

MF113758

Unit 6690
iNut 9786

State Lease	Control	Base File	County
MF113758	01-002792		MADISON
MF113758	01-002809		BRAZOS

Survey	NAVASOTA RIVER	
Block		
Block Name		
Township		
Section/Tract		
Land Part		
Part Description		
Acres	2.26	
Depth Below	Depth Above	Depth Other

Leasing: AM
 Analyst: _____
 Maps: _____
 GIS: MI
 DocuShare: _____

Name	WOODBINE ACQUISITION CORPORATI
Lease Date	1/17/2012
Primary Term	1 yrs
Bonus (\$)	\$678.00
Rental (\$)	\$0.00
Lease Royalty	0.2500



CAUTION

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

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Archives and Records Staff

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4. Ltr. to MS&H	4/23/12			
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5. DIVISION ORDER	2/11/12			
Scanned sm 7/12/13				
6. Ltr. From Clerk Jobe	2/21/14			
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8. Pooling Agrmt Packet #6690 Wilson #5-H Unit	5/29/14			
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(See MF 110423 item #21 for iNut 9786 packet)				
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13. Division Order	2-26-19			
14. Division Order	2-28-19			
Scanned A 3-20-2019				
(See MF 110423 item #24 for Revised iNut 9786 "Ranier (alloc) #14")				

McELROY, SULLIVAN & MILLER, L.L.P.
Attorneys at Law

MAILING ADDRESS

P.O. BOX 12127
AUSTIN, TX 78711

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AUSTIN, TX 78746

TELEPHONE

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FAX

(512) 327-6566

April 16, 2012

Mr. J. Daryl Morgan, CPL
Energy Resources Division
Texas General Land Office
Stephen F. Austin Building, 8th Floor
1700 No. Congress Avenue
Austin, Texas 78701-1495

Re: M-113758 – GLO UNIT NO. 5268
Wilson #5H Unit
Brazos & Madison Counties

Dear Mr. Morgan:

Please find enclosed two originals of the Pooling Agreement that have been executed by Ali Ahmed, Chief Executive Officer of Woodbine Acquisition Corporation.

Also enclosed is Check No. 11819, drawn on the account of McElroy, Sullivan & Miller, L.L.P., in the amount of \$678.00, in payment of the consideration in lieu of bonus for this Agreement.

Once the Agreement has been executed by the Commissioner, please return an executed original to me.

Thank you for your assistance with this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Clark Jobe', with a large, stylized initial 'C'.

Clark Jobe
Attorney for Woodbine Acquisition Corporation

Enclosures

①

File No. M-113750
Lt. From MGTW

Date Filed: 4/16/12
Jerry E. Patterson, Commissioner
By [Signature]

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McELROY, SULLIVAN & MILLER, LLP
PETTY CASH ACCOUNT
P.O. BOX 12127
AUSTIN, TX 78711-2127


12710263

11819

30-9/1140
59

DATE 4/16/12

PAY TO THE ORDER OF Texas General Land Office \$ 678.00

Six hundred & seventy-eight + 00/100 DOLLARS  Security Features Details on Back.



Patricia S. Brees MP

FOR _____

2



File No. M-113758
Consideration

Date Filed: 4/16/12
Jerry E. Patterson, Commissioner

By: *[Signature]*



DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

PA11-343

Unit Number 5268
Operator Name WOODBINE ACQUISITION CORPORATION *Effective Date* 1/17/2012
Customer ID C000050973 *Unitized For* Oil & Gas
Unit Name Wilson #5-H Unit *Unit Term* 24 Months
County 1 Brazos
County 2 Madison Old Unit Number Inactive Status Date
County 3 0
RRC District: 03 0
Unit Type: Temporary 0
State Royalty Interest: 0.0035312500 0
State Part in Unit: 0.0141250000
Unit Depth All *Well:*
Below Depth 0 *Formation:* Woodbine
Above Depth 0 *Participation Basis:* Surface Acreage
[If Exclusions Apply: See Remarks]

