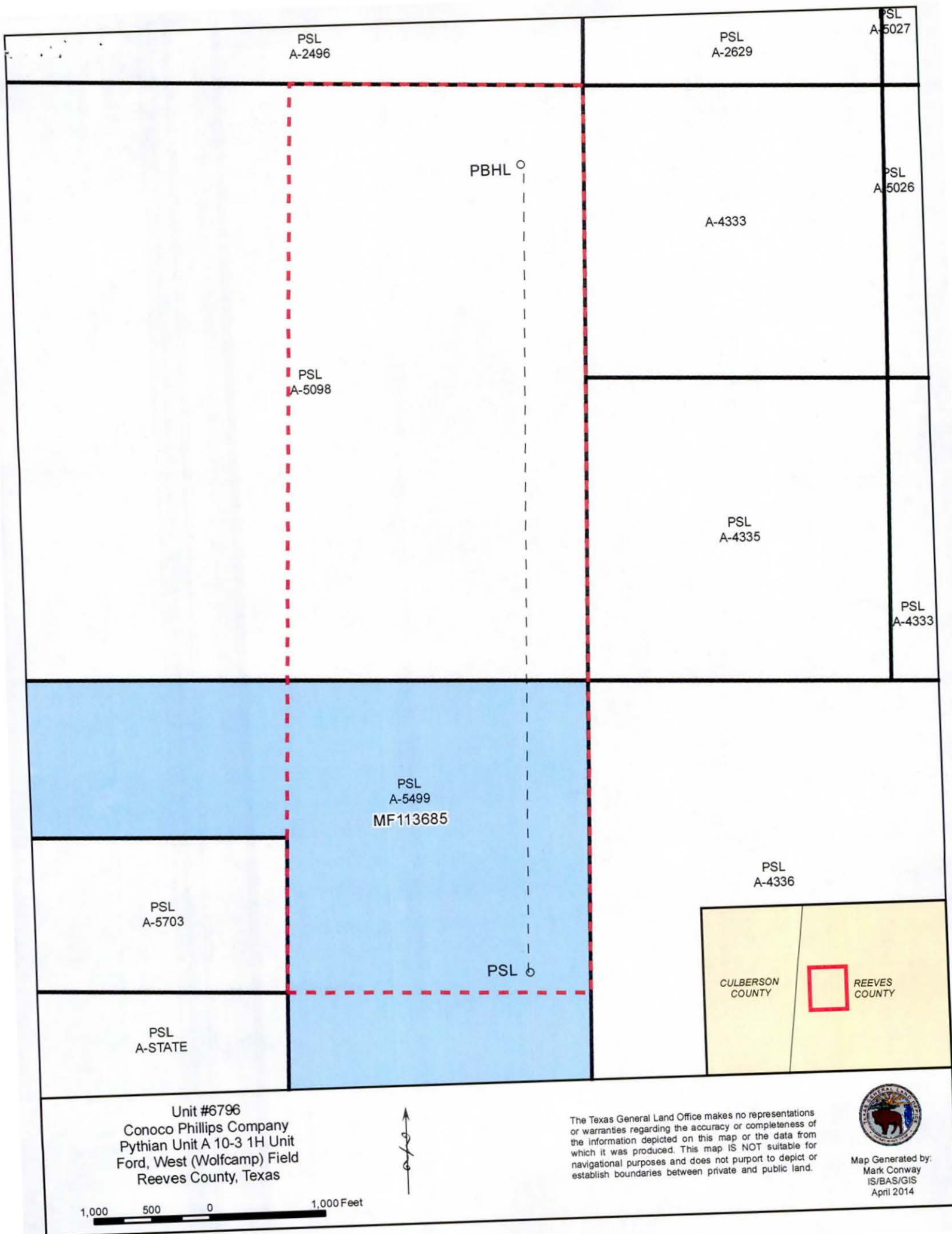
Date



David Zimmerman - Office of the Governor

4/23/14

Date



RATIFICATION OF DESIGNATION OF POOLED UNIT
CONOCOPHILLIPS COMPANY
PYTHIAN UNIT A 10-3
GLO UNIT NO. 6796
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Designation of Pooled Unit, ConocoPhillips Company, Pythian Unit A 10-3" ("Designation"), has been executed as of August 25, 2014, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation recorded in Volume 1103, Page 169 of the Official Public Records of Reeves County, Texas; and,

WHEREAS, the Designation describes the leases included within the Unit by Exhibit "A", describes the Unit by Exhibit "B" and shows a plat of the unit as Exhibit "C", and,

WHEREAS, a person may become a party to said Designation by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the Pythian Unit A 10-3 ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Designation, does hereby commit to said Unit the Free Royalty Interest of the State of Texas in all Tracts within the Unit Area as described in the Designation and does hereby agree that the State of Texas shall be bound by all of the provisions of said Designation, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Designation.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Free Royalty Interests to said Designation:

PURPOSES:

1.

This Ratification ("Ratification") 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 Ratification to effect equitable participation within the Unit. This Ratification 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. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

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 over 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 as described in the Designation ("unitized interval").

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation 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

41.01.11

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 Ratification.

(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 Ratification.

(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.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each 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 or otherwise diminished by reason of this Ratification.

(f) 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 480 acres, 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.

(g) There shall not be brought into the Unit Area any tract lying outside its boundaries until approval of such enlargement has been obtained from the School Land Board of the State of Texas.

(h) This Ratification shall not relieve Lessee from the duty of protecting the State Leases within the Unit Area from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, 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 Unit Area, nor to develop the tracts separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

4.

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:

5.

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 Ratification 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.

FULL MARKET VALUE:

6.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

(a) As to royalty on oil 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 for the field where produced and when run,

or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greatest;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Ratification "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of date of first production from the Unit.

TERM:

8.

This Ratification 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 Ratification.

STATE LAND:

9.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Ratification 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:

10.

The Unit Area covered by this Ratification 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.

RATIFICATION/WAIVER:

11.

Nothing in this Ratification, nor the approval of this Ratification by the School Land Board, nor the execution of this Ratification 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:

12.

This Ratification 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 Ratification are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification 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 hereto have executed this Ratification upon the dates indicated below.

Date Executed 11/14/14

STATE OF TEXAS

Content
Legal
Geology
Executive

[Signature]
REW

By: *[Signature]*
Jerry E. Patterson, Commissioner
General Land Office

Date Executed _____

CONOCOPHILLIPS COMPANY

By: *[Signature]* *kan VT*
Thomas J. Atkins
Attorney-in-Fact
Its: _____

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 31 day of October, 2014,
by Thomas J. Atkins as Attorney-in-Fact of ConocoPhillips
Company, a Delaware corporation on behalf of said corporation.



[Signature]
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 said Board duly held on the 6th day of May, 2014, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 17th day of November, 2014.

[Signature]
Stephanie Crenshaw
Secretary of the School Land Board

41.01.11

EXHIBIT "A"

Oil and Gas Leases for ConocoPhillips Company Pythian Unit A 10-3 1H, GLO Unit No. 6796 481.07 Acres, Reeves County, Texas

- 1) Oil, Gas and Mineral Lease dated August 4, 2011, between Patricia Fields Lee, also known as Patricia D. Lee and her husband, Bill Lee, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 918, Page 470, Official Public Records of Reeves County, Texas, Lease #343788/001.
- 2) Oil and Gas Lease dated June 5, 2012, between Wells Fargo Bank, N.A., Agent for Desert Waterfall LLC, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 956, Page 497, Official Public Records of Reeves County, Texas, Lease #343788/002.
- 3) Oil and Gas Lease dated June 5, 2012, between Wells Fargo Bank, N.A., Trustee of the Adriana Elkan Trust, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 956, Page 499, Official Public Records of Reeves County, Texas, Lease #343788/003.
- 4) Oil and Gas Lease dated June 5, 2012, between Wells Fargo Bank, N.A., Trustee of the Alston Elkan Trust, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 956, Page 501, Official Public Records of Reeves County, Texas, Lease #343788/004.
- 5) Oil, Gas and Mineral Lease dated May 10, 2012, between Priscilla F. Gilmore, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 973, Page 283, Official Public Records of Reeves County, Texas, Lease #343788/005.
- 6) Oil and Gas Lease dated August 15, 2012, between Harold Alston Elkan and Nancy Hastings Elkan, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 973, Page 30, Official Public Records of Reeves County, Texas, Lease #343788/006.
- 7) Oil, Gas and Mineral Lease dated December 31, 2010, between W. W. Oatman, Carolyn C. Oatman Trust, Carolyn C. Oatman, a/k/a Carolyn Clark Oatman, Trustee, Warren Malcolm Clark Trust, Warren Malcolm Clark Trustee with Carolyn Clark Oatman a/k/a Carolyn C. Oatman, As Agent and as Attorney-in-Fact and Reed-George Land and Minerals, Ltd., as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 884, Page 715, Official Public Records of Reeves County, Texas, and Volume 106, Page 651, Oil and Gas Records of Culberson County, Texas, Lease # 342845/001.