MF Number MF113758 *Tract Number* 1
Lease Acres 2.26 / *Total Unit Acres* 160 =
Tract Participation: 0.0141250 X
Lease Royalty 0.25 = *Manual Tract Participation:* [] 0 | See Remark
Tract Royalty Participation 0.0035313 *Manual Tract Royalty:* [] 0

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

01-002809 (1.13) 01-002792 (1.13ac)

Pooling Committee Report

To: School Land Board PA11-343
Date of Board Meeting: January 17, 2012 Unit Number: 5268
Effective Date: 1/17/2012
Unit Expiration Date: 1/17/2014
Applicant: WOODBINE ACQUISITION CORPORATION
Attorney Rep: Clark Jobe
Operator: WOODBINE ACQUISITION CORPORATION
County 1: Brazos
County 2: Madison
County 3:
Unit Name: Wilson #5-H Unit
Field Name: Madisonville, W. (Woodbine -A-)

<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>
UR	MF113758	0.25				2.26	0.0035313

A part of the Navasota River is being pooled pursuant to Texas Natural Resources Code 52.076.

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

Private Acres:	157.74
State Acres:	2.26
Total Unit Acres:	160

<u>Participation Basis:</u>	
Surface Acreage	
<u>State Acreage:</u>	1.41%
<u>State Unit Royalty:</u>	0.35%

<u>Unit Type:</u>	<u>Unitized for:</u>
Temporary	Oil & Gas
<u>Term:</u>	24 Months

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Special Field Rule	200 acres

REMARKS:

- Woodbine Acquisition Corporation is requesting 24-month temporary oil and gas pooling to all depths.

- The applicant plans to spud the unit well in November, 2011 and the proposed total depth is 9,200 feet.

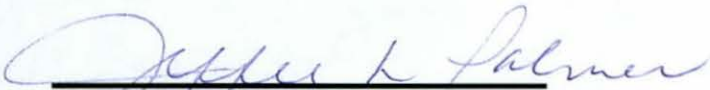
- To compensate the State for lost lease bonus on the unleased Navasota River acreage the applicant has agreed to pay the Permanent School Fund \$678.00 or \$300.00 per acre.

- With approval of the unit the State's unit royalty participation will be 0.3531%. State unit royalty participation may change slightly based on final survey results.

- The State will participate on a unitized basis from the date of first production.

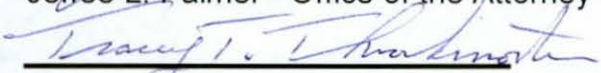
POOLING COMMITTEE RECOMMENDATION:

- The Pooling Committee recommends Board approval of a 24-month temporary oil and gas unit under the above-stated provisions.



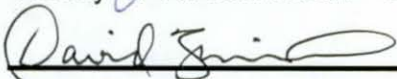
Jeffee L. Palmer - Office of the Attorney General

11-17-11
Date:



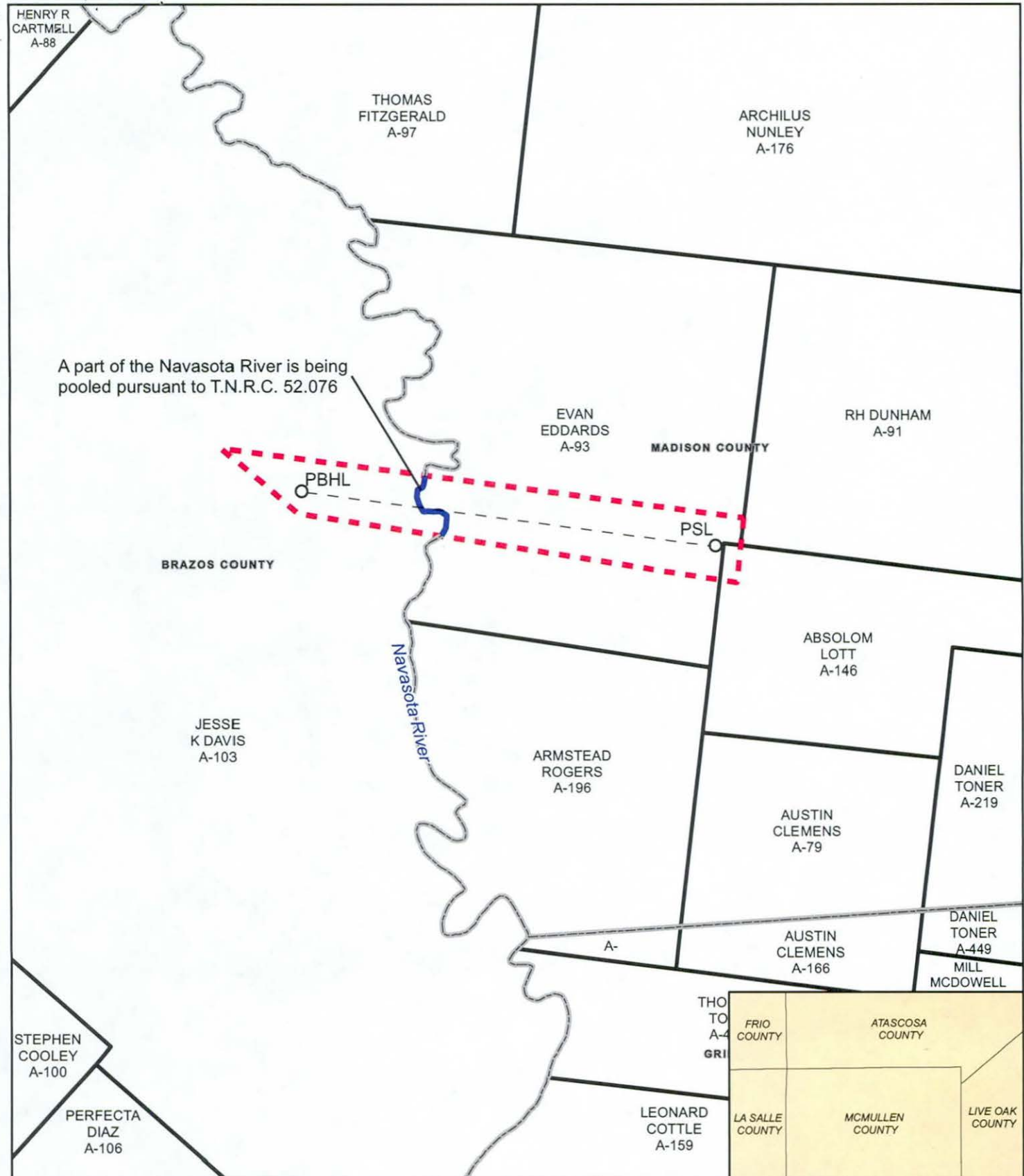
Tracey T. Throckmorton - General Land Office

11-17-11
Date:



David Zimmerman - Office of the Governor

12-12-11
Date:



PA11-343 Unit# 5668
 Woodbine Acquisition Corporation
 Wilson #5-H Unit
 Brazos & Madison Counties, Texas



The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map IS NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



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 Mark Conway
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 October 2011

**TERM POOLING AGREEMENT PURSUANT TO TNRC § 52.076
STATE OF TEXAS / WOODBINE ACQUISITION LLC
WILSON #5-H UNIT
M-113758 – GLO UNIT NO. 5268
BRAZOS AND MADISON COUNTIES, TEXAS**

THIS AGREEMENT ("Agreement") is made and entered into and effective the 17th day of January 2012, by and between the Commissioner of the General Land Office of the State of Texas ("State"), and Woodbine Acquisition LLC ("Woodbine").

WITNESSETH THAT:

WHEREAS, the State owns the minerals under 2.26 acres of the Navasota River contained within the boundaries of the 160 acre Wilson #5-H Unit ("Unit") said 2.26 acres hereinafter referred to as the ("unleased interest"); and

WHEREAS, pursuant to Texas Natural Resources Code §52.076(a)(4), the School Land Board has authority to pool unleased river beds and channels owned by the State; and

WHEREAS, Woodbine and the State desire to pool the unleased interest into said Unit; and

WHEREAS, the School Land Board at its regular meeting on January 17, 2012, determined that pooling said unleased interest for oil and gas as to all depths as more particularly described on the attached exhibits is in the best interest of the State.