- 8) Replacement Oil, Gas and Mineral Lease dated March 23, 2011, between The Allar Company, a Texas Corporation, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 1062, Page 147, Official Public Records of Reeves County, Texas, Lease # 342827/001.
- 9) Oil, Gas and Mineral Lease dated March 24, 2011, between Patricia Goble, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 579, Official Public Records of Reeves County, Texas, Lease # 342836/001.
- 10) Oil, Gas and Mineral Lease dated March 24, 2011, between Fern Sawyer Ward, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 593, Official Public Records of Reeves County, Texas, Lease # 342836/002.
- 11) Oil, Gas and Mineral Lease dated March 24, 2011, between Scharbauer Alston Ward, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 589, Official Public Records of Reeves County, Texas, Lease # 342836/003.
- 12) Oil, Gas and Mineral Lease dated March 23, 2011, between Patsy Ruth Alston Ward, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 597, Official Public Records of Reeves County, Texas, Lease # 342836/004.
- 13) Oil, Gas and Mineral Lease dated March 24, 2011, between Clara Irene Elkan Vucetic, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 142, Official Public Records of Reeves County, Texas, Lease # 342836/006.
- 14) Oil, Gas and Mineral Lease dated March 24, 2011, between Cyndi Mancille Johnson, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 138, Official Public Records of Reeves County, Texas, Lease # 342836/007.
- 15) Oil, Gas and Mineral Lease dated March 24, 2011, between Penny Mancille Willer, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 158, Official Public Records of Reeves County, Texas, Lease # 342836/008.
- 16) Oil, Gas and Mineral Lease dated March 24, 2011, between Bennett McBride, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 880, Page 424, Official Public Records of Reeves County, Texas, Lease # 342836/009.
- 17) Oil, Gas and Mineral Lease dated March 24, 2011, between Bill M. Clifford, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 880, Page 428, Official Public Records of Reeves County, Texas, Lease # 342836/010.
- 18) Oil, Gas and Mineral Lease dated March 23, 2011, between Edward Armstrong Elkan, III, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 880, Page 432, Official Public Records of Reeves County, Texas, Lease # 342836/011.

- 19) Oil, Gas and Mineral Lease dated June 16, 2011, between Jason Elkan, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 896, Page 332, Official Public Records of Reeves County, Texas, Lease # 342836/012.
- 20) Oil, Gas and Mineral Lease dated August 15, 2012, between Cristine Anna Elkan, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 967, Page 604, Official Public Records of Reeves County, Texas, Lease # 342836/013.
- 21) Oil, Gas and Mineral Lease dated December 30, 2010, between Texas Pythian Home, Inc., as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 864, Page 394, Official Public Records of Reeves County, Texas, Lease # 340671/000.
- 22) Oil and Gas Lease dated April 27, 2012, by and between Jack C. Provine, William Provine and Robert Provine, as Lessor, and Petrohawk Properties, LP, as Lessee, a Memorandum of which is recorded in Volume 946, Page 234 of the Official Public Records of Reeves County, Texas, Lease #343788/007.

**TOGETHER WITH ALL AMENDMENTS, RATIFICATIONS, CORRECTIONS AND/OR
MODIFICATIONS OF THE OIL, GAS AND MINERAL LEASES DESCRIBED HEREIN ABOVE**

END OF EXHIBIT "A"

41.07.11



UELS, LLC

Regional Office * 111 NE 3rd Street
Seminole, TX 79360 * (432) 955-6100
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017
TBPLS Firm No. 10193884
www.uintahgroup.com

Exhibit "B"

Legal Description For ConocoPhillips Company
Pythian Unit A 10-3 1H, GLO Unit No. 6796
481.07 Acres, Reeves County, Texas

Being a 481.07 acre tract, more or less, and being the East Half of Section 3 and the Northeast Quarter of Section 10, Block 53, Public School Land Survey, Reeves County, Texas and being described by Metes and Bounds as follows:

BEGINNING at a Iron Pipe found for the Northeast corner of Section 3, Block 53, Public School Land Survey, Reeves County, Texas;

Thence S00°10'19"E 5292.84 feet along the East line of said Section 3 to a 1" Iron Pipe found for the Southeast corner of said Section 3 same being the Northeast corner of Section 10, Block 53, Public School Land Survey, Reeves County, Texas;

Thence S00°10'16"E 2639.26 feet along the East line of said Section 10 to a point for the Southeast corner of the Northeast Quarter of said Section 10, which bears N00°10'16"W 2369.26 feet from a 1 1/4" Iron Pipe found for the Southeast Corner of said section 10;

Thence S89°52'40"W 2645.65 feet to the Southwest corner of the Northeast quarter of said Section 10;

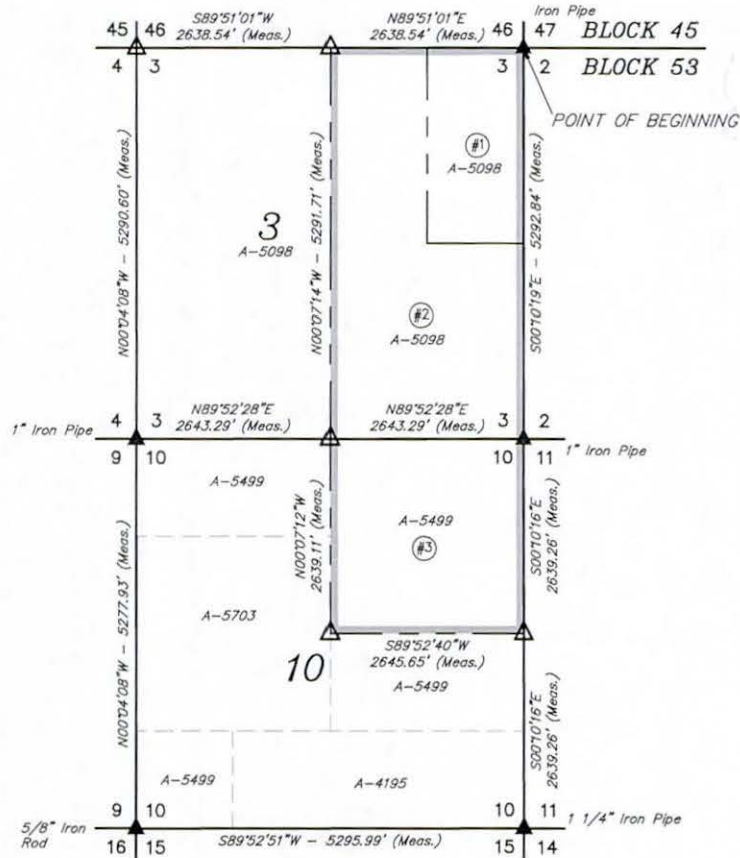
Thence N00°07'12"W 2639.11 feet along the West line of the Northeast quarter of said Section 10 to a point on the North line of said Section 10, same being the South line of said Section 3;

Thence N00°07'14"W 5291.71 feet along the West line of the East Half of Section 3 to a point on the North line of said Section 3;

Thence N89°51'01"E 2638.54 feet along the North line of said Section 3 to the POINT OF BEGINNING and containing 481.07 acres more or less.

481.07

SECTIONS 10 & 3, BLOCK 53, PUBLIC SCHOOL LAND SURVEY



UNIT BOUNDARY BREAKDOWN		
#1	HAROLD ALSTON ELKAN, ET AL	80.18 ACRES
#2	W. OATMAN, ET AL	240.67 ACRES
#3	TEXAS PYTHIAN HOME, INC.	160.22 ACRES
	TOTAL (Meas.)	481.07 ACRES

CERTIFICATE
THIS IS TO CERTIFY THAT THE ABOVE PLAT IS A TRUE AND CORRECT COPY OF THE NOTES OF ACTUAL SURVEYS MADE BY ME AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



TBPLS Firm No. 10193884

EXHIBIT "C"
Legal Description for ConocoPhillips Company
Pythian Unit A 10-3 1H, GLO Unit No. 6796
481.07 Acres, Reeves County, Texas



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

SURVEYED BY: B.B., J.W.	SURVEY DATE: 02-05-14
DRAWN BY: B.D.H.	DATE DRAWN: 10-29-14
SCALE: 1" = 2000'	REVISED: 00-00-00

EXHIBIT "C"

LEGEND:

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



File No. M-113665
Ratification Packet # 6796
Pythian Unit # 10-3
Date Filed: 11/21/14
Jerry E. Patterson, Commissioner
By [Signature]

11.10.14



ConocoPhillips Company
600 North Dairy Ashford (77079-1175)
P. O. Box 2197
Houston, TX 77252-2197

March 4, 2015

Texas General Land Office
Attn: Mr. J. Daryl Morgan, CPL
Energy Resources Division
P.O. Box 12873
Austin, TX 78711-2873

Re: Recorded Ratification of Designation of Pooled Unit
Pythian Unit A 10-3
GLO Unit No. 6796 M-113685

Mr. Morgan,

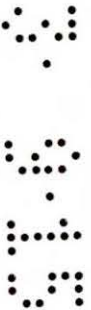
Please find enclosed a copy of the referenced document.

Should you have any questions, please call Katusha Mercer at 281-206-5341.

Thank you for your assistance,

A handwritten signature in blue ink, appearing to read "Kelly King".

Kelly King
Land Assistant



RATIFICATION OF DESIGNATION OF POOLED UNIT
CONOCOPHILLIPS COMPANY
PYTHIAN UNIT A 10-3
GLO UNIT NO. 6796
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Designation of Pooled Unit, ConocoPhillips Company, Pythian Unit A 10-3" ("Designation"), has been executed as of August 25, 2014, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation recorded in Volume 1103, Page 169 of the Official Public Records of Reeves County, Texas; and,

WHEREAS, the Designation describes the leases included within the Unit by Exhibit "A", describes the Unit by Exhibit "B" and shows a plat of the unit as Exhibit "C", and,

WHEREAS, a person may become a party to said Designation by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the Pythian Unit A 10-3 ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Designation, does hereby commit to said Unit the Free Royalty Interest of the State of Texas in all Tracts within the Unit Area as described in the Designation and does hereby agree that the State of Texas shall be bound by all of the provisions of said Designation, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Designation.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Free Royalty Interests to said Designation:

PURPOSES:

1.

This Ratification ("Ratification") 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 Ratification to effect equitable participation within the Unit. This Ratification 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. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

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 over 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 as described in the Designation ("unitized interval").

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation 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

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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 Ratification.

(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 Ratification.

(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.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each 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 or otherwise diminished by reason of this Ratification.

(f) 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 480 acres, 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.

(g) There shall not be brought into the Unit Area any tract lying outside its boundaries until approval of such enlargement has been obtained from the School Land Board of the State of Texas.

(h) This Ratification shall not relieve Lessee from the duty of protecting the State Leases within the Unit Area from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, 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 Unit Area, nor to develop the tracts separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

4.

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:

5.

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 Ratification 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.

FULL MARKET VALUE:

6.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

(a) As to royalty on oil 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 for the field where produced and when run,

or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greatest;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Ratification "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of date of first production from the Unit.

TERM:

8.

This Ratification 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 Ratification.

STATE LAND:

9.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Ratification 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:

10.

The Unit Area covered by this Ratification 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.

RATIFICATION/WAIVER:

11.

Nothing in this Ratification, nor the approval of this Ratification by the School Land Board, nor the execution of this Ratification 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:

12.

This Ratification 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 Ratification are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification 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 hereto have executed this Ratification upon the dates indicated below.

Date Executed 11/14/14

STATE OF TEXAS

Content mm
Legal mm
Geology REW
Executive 2

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

Date Executed _____

CONOCOPHILLIPS COMPANY

By: Thomas J. Atkins
Thomas J. Atkins
Attorney-in-Fact
Its: _____

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 31 day of October, 2014,
by Thomas J. Atkins as Attorney-in-Fact of ConocoPhillips
Company, a Delaware corporation on behalf of said corporation.



Lisa A. Mathews
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 said Board duly held on the 6th day of May, 2014, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 17th day of November, 2014.

Stephanie Crenshaw
Secretary of the School Land Board

EXHIBIT "A"

Oil and Gas Leases for ConocoPhillips Company Pythian Unit A 10-3 1H, GLO Unit No. 6796 481.07 Acres, Reeves County, Texas

- 1) Oil, Gas and Mineral Lease dated August 4, 2011, between Patricia Fields Lee, also known as Patricia D. Lee and her husband, Bill Lee, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 918, Page 470, Official Public Records of Reeves County, Texas, Lease #343788/001.
- 2) Oil and Gas Lease dated June 5, 2012, between Wells Fargo Bank, N.A., Agent for Desert Waterfall LLC, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 956, Page 497, Official Public Records of Reeves County, Texas, Lease #343788/002.
- 3) Oil and Gas Lease dated June 5, 2012, between Wells Fargo Bank, N.A., Trustee of the Adriana Elkan Trust, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 956, Page 499, Official Public Records of Reeves County, Texas, Lease #343788/003.
- 4) Oil and Gas Lease dated June 5, 2012, between Wells Fargo Bank, N.A., Trustee of the Alston Elkan Trust, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 956, Page 501, Official Public Records of Reeves County, Texas, Lease #343788/004.
- 5) Oil, Gas and Mineral Lease dated May 10, 2012, between Priscilla F. Gilmore, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 973, Page 283, Official Public Records of Reeves County, Texas, Lease #343788/005.
- 6) Oil and Gas Lease dated August 15, 2012, between Harold Alston Elkan and Nancy Hastings Elkan, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 973, Page 30, Official Public Records of Reeves County, Texas, Lease #343788/006.
- 7) Oil, Gas and Mineral Lease dated December 31, 2010, between W. W. Oatman, Carolyn C. Oatman Trust, Carolyn C. Oatman, a/k/a Carolyn Clark Oatman, Trustee, Warren Malcolm Clark Trust, Warren Malcolm Clark Trustee with Carolyn Clark Oatman a/k/a Carolyn C. Oatman, As Agent and as Attorney-in-Fact and Reed-George Land and Minerals, Ltd., as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 884, Page 715, Official Public Records of Reeves County, Texas, and Volume 106, Page 651, Oil and Gas Records of Culberson County, Texas, Lease # 342845/001.

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- 8) Replacement Oil, Gas and Mineral Lease dated March 23, 2011, between The Allar Company, a Texas Corporation, as Lessor, and ConocoPhillips Company, as Lessee, a Memorandum of which is recorded in Volume 1062, Page 147, Official Public Records of Reeves County, Texas, Lease # 342827/001.
- 9) Oil, Gas and Mineral Lease dated March 24, 2011, between Patricia Goble, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 579, Official Public Records of Reeves County, Texas, Lease # 342836/001.
- 10) Oil, Gas and Mineral Lease dated March 24, 2011, between Fern Sawyer Ward, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 593, Official Public Records of Reeves County, Texas, Lease # 342836/002.
- 11) Oil, Gas and Mineral Lease dated March 24, 2011, between Scharbauer Alston Ward, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 589, Official Public Records of Reeves County, Texas, Lease # 342836/003.
- 12) Oil, Gas and Mineral Lease dated March 23, 2011, between Patsy Ruth Alston Ward, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 879, Page 597, Official Public Records of Reeves County, Texas, Lease # 342836/004.
- 13) Oil, Gas and Mineral Lease dated March 24, 2011, between Clara Irene Elkan Vucetic, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 142, Official Public Records of Reeves County, Texas, Lease # 342836/006.
- 14) Oil, Gas and Mineral Lease dated March 24, 2011, between Cyndi Mancille Johnson, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 138, Official Public Records of Reeves County, Texas, Lease # 342836/007.
- 15) Oil, Gas and Mineral Lease dated March 24, 2011, between Penny Mancille Willer, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 877, Page 158, Official Public Records of Reeves County, Texas, Lease # 342836/008.
- 16) Oil, Gas and Mineral Lease dated March 24, 2011, between Bennett McBride, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 880, Page 424, Official Public Records of Reeves County, Texas, Lease # 342836/009.
- 17) Oil, Gas and Mineral Lease dated March 24, 2011, between Bill M. Clifford, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 880, Page 428, Official Public Records of Reeves County, Texas, Lease # 342836/010.
- 18) Oil, Gas and Mineral Lease dated March 23, 2011, between Edward Armstrong Elkan, III, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 880, Page 432, Official Public Records of Reeves County, Texas, Lease # 342836/011.

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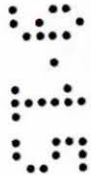
- 19) Oil, Gas and Mineral Lease dated June 16, 2011, between Jason Elkan, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 896, Page 332, Official Public Records of Reeves County, Texas, Lease # 342836/012.
- 20) Oil, Gas and Mineral Lease dated August 15, 2012, between Cristine Anna Elkan, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 967, Page 604, Official Public Records of Reeves County, Texas, Lease # 342836/013.
- 21) Oil, Gas and Mineral Lease dated December 30, 2010, between Texas Pythian Home, Inc., as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 864, Page 394, Official Public Records of Reeves County, Texas, Lease # 340671/000.
- 22) Oil and Gas Lease dated April 27, 2012, by and between Jack C. Provine, William Provine and Robert Provine, as Lessor, and Petrohawk Properties, LP, as Lessee, a Memorandum of which is recorded in Volume 946, Page 234 of the Official Public Records of Reeves County, Texas, Lease #343788/007.

**TOGETHER WITH ALL AMENDMENTS, RATIFICATIONS, CORRECTIONS AND/OR
MODIFICATIONS OF THE OIL, GAS AND MINERAL LEASES DESCRIBED HEREIN ABOVE**

END OF EXHIBIT "A"

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UELS, LLC

Regional Office * 111 NE 3rd Street
Seminole, TX 79360 * (432) 955-6100
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017
TBPLS Firm No. 10193884
www.uintahgroup.com

Exhibit "B"
Legal Description For ConocoPhillips Company
Pythian Unit A 10-3 1H, GLO Unit No. 6796
481.07 Acres, Reeves County, Texas

Being a 481.07 acre tract, more or less, and being the East Half of Section 3 and the Northeast Quarter of Section 10, Block 53, Public School Land Survey, Reeves County, Texas and being described by Metes and Bounds as follows:

BEGINNING at a Iron Pipe found for the Northeast corner of Section 3, Block 53, Public School Land Survey, Reeves County, Texas;

Thence S00°10'19"E 5292.84 feet along the East line of said Section 3 to a 1 " Iron Pipe found for the Southeast corner of said Section 3 same being the Northeast corner of Section 10, Block 53, Public School Land Survey, Reeves County, Texas;

Thence S00°10'16"E 2639.26 feet along the East line of said Section 10 to a point for the Southeast corner of the Northeast Quarter of said Section 10, which bears N00°10'16"W 2369.26 feet from a 1 ¼" Iron Pipe found for the Southeast Corner of said section 10;

Thence S89°52'40"W 2645.65 feet to the Southwest corner of the Northeast quarter of said Section 10;

Thence N00°07'12"W 2639.11 feet along the West line of the Northeast quarter of said Section 10 to a point on the North line of said Section 10, same being the South line of said Section 3;

Thence N00°07'14"W 5291.71 feet along the West line of the East Half of Section 3 to a point on the North line of said Section 3;

Thence N89°51'01"E 2638.54 feet along the North line of said Section 3 to the POINT OF BEGINNING and containing 481.07 acres more or less.