NOW, THEREFORE, in consideration of the payment to the State of \$678.00 and of the mutual agreements hereinafter set forth and together with other valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, and for the purposes and upon the terms and conditions contained herein, the parties hereto agree as follows:

1. This Agreement is entered into pursuant to the authority granted in Chapter 52, of the Texas Natural Resources Code and Chapter 9 of Title 31 of the Texas Administrative Code and 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 minerals from the Unit and in the interpretation and application hereof this Agreement shall be, in all things, subject thereto.

2. The State and Woodbine agree that nothing herein shall be construed as granting a leasehold interest to Woodbine in the unleased interest, but rather this Agreement affects a contractual pooling of interests with the respective rights and duties of the parties defined in paragraph 3, below.

3. The rights and duties of the State and Woodbine with respect to the unleased interest within the boundaries of the Unit shall be established, governed and controlled by the terms, conditions and covenants contained in Exhibit "1" and Exhibit "2" attached hereto and incorporated herein, wherein the State shall be considered the Lessor and Woodbine the Lessee and the State shall receive its share of unit production in the form of a royalty as provided in Exhibit "1" and allocated to the State as provided in Exhibit "2", with no obligation to the State for operating costs of any kind, including but not limited to exploring, drilling, equipping, completion, treating, transporting, marketing, plugging, abandonment or restoration.

4. This Agreement is for a term of 2 years from the effective date and shall expire on January 17, 2014, unless it is dissolved earlier as approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

5. Inasmuch as the parties may not be able conveniently to execute one original hereof, it is agreed that a counterpart hereof may be executed by each party to this Agreement, each of which shall be considered an original, and all of said counterparts shall be construed together as one instrument.


6. The terms and provisions hereof shall extend to and be binding upon the heirs, legal representatives, successors, and assigns of the parties hereto.

7. This Agreement is to be performed in the State of Texas, and the substantive laws of the State of Texas will govern the validity, construction and enforcement of this Agreement.

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

Date Executed 4/20/12

STATE OF TEXAS

legal
leas.
cont.
exec. 


Jerry E. Patterson, Commissioner
General Land Office

Date Executed 3/2/12

WOODBINE ACQUISITION LLC


By: _____
Ali Ahmed, Chief Executive Officer 

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on March 2nd, 2012, by Ali Ahmed as Chief Executive Officer of Woodbine Acquisition LLC, a Delaware corporation, on behalf of said corporation.




Notary Public in and for the State of Texas

CERTIFICATE

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

IN TESTIMONY WHEREOF, witness my hand this the 20th day of April, 2012.


Secretary of the School Land Board

EXHIBIT "1"

§52.076 Form
Revised 3/04

1. RESERVATION AND GRANT: There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted to Lessee, being the right to explore for, drill and produce the pooled mineral from the pooled area, and Lessor further reserves the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals and zones which are not covered by this Agreement. All of the rights in and to the pooled area retained by Lessor and all of the rights in and to the pooled area granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. PRODUCTION ROYALTIES: Upon production of the pooled mineral Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

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

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

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

(D) **OTHER PRODUCTS:** As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry" or any other gas, by fractionating, burning or any other processing, $\frac{1}{4}$ part of gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

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

(E) **NO DEDUCTIONS:** Lessee agrees that all royalties accruing to Lessor under this agreement shall be without deduction for the cost of producing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(F) **ROYALTY IN KIND:** Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this agreement be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use. Lessor's right to take its royalty in kind shall not diminish or negate Lessor's rights or Lessee's obligations, whether express or implied, under this agreement.

(G) **PLANT FUEL AND RECYCLED GAS:** No royalty shall be payable on any gas as may represent this agreement's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the pooled area after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this agreement.

(H) **MINIMUM ROYALTY:** The royalties paid to Lessor each year in no event shall be less than \$5.00 per acre pooled; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of first production a sum equal to \$5.00 per acre pooled less the amount of royalties paid during the preceding year.