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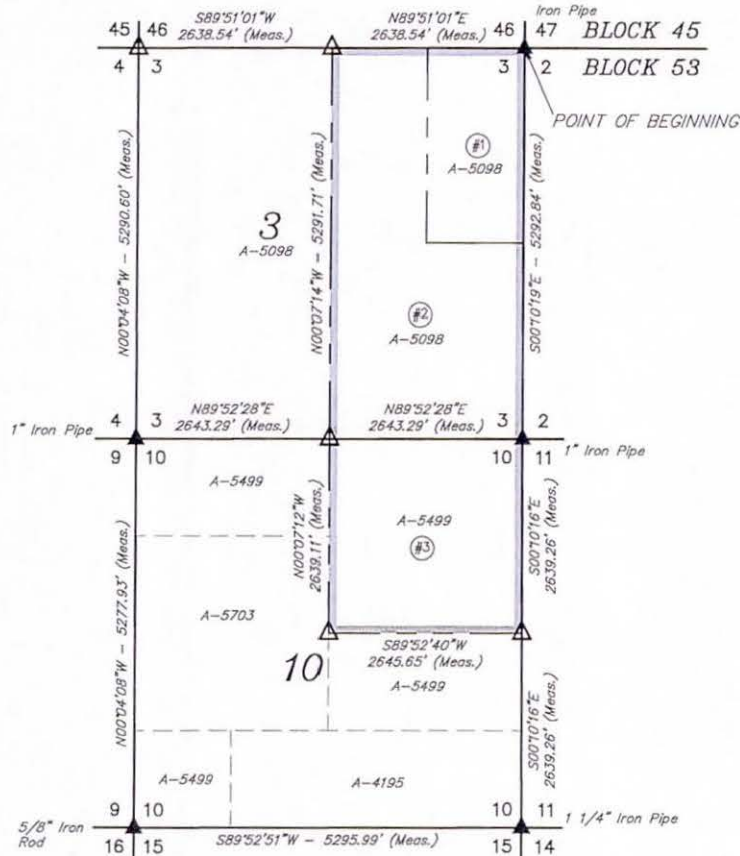


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SECTIONS 10 & 3, BLOCK 53, PUBLIC SCHOOL LAND SURVEY



UNIT BOUNDARY BREAKDOWN		
#1	HAROLD ALSTON ELKAN, ET AL	80.18 ACRES
#2	W. OATMAN, ET AL	240.67 ACRES
#3	TEXAS PYTHIAN HOME, INC.	160.22 ACRES
	TOTAL	481.07 ACRES
	(Meas.)	

CERTIFICATE
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED IN ACCORDANCE WITH THE NOTES OF ACTUAL SURVEYS MADE BY ME AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED PROFESSIONAL SURVEYOR
STATE OF TEXAS
6331
AND SURVEY 14

TRPLS Firm No. 10193884

EXHIBIT "C"
Legal Description for ConocoPhillips Company
Pythian Unit A 10-3 1H, GLO Unit No. 6796
481.07 Acres, Reeves County, Texas

UINTAH
ENGINEERING & LAND SURVEYING

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

SURVEYED BY: B.B., J.W.	SURVEY DATE: 02-05-14
DRAWN BY: B.D.H.	DATE DRAWN: 10-29-14
SCALE: 1" = 2000'	REVISED: 00-00-00

EXHIBIT "C"

LEGEND:

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



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Inst No. 14-11801
DIANNE O. FLOREZ
COUNTY CLERK

2014 Dec 15 at 02:13 PM

VEEVES COUNTY, TEXAS

By: ER Elizabeth Ray DEPUTY

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346 E

File No. M-113685

Ltr. From Conoco Phillips County
with recorded Refutation

Date Filed: 3/9/15

George P. Bush, Commissioner

By: [Signature]

DESIGNATION OF POOLED UNIT
CARRIZO (Permian) LLC – PYTHIAN-OATMAN UNIT
704 ACRE POOLED OIL AND/OR GAS UNIT

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF REEVES §

WHEREAS, **Carrizo (Permian) LLC**, whose address is 500 Dallas, Suite 2300 Houston, Texas 77002, hereinafter referred to as "Lessee," is the owner of the oil, gas and mineral leases, as amended, and ratifications described in Exhibit "A" (collectively the "Leases"), which cover certain lands in Reeves County, Texas, described and shown on a plat marked as Exhibit "B"; said Exhibits "A" and "B" are attached hereto and made a part hereof for all purposes; and

WHEREAS, in the judgment of Lessee it is necessary and desirable to pool and combine the Leases described in Exhibit "A" and/or internally pool the separate mineral/royalty tracts contained within such Leases, insofar as such Leases extend to and cover the lands described in Exhibit "B", in order to promote conservation and to develop and operate properly the lands described in Exhibit "B" for the production of oil and/or gas, condensate and all other hydrocarbons.

NOW, THEREFORE, in consideration of the premises, Lessee, acting under and by virtue of the power and authority granted to it by the terms and provisions of the Leases, agreements, and any additional terms and provisions contained in this Designation of Pooled Unit does hereby pool and combine the Leases and/or internally pool the separate mineral/royalty tracts contained within such Leases and the leasehold rights, mineral and royalty interests therein, as well as all other interests which may be covered by any agreement or amendment affecting said lands now held by Lessee, or which Lessee may hereafter acquire, insofar, and only insofar, as such Leases, rights and interests extend to and cover the lands described in Exhibit "B" (the "Unit Area"), and further insofar, and only insofar, as said Leases, rights and interests cover the stratigraphic equivalent of that certain subsurface interval found between depths from the top of the Delaware Mountain Group (described as the stratigraphic equivalent seen at 2,280 feet measured depth in that certain electric log for the American Quasar Petroleum Scott Unit 1, API 42-109-31362, situated in Section 19, Block 45, PSL Survey, A-6331, Culberson County, Texas) and the base of the Wolfcamp Formation described as the stratigraphic equivalent seen at 13,563 feet measured depth in same electric log for the purpose of forming or creating a pooled unit for the drilling for, development of and production of oil and/or gas and condensate and all other hydrocarbons. The pooled unit created hereby, known as the "Carrizo (Permian) LLC – Pythian-Oatman Unit" containing 704 acres, shall only consist of the subsurface interval found between the stratigraphic equivalent from the top of the Delaware Mountain Group and the base of the Wolfcamp Formation as identified above. The Carrizo (Permian) LLC – Pythian-Oatman Unit is hereinafter referred to as the "Pythian-Oatman Unit."

The production of oil, gas, condensate and all other hydrocarbons (after any authorized deductions) shall be allocated on a pro rata acreage basis to and among separate mineral and/or royalty tracts within the Unit Area having any difference in mineral or royalty ownership (and which may or may not be identified as separate tracts on Exhibit "B"); that is, there shall be allocated to the acreage of each such separate mineral and/or royalty tract that pro rata portion of the production which the number of surface acres of such separate tract bears to the total number of surface acres in the entire Unit Area, and all working interests, royalties, overriding royalties, or other interests in the oil and/or gas, condensate and all other hydrocarbons produced from such pooled unit shall be computed and paid on the basis of their respective interests in the pooled substances allocated to the tract or tracts in which they own an interest.

If at any time, any tract of land or interest within the Pythian-Oatman Unit is declared to have terminated, to have been pooled improperly, or is not otherwise committed to the Pythian-Oatman Unit, such fact shall not affect, terminate, impair or invalidate the Pythian-Oatman Unit as to any other interest properly pooled hereby or otherwise. The terminated or improperly pooled interest shall be deleted from the Pythian-Oatman Unit, and if applicable, the interest of the working interests, royalties, overriding royalties, or other interests in the oil and/or gas, condensate and all other hydrocarbons produced shall be re-calculated and adjusted accordingly pursuant to the terms and conditions provided for hereinabove.

It shall be considered that oil, gas and/or condensate are being produced in paying quantities while a well is shut-in on such pooled unit and Lessee may pay or tender shut-in royalties or rentals in accordance with the terms and provisions of the Leases which are pooled hereby.

This Designation of Pooled Unit is intended and shall be for the sole benefit of the Lessee, their successors and assigns, and the royalty owners owning an actual interest in the lands described in Exhibit "B" attached hereto. This Designation of Pooled Unit shall not in any way affect or inure to the benefit of any royalty, mineral and/or leasehold interest holder not owning an actual real property interest within the lands described in Exhibit "B" attached hereto. No cross-assignment or cross-conveyance is intended or affected by this instrument.

Lessee reserves the continuing right at any time and from time to time to amend, correct or alter this instrument and the pooled unit created hereby to the extent permitted by law and the authority granted in the Leases (or other agreements), including, without limitation, the power to (i) successively amend, reform, divide, reduce, alter or revise the configuration of or rearrange any then existing Unit Area and (ii) include in the pooled unit designated herein any subsequent oil, gas and mineral leases, amendments, extensions and/or ratifications thereof, exclusively acquired by Lessee or with the consent of Lessee, covering actual interests in the Unit Area. Further, by execution of this Unit Designation, Lessee does not exhaust its right to pool the Leases and lands hereinabove described with other leases and lands as to any other horizon, strata, or substances covered thereby and not pooled herein. Any amendment, joinder or ratification to this Designation of Pooled Unit shall not be effective unless accepted by Lessee, or its successor in interest or title, and filed for record in the office of the County Clerk of Reeves County, Texas.

The terms of this instrument shall inure to the benefit of and be binding upon the respective parties hereto and their heirs, successors, legal representatives and assigns.

This instrument may be executed in multiple counterparts, each such counterpart being considered an original for all purposes and effective as of the date set forth herein. If counterparts of this instrument are executed, the signatures and acknowledgments of the parties as affixed hereto may be separated and combined and given effect for all purposes as a single instrument, including recordation.

The pooled unit created hereby shall be effective from the filing of this instrument in the Office of the County Clerk of Reeves County, Texas, until and unless subsequently amended.

This instrument is effective as of the 15th day of November, 2015.

LESSEE:

CARRIZO (Permian) LLC

By: _____

Richard H. Smith, Vice President - Land

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 2nd day of December, 2015, by Richard H. Smith, Vice President - Land for Carrizo (Permian) LLC, a Delaware limited liability company, on behalf of said company.



Patricia A. Richmond
Notary Public's Signature



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EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN DESIGNATION OF POOLED UNIT
- CARRIZO (Permian) LLC - PYTHIAN-OATMAN UNIT

INSOFAR, AND ONLY INSOFAR, as said Leases, Amendments, Ratifications and other instruments cover the lands described and depicted in the attached plat marked as Exhibit "B" hereto.

Lease Date: December 15, 2010
Lessor: Lester Stafford
Lessee: ConocoPhillips Company
Recorded: Volume 861, Page 685 of the Official Public Records of Reeves County, Texas

Lease Date: December 29, 2010
Lessor: Mary Lou Smith
Lessee: ConocoPhillips Company
Recorded: Volume 864, Page 386 of the Official Public Records of Reeves County, Texas.

Lease Date: December 30, 2010
Lessor: Texas Pythian Home, Inc., a Texas corporation
Lessee: ConocoPhillips Company
Recorded: Volume 864, Page 394 of the Official Public Records of Reeves County, Texas.

Lease Date: April 14, 2011
Lessor: Blake Oil & Gas Corporation
Lessee: ConocoPhillips Company
Recorded: Replacement of Oil, Gas and Mineral Lease in Volume 1047, Page 391 and Amendment To Replacement Oil, Gas and Mineral Lease in Volume 1103 Page 33 of the Official Public Records of Reeves County, Texas.

Lease Date: December 31, 2010
Lessor: W.W. Oatman, Carolyn C. Oatman Trust, Carolyn C. Oatman, a/k/a Carolyn Clark Oatman, Trustee, Warren Malcolm Clark Trust, Warren Malcolm Clark Trustee with Carolyn Clark Oatman a/k/a Carolyn C. Oatman, As Agent and as Attorney-in-Fact and Reed-George Land and Minerals, Ltd.
Lessee: ConocoPhillips Company
Recorded: Volume 884, Page 715 of the Official Public Records of Reeves County, Texas.

Lease Date: August 4, 2011
Lessor: Henderson Ranch and Minerals Trust, represented by Virginia Howell, Trustee
Lessee: Petrohawk Properties, LP
Recorded: Memorandum recorded in Volume 907, Page 391 of the Official Public Records of Reeves County, Texas.

Lease Date: August 4, 2011
Lessor: Helen H. West, Trustee of the Helen Henderson West 2000 Revocable Trust dated February 8, 2000
Lessee: Petrohawk Properties, LP
Recorded: Memorandum recorded in Volume 912, Page 455 of the Official Records of Reeves County, Texas.

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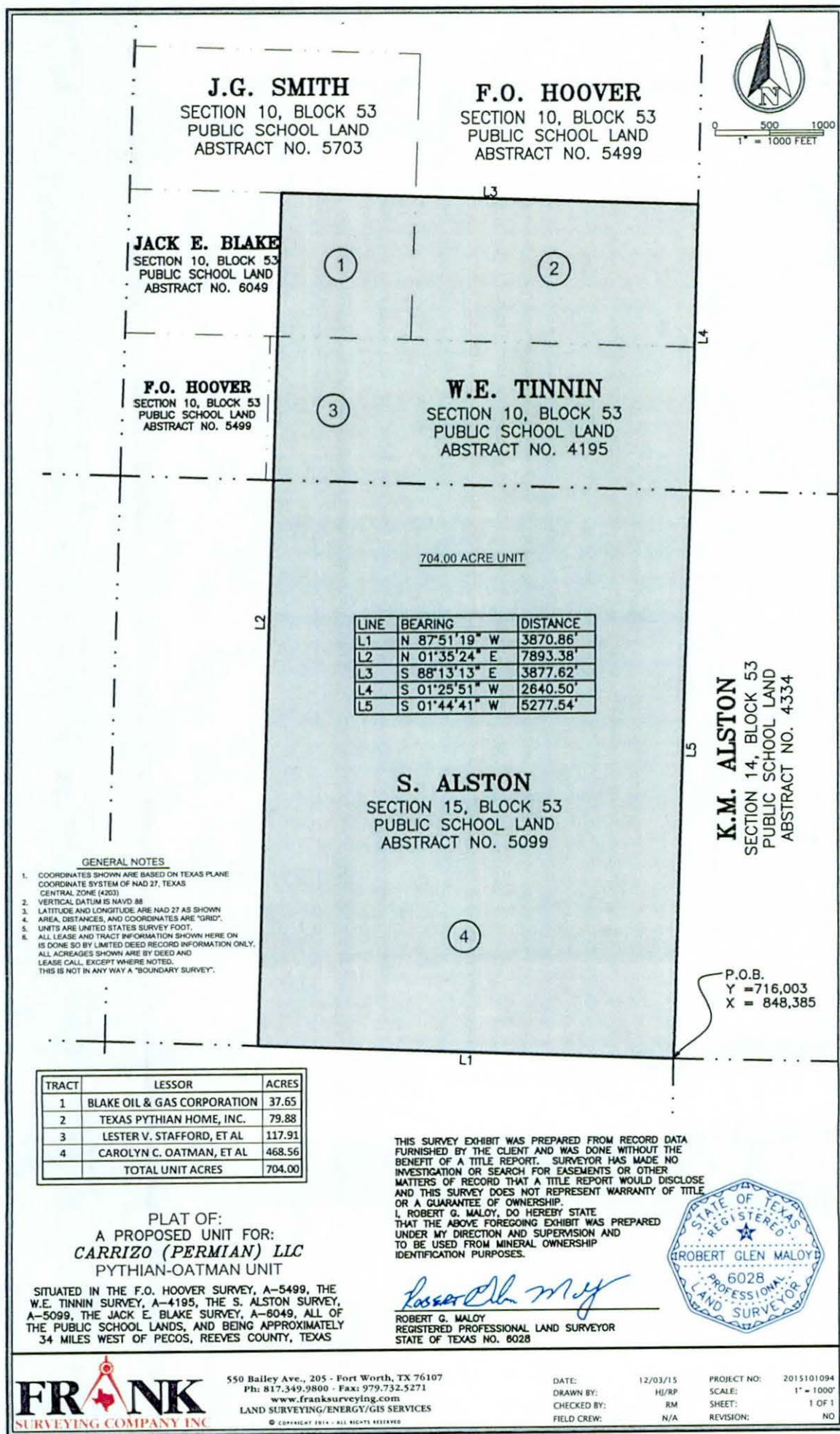
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EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN DESIGNATION OF POOLED UNIT
- CARRIZO (Permian) LLC - PYTHIAN-OATMAN UNIT



Inst No. 15-12010
DIANNE O. FLOREZ
COUNTY CLERK
2015 Dec 14 at 02:52 PM
REEVES COUNTY, TEXAS
By: ER *Elizabeth Ray* DEPUTY

3. 1. 18

File No. M-113685
County DeKalb Designation of Pythian - DeKalb
Date Filed: 2/1/18
By George P. Bush, Commissioner



April 28, 2016

Mr. Daryl Morgan, CPL
Texas General Land Office
1700 North Congress Ave.
Austin, Texas 78701

RE: Ratification of Designation of Pooled Unit
Pythian-Oatman Unit
GLO Unit No. 7840
Reeves County, Texas

Dear Mr. Morgan:

On March 29, 2016, the School Land Board approved Carrizo's application to pool 117.53 acres of the State's free royalty interest covered under State Lease Nos. M-113685 and M-113686 into the above referenced 704-acre unit.

Enclosed herewith are duplicate originals of the Pythian-Oatman Ratification Agreement executed on behalf of Carrizo (Permian) LLC. Upon execution of the General Land Office, please send an executed original of the Ratification Agreement to the attention of the undersigned and/or Stewart Laufer.

Should you have any questions don't hesitate to contact me at graham.steely@crzo.com or 713-358-6247.

Regards,

Graham Steely
Landman



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File No. M-113685

Ltr. From Corp County

4/29/16

Date Filed: George P. Bush, Commissioner

By [Signature]

4.53.10



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 4, 2016

Mr. Graham Steely
Carrizo Oil & Gas, Inc.
500 Dallas Street, Suite 2300
Houston, Texas 77002

Re: Ratification of Designation of Pooled Unit
Pythian-Oatman Unit
GLO Unit No. 7840
Reeves County, Texas

Dear Mr. Steely:

Enclosed is a duplicate original of the above referenced Ratification of Designation of Pooled Unit that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained the other original of the Ratification 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 please do not hesitate to call.

Sincerely,

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

Enclosure

File No. M-113685

County

Ltr. to Corp

Date Filed: 5/4/16

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA169074

Unit Number 7840
Operator Name Carrizo (Permian) LLC Effective Date 03/01/2016
Customer ID C000088971 Unitized For Oil And Gas
Unit Name Pythian-Oatman Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.01043413
State Part in Unit 0.16694602
Unit Depth Specified Depths Well
From Depth 2280 Delaware Formation TopBase of Wolfcamp
To Depth Mountain
13563 MD
Group MD
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF113685	1	79.880000	704.000000	0.11346591	O/G	0.06250000	0.00709162	No
MF113686	1	37.650000	704.000000	0.05348011	O/G	0.06250000	0.00334251	No

API Number

4238935084

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

03/29/2016

03/29/2016

04/06/2016

5-5-16

03/29/2016

Pooling Committee Report

To: School Land Board

UPA169074

Date of Board Meeting: 03/29/2016

Unit Number: 7840

Effective Date: 03/29/2016

Unit Expiration Date:

Applicant: Carrizo (Permian) LLC

Attorney Rep:

Operator: CARRIZO (PERMIAN) LLC,

Unit Name: Pythian-Oatman

Field Name: FORD, WEST (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>
FR	MF113685	0.06250000	12/30/2013	3 years	361.000000	79.880000	0.00709162
FR	MF113686	0.06250000	04/14/2014	3 years	160.000000	37.650000	0.00334251

Private Acres:	586.470000
State Acres:	117.530000
Total Unit Acres:	704.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	16.69%
<u>State Net Revenue Interest:</u>	1.04%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,415 acres for a 7,300 foot lateral (FTP to LTP).

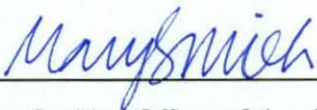
Working File Number: UPA169074

REMARKS:

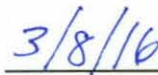
- Carrizo (Permian) LLC is requesting School Land Board ratification of the 704 acre Pythian-Oatman Unit which includes a 117.53 acre Free Royalty tract.
- The applicant spud the unit well on November 17, 2015. A 7,500 foot lateral was drilled. The applicant has completed drilling operations and the well is waiting to be fracked.
- With Board ratification of the unit, the State's unit royalty participation will be 1.04%.
- The State will participate on a unitized basis from the date of first production.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board ratification of the Pythian-Oatman Unit under the above-stated provisions.



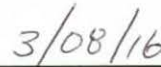
Mary Smith - Office of the Attorney General



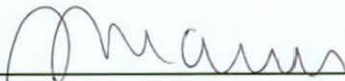
Date



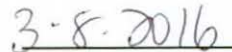
Robert Hatter - General Land Office



Date



Diane Morris - Office of the Governor



Date

RATIFICATION OF DESIGNATION OF POOLED UNIT
CARRIZO (PERMIAN) LLC
PYTHIAN-OATMAN UNIT
GLO UNIT NO. 7840
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Designation of Pooled Unit, Carrizo (Permian) LLC Pythian-Oatman Unit" ("Designation"), has been executed effective as of November 15, 2015, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation recorded in Volume 1221, Page 0479 in the Official Public Records of Reeves County, Texas; and,

WHEREAS, the Designation describes the leases included within the Unit by Exhibit "A" and shows a plat of the unit as Exhibit "B", and,

WHEREAS, a person may become a party to said Designation by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the Pythian-Oatman Unit ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Designation, does hereby commit to said Unit the Free Royalty Interest of the State of Texas in all Tracts within the Unit Area as described in the Designation and does hereby agree that the State of Texas shall be bound by all of the provisions of said Designation, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Designation.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Free Royalty Interests to said Designation:

PURPOSES:

1.

This Ratification ("Ratification") 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 Ratification to effect equitable participation within the Unit. This Ratification 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. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

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 over the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Delaware Mountain Group to the base of the Wolfcamp Formation as further described in the Designation ("unitized interval").

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation 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

97.634

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 Ratification.

(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 Ratification.

(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.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each 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.

(f) 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 704 acres, 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.

(g) There shall not be brought into the Unit Area any tract lying outside its boundaries until approval of such enlargement has been obtained from the School Land Board of the State of Texas.

(h) This Ratification shall not relieve Lessee from the duty of protecting the State Leases within the Unit Area from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, 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 Unit Area, nor to develop the tracts separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

4.

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:

5.

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 Ratification 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.

FULL MARKET VALUE:

6.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

(a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the

greatest;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Ratification "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of November 15, 2015.

TERM:

8.

This Ratification 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 Ratification.

STATE LAND:

9.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Ratification 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:

10.

The Unit Area covered by this Ratification 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.

RATIFICATION/WAIVER:

11.

Nothing in this Ratification, nor the approval of this Ratification by the School Land Board, nor the execution of this Ratification 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:

12.

This Ratification 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 Ratification are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification 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 hereto have executed this Ratification upon the dates indicated below.

91674

Date Executed 5/3/14

STATE OF TEXAS

Content Am
Legal Am
Geology Am
Executive Am

By: C. P. Bush
George P. Bush, Commissioner
General Land Office

Date Executed 4/15/16

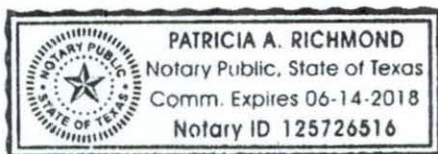
CARRIZO (PERMIAN) LLC

By: Richard H. Smith
Richard H. Smith
Vice President - Land
Its: Richard H. Smith

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 15th day of April, 2016,
by Richard H. Smith as Vice President-Land of Carrizo (Permian)
LLC, a Delaware limited liability company on behalf of said company.



Patricia A. Richmond
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 said 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, which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 3rd day of May, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

97.67.4

EXHIBIT "A"

Attached to that certain Ratification Pooling Agreement (Pythian-Oatman Unit, GLO Unit No. 7840) having an effective date of November 15, 2016.

Leases:

1. That certain Oil, Gas and Mineral Lease dated December 15, 2010, by and between the Lester Stafford, as Lessor, and ConocoPhillips Company as Lessee, recorded in Volume 861, Page 685 of Official Public Records of Reeves, County, Texas.
2. That certain Oil, Gas and Mineral Lease dated December 29, 2010, by and between Mary Lou Smith, et al, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 864, Page 386 of Official Public Records of Reeves County, Texas.
3. That certain Oil, Gas and Mineral Lease dated December 30, 2010, by and between Texas Pythian Home, Inc., as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 864, Page 394 of Official Public Records of Reeves County, Texas.
4. That certain Oil, Gas and Mineral Lease dated April 14, 2011, by and between Blake Oil & Gas Corporation, et al, as Lessor, and ConocoPhillips Company, as Lessee, A Replacement of Oil, Gas and Mineral Lease is recorded in Volume 1103, Page 33 of Official Public Records of Reeves County, Texas.
5. That certain Oil, Gas and Mineral Lease dated December 31, 2010, by and between W.W. Oatman, Carolyn C. Oatman Trust, Carolyn C. Oatman, a/k/a Carolyn Clark Oatman, Trustee, Warren Malcolm Clark Trust, Warren Malcolm Clark Trustee with Carolyn Clark Oatman a/k/a Carolyn C. Oatman, As Agent and as Attorney-in-Fact and Reed-George Land and Minerals, Ltd., as Lessor, and ConocoPhillips Company, as Lessee, a memorandum of such Lease recorded in Volume 884, Page 715 of Official Public Records of Reeves County, Texas.

97.034

Attached to that certain Ratification Pooling Agreement (Pythian-Oatman Unit, GLO Unit No. 7840) having an effective date of November 15, 2016.

6. That certain Oil and Gas Lease dated April 14, 2011, by and between Henderson Ranch and Minerals Trust, represented by Virginia Howell, Trustee, as Lessor, and Petrohawk Properties, LP, as Lessee, a memorandum of such lease recorded in Volume 907, Page 391 of Official Public Records of Reeves County, Texas.
7. That certain Oil and Gas Lease dated April 14, 2011, by and between Helen H. West, Trustee of the Helen Henderson West 2000 Revocable Trust dated February 8, 2000, as Lessor, and Petrohawk Properties, LP, as Lessee, recorded in Volume 912, Page 455 of Official Public Records of Reeves County, Texas

97.62.4

EXHIBIT "B"



0 500 1000
1" = 1000 FEET

J.G. SMITH
SECTION 10, BLOCK 53
PUBLIC SCHOOL LAND
ABSTRACT NO. 5703

F.O. HOOVER
SECTION 10, BLOCK 53
PUBLIC SCHOOL LAND
ABSTRACT NO. 5499

JACK E. BLAKE
SECTION 10, BLOCK 53
PUBLIC SCHOOL LAND
ABSTRACT NO. 6049

F.O. HOOVER
SECTION 10, BLOCK 53
PUBLIC SCHOOL LAND
ABSTRACT NO. 5499

W.E. TINNIN
SECTION 10, BLOCK 53
PUBLIC SCHOOL LAND
ABSTRACT NO. 4195

704.00 ACRE UNIT

LINE	BEARING	DISTANCE
L1	N 87°51'19" W	3870.86'
L2	N 01°35'24" E	7893.38'
L3	S 88°13'13" E	3877.62'
L4	S 01°25'51" W	2640.50'
L5	S 01°44'41" W	5277.54'

S. ALSTON
SECTION 15, BLOCK 53
PUBLIC SCHOOL LAND
ABSTRACT NO. 5099

K.M. ALSTON
SECTION 14, BLOCK 53
PUBLIC SCHOOL LAND
ABSTRACT NO. 4334

GENERAL NOTES

- COORDINATES SHOWN ARE BASED ON TEXAS PLANE COORDINATE SYSTEM OF NAD 27, TEXAS CENTRAL ZONE (4203).
- VERTICAL DATUM IS NAVD 88.
- LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN.
- AREA, DISTANCES, AND COORDINATES ARE "GRID".
- UNITS ARE UNITED STATES SURVEY FOOT.
- ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACRES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

P.O.B.
Y = 716,003
X = 848,385

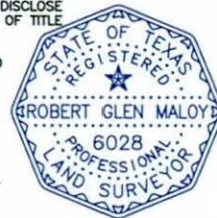
TRACT	LESSOR	ACRES
1	BLAKE OIL & GAS CORPORATION	37.65
2	TEXAS PYTHIAN HOME, INC.	79.88
3	LESTER V. STAFFORD, ET AL	117.91
4	CAROLYN C. OATMAN, ET AL	468.56
TOTAL UNIT ACRES		704.00

PLAT OF:
A PROPOSED UNIT FOR:
CARRIZO (PERMIAN) LLC
PYTHIAN-OATMAN UNIT

SITUATED IN THE F.O. HOOVER SURVEY, A-5499, THE W.E. TINNIN SURVEY, A-4195, THE S. ALSTON SURVEY, A-5099, THE JACK E. BLAKE SURVEY, A-6049, ALL OF THE PUBLIC SCHOOL LANDS, AND BEING APPROXIMATELY 34 MILES WEST OF PECOS, REEVES COUNTY, TEXAS

THIS SURVEY EXHIBIT WAS PREPARED FROM RECORD DATA FURNISHED BY THE CLIENT AND WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT. SURVEYOR HAS MADE NO INVESTIGATION OR SEARCH FOR EASEMENTS OR OTHER MATTERS OF RECORD THAT A TITLE REPORT WOULD DISCLOSE AND THIS SURVEY DOES NOT REPRESENT WARRANTY OF TITLE OR A GUARANTEE OF OWNERSHIP.
I, ROBERT G. MALOY, DO HEREBY STATE THAT THE ABOVE FOREGOING EXHIBIT WAS PREPARED UNDER MY DIRECTION AND SUPERVISION AND TO BE USED FROM MINERAL OWNERSHIP IDENTIFICATION PURPOSES.

Robert G. Maloy
ROBERT G. MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 6028



550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES

DATE: 12/03/15 PROJECT NO: 2015101094
DRAWN BY: HJ/RP SCALE: 1" = 1000'
CHECKED BY: MM SHEET: 1 OF 1
FIELD CREW: N/A REVISION: NO

17

File No. M-113685
Ref: Section Packet
Pythian-Datnager, Va. + #7840 County
Date Filed: 5/4/16
George P. Bush, Commissioner
By: [Signature]

4.53.10



ORIGINAL

NADOA Model Form Division Order (Adopted 9/95)

TM

COMMISSIONER OF THE GLO

Date: 08/18/2016

Description: PYTHIAN-OATMAN UNIT #1H (GLO)

Effective Date: 04/01/2016

Complete Property Description Listed Below

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

Owner Name and Address

COMMISSIONER OF THE GLO

ATTN: GEORGE P BUSH

1700 N. CONGRESS AVENUE

AUSTIN, TX 78701-1495

Phone Number:

Owner Number: 000430

Type Interest: State Interest

Decimal Interest: 0.01043413

FAX Number:

Property Description

Property: 3834.01

Pythian-Oatman Unit #1H

Operator: CARRIZO OIL & GAS, INC.

Location: Reeves, TX

Map Reference Information

Reeves, TX US

A 704 ACRE UNIT SITUATED IN PUBLIC SCHOOL LANDS SEC 10, BLK 53: F.O. HOOVER SVY A-5499, W.E. TINNIN SVY A-4195, S. ALSTON SVY A-5099 AND BEING APPROXIMATELY 34 MILES WEST OF PECOS, REEVES CO, TEXAS.

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

Carrizo (Permian) LLC

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

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

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

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

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

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

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

Owner(s) Printed Name: _____

Title: _____

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

Owner(s) Daytime Phone #: _____

Owner(s) E-mail Address(es): _____

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



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 2, 2016

Phillip Corey
Division Order Analyst
Carrizo Oil & Gas, Inc.
500 Dallas Street, Suite 2300
Houston, Texas 77002

Re: State Lease Nos. ✓ MF113685 and MF113686 Pythian-Oatman Unit 1H

Dear Mr. Corey:

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 11 3685Division OrderDate Filed: 11-3-16

George P. Bush, Commissioner

By V.H.

M-113685

16-06178
FILED FOR RECORD
REEVES COUNTY, TEXAS
May 18, 2016 at 02:33:00 PM

RATIFICATION OF DESIGNATION OF POOLED UNIT
CARRIZO (PERMIAN) LLC
PYTHIAN-OATMAN UNIT
GLO UNIT NO. 7840
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Designation of Pooled Unit, Carrizo (Permian) LLC Pythian-Oatman Unit" ("Designation"), has been executed effective as of November 15, 2015, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation recorded in Volume 1221, Page 0479 in the Official Public Records of Reeves County, Texas; and,

WHEREAS, the Designation describes the leases included within the Unit by Exhibit "A" and shows a plat of the unit as Exhibit "B", and,

WHEREAS, a person may become a party to said Designation by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the Pythian-Oatman Unit ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Designation, does hereby commit to said Unit the Free Royalty Interest of the State of Texas in all Tracts within the Unit Area as described in the Designation and does hereby agree that the State of Texas shall be bound by all of the provisions of said Designation, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Designation.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Free Royalty Interests to said Designation:

PURPOSES:

1.

This Ratification ("Ratification") 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 Ratification to effect equitable participation within the Unit. This Ratification 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. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

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 over the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Delaware Mountain Group to the base of the Wolfcamp Formation as further described in the Designation ("unitized interval").

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation 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

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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 Ratification.

(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 Ratification.

(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.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each 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.

(f) 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 704 acres, 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.

(g) There shall not be brought into the Unit Area any tract lying outside its boundaries until approval of such enlargement has been obtained from the School Land Board of the State of Texas.

(h) This Ratification shall not relieve Lessee from the duty of protecting the State Leases within the Unit Area from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, 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 Unit Area, nor to develop the tracts separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

4.

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:

5.

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 Ratification 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.

FULL MARKET VALUE:

6.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

(a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the

greatest;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Ratification "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of November 15, 2015.

TERM:

8.

This Ratification 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 Ratification.

STATE LAND:

9.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Ratification 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:

10.

The Unit Area covered by this Ratification 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.

RATIFICATION/WAIVER:

11.

Nothing in this Ratification, nor the approval of this Ratification by the School Land Board, nor the execution of this Ratification 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:

12.

This Ratification 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 Ratification are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification 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 hereto have executed this Ratification upon the dates indicated below.

Date Executed 5/3/16

STATE OF TEXAS

Content
Legal
Geology
Executive

[Signature]
[Signature]
[Signature]
[Signature]

By:

[Signature]

George P. Bush, Commissioner
General Land Office

Date Executed 4/15/16

CARRIZO (PERMIAN) LLC

By:

[Signature]

Richard H. Smith

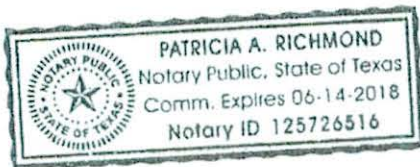
Its:

Vice President - Land

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 15th day of April, 2016,
by Richard H. Smith as Vice President - Land of Carrizo (Permian)
LLC, a Delaware limited liability company on behalf of said company.



[Signature]
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 said 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, which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 3rd day of May, 2016.

[Signature]
Secretary of the School Land Board

EXHIBIT "A"

Attached to that certain Ratification Pooling Agreement (Pythian-Oatman Unit, GLO Unit No. 7840) having an effective date of November 15, 2016.

Leases:

1. That certain Oil, Gas and Mineral Lease dated December 15, 2010, by and between the Lester Stafford, as Lessor, and ConocoPhillips Company as Lessee, recorded in Volume 861, Page 685 of Official Public Records of Reeves, County, Texas.
2. That certain Oil, Gas and Mineral Lease dated December 29, 2010, by and between Mary Lou Smith, et al, as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 864, Page 386 of Official Public Records of Reeves County, Texas.
3. That certain Oil, Gas and Mineral Lease dated December 30, 2010, by and between Texas Pythian Home, Inc., as Lessor, and ConocoPhillips Company, as Lessee, recorded in Volume 864, Page 394 of Official Public Records of Reeves County, Texas.
4. That certain Oil, Gas and Mineral Lease dated April 14, 2011, by and between Blake Oil & Gas Corporation, et al, as Lessor, and ConocoPhillips Company, as Lessee, A Replacement of Oil, Gas and Mineral Lease is recorded in Volume 1103, Page 33 of Official Public Records of Reeves County, Texas.
5. That certain Oil, Gas and Mineral Lease dated December 31, 2010, by and between W.W. Oatman, Carolyn C. Oatman Trust, Carolyn C. Oatman, a/k/a Carolyn Clark Oatman, Trustee, Warren Malcolm Clark Trust, Warren Malcolm Clark Trustee with Carolyn Clark Oatman a/k/a Carolyn C. Oatman, As Agent and as Attorney-in-Fact and Reed-George Land and Minerals, Ltd., as Lessor, and ConocoPhillips Company, as Lessee, a memorandum of such Lease recorded in Volume 884, Page 715 of Official Public Records of Reeves County, Texas.

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Attached to that certain Ratification Pooling Agreement (Pythian-Oatman Unit, GLO Unit No. 7840) having an effective date of November 15, 2016.

6. That certain Oil and Gas Lease dated April 14, 2011, by and between Henderson Ranch and Minerals Trust, represented by Virginia Howell, Trustee, as Lessor, and Petrohawk Properties, LP, as Lessee, a memorandum of such lease recorded in Volume 907, Page 391 of Official Public Records of Reeves County, Texas.
7. That certain Oil and Gas Lease dated April 14, 2011, by and between Helen H. West, Trustee of the Helen Henderson West 2000 Revocable Trust dated February 8, 2000, as Lessor, and Petrohawk Properties, LP, as Lessee, recorded in Volume 912, Page 455 of Official Public Records of Reeves County, Texas

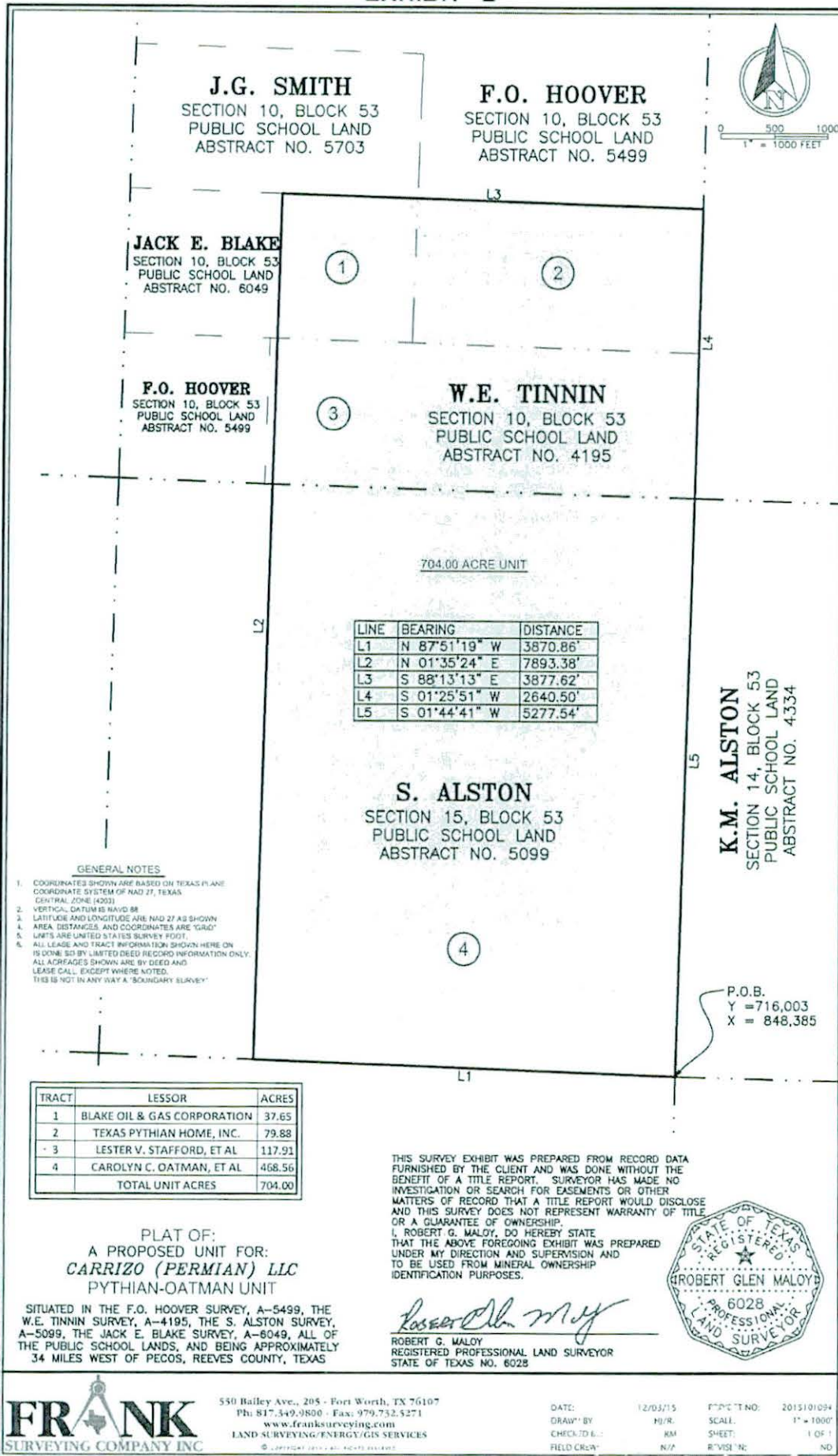
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EXHIBIT "B"



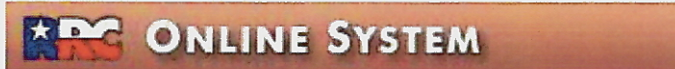
File No. M-113685

Recorded Ratification County
of Pythian-Datman Vapt # 7840

Date Filed: 4/27/17

George P. Bush, Commissioner

By [Signature]



Oil & Gas Production Data Query

Production Data FAQs PDQ Help

General Production Query **Specific Lease Query****Specific Lease Query Results**Query Path: [Search Criteria](#) > District 08, Lease: PYTHIAN 10Date Range: Jan ▼ 2012 ▼ to Jan ▼ 2014 ▼

Unit 5291

terminated

MF 113685

MF 113686 [Related Links](#)[O&G Directory](#)[O&G Proration Schedule](#)[Offshore County Map](#)View by: [Production and Total Disposition](#) [Disposition Details](#) [County Production](#)**Lease Name: PYTHIAN 10, Lease No: 43171**

District 08

Lease Production and Disposition

Jan 2012 - Jan 2014

Date	OIL (BBL)		Casinghead(MCF)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Sep 2012	NO RPT	NO RPT	NO RPT	NO RPT	CONOCOPHILLIPS COMPANY	172232	WILDCAT	00018001
Oct 2012	NO RPT	NO RPT	NO RPT	NO RPT				
Nov 2012	NO RPT	NO RPT	NO RPT	NO RPT				
Dec 2012	NO RPT	NO RPT	NO RPT	NO RPT				
Jan 2013	NO RPT	NO RPT	NO RPT	NO RPT	end of primary term - Unit 5291 terminated			
Feb 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Mar 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Apr 2013	NO RPT	NO RPT	NO RPT	NO RPT				
May 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Jun 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Jul 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Aug 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Sep 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Oct 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Nov 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Dec 2013	NO RPT	NO RPT	NO RPT	NO RPT				
Jan 2014	NO RPT	NO RPT	NO RPT	NO RPT				
Total	0	0	0	0				

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File No. MF 113685Reeves CountyZero Production Report UnitDate Filed: 4/27/23

Commissioner Dawn Buckingham, M.D.

By: MB Barnsta

5291



ONLINE SYSTEM

Oil & Gas Production Data Query

Production Data FAQs PDQ Help

General Production Query **Specific Lease Query**

Specific Lease Query Results

Unit 7840

MF 113686

MF 113685

Query Path: [Search Criteria](#) > District 08, Lease: PYTHIAN-OATMAN UNIT

Date Range: Oct ▼ 2018 ▼ to Nov ▼ 2020 ▼

Related Links

[O&G Directory](#)

[O&G Proration Schedule](#)

[Offshore County Map](#)

View by: [Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Lease Name: PYTHIAN-OATMAN UNIT, Lease No: 281681, Well No: 1H

District 08

Lease Production and Disposition

Oct 2018 - Nov 2020

[View Page By Page](#)

Date	GW Gas (MCF)		Condensate (BBL)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Oct 2018	5,875	5,875	478	1,256	CARRIZO (PERMIAN) LLC	135317	FORD, WEST (WOLFCAMP)	31913800
Nov 2018	1,351	1,351	195	404				
Dec 2018	0	0	0	0				
Jan 2019	0	0	0	0				
Feb 2019	0	0	0	0				
Mar 2019	0	0	0	0	Unit 7840 terminated			
Apr 2019	0	0	0	0	MF 113686 Inactivated			
May 2019	0	0	0	0				
Jun 2019	0	0	0	0				
Jul 2019	0	0	0	0				
Aug 2019	0	0	0	0				
Sep 2019	0	0	0	0				
Oct 2019	0	0	0	0				
Nov 2019	0	0	0	0				
Dec 2019	0	0	0	0				
Jan 2020	0	0	1	171				

Feb 2020	0	0	0	0	CALLON (PERMIAN) LLC	124807	FORD, WEST (WOLFCAMP)	31913800
Mar 2020	0	0	0	0				
Apr 2020	0	0	0	0				
May 2020	0	0	0	0				
Jun 2020	0	0	0	0				
Jul 2020	0	0	0	0				
Aug 2020	0	0	0	0				
Sep 2020	0	0	0	0				
Oct 2020	0	0	0	0				
Nov 2020	0	0	0	0				
Total	7,226	7,226	674	1,831				

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File No. MF113685
Reeves County
Zero production report Unit
Date Filed: 4/27/23 7840
Commissioner Dawn Buckingham, M.D.
By: MR Barnstap