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

4. (A) RESERVES, CONTRACTS AND OTHER RECORDS: Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of pooled mineral reserves underlying the pooled area and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the pooled

mineral produced from the pooled area, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) DRILLING RECORDS: Written notice of all operations on the pooled unit shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any unit well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall send a true copy of all logs on each unit well to the General Land Office within fifteen (15) days after the making of said log.

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

5. OFFSET WELLS: If the pooled mineral should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this agreement, the Lessee shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1,000) feet from the area covered by this agreement begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this agreement, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this agreement, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities. Only upon the determination of the Commissioner and with his written approval, may the payment of a compensatory royalty satisfy the obligation to drill an offset well or wells required under this Paragraph. Insofar as there is production from the well(s) provided for in this pooling agreement, there exists a duty to protect the state acreage that is a part of this agreement from drainage. This duty shall survive this agreement, but only to the extent that the well(s) provided for in this agreement is producing and only insofar as they are from the depths and productive acreage provided for in this agreement. This duty is in addition to any other duties that may now or hereafter exist.

6. USE OF WATER; SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the pooled area; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land.

7. POLLUTION: In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

(A) Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

(B) No discharge of solid waste or garbage shall be allowed into State waters from any drilling or support vessels, production platform, crew or supply boat, barge, jack-up rig or other equipment located on the pooled area. Solid waste shall include but shall not be limited to containers, equipment, rubbish, plastic, glass, and any other man-made non-biodegradable items. A sign must be displayed in a high traffic area on all vessels and manned platforms stating, "Discharge of any solid waste or garbage into State Waters from vessels or platforms is strictly prohibited and may subject a this agreement to forfeiture." Such statement shall be in lettering of at least 1" in size.

(C) PENALTY: Failure to comply with the requirements of this provision may result in the maximum penalty allowed by law including forfeiture of the agreement. Lessee shall be liable for the damages caused by such failure and any costs and expenses incurred in cleaning areas affected by the discharged waste.

8. IDENTIFICATION MARKERS: Lessee shall erect, at a distance not to exceed twenty-five (25) feet from each well on the premises covered by this agreement, a legible sign on which shall be stated the name of the operator, the State Lease Number designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this agreement.

9. ASSIGNMENTS: The agreement may be transferred at any time; provided, however, that the liability of the transferor to properly discharge its obligation under the agreement, including properly plugging abandoned wells, removing platforms or pipelines, or remediation of contamination at drill sites shall pass to the transferee upon the prior written consent of the Commissioner of the General Land Office. The Commissioner may require the transferee to demonstrate financial responsibility and may require a bond or other security. All transfers must reference this agreement by the State Lease Number and must be recorded in the county where the pooled area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior transferee of the agreement, including any liabilities to the state for unpaid royalties.

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

11. FORFEITURE: If Lessee shall fail or refuse to make the payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this agreement, or if this agreement is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this agreement shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease or pooling. However, nothing herein shall be construed as waiving the automatic termination of this agreement by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this agreement and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this agreement and the rules and regulations that may be adopted relative hereto.

12. **RIVERBED TRACTS:** Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in N.R.C. Sections 52.092-52.093, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

13. **APPLICABLE LAWS AND DRILLING RESTRICTIONS:** This agreement shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land (specifically including any rules promulgated that relate to plans of operations), payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this agreement. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this agreement, to be bound by and subject to all statutory and regulatory provisions relating to the General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at 31 Texas Administrative Code, Chapter 4, and Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140. In the event this agreement covers land franchised or leased or otherwise used by a navigation district or by the United States for the purpose of navigation or other purpose incident to the operation of a port, then Lessee shall not be entitled to enter or possess such land without prior approval as provided under Section 61.117 of the Texas Water Code, but Lessee shall be entitled to develop such land for oil and/or gas by directional drilling; provided, however, that no surface drilling location may be nearer than 660 feet and special permission from the Commissioner of the General Land Office is necessary to make any surface location nearer than 2,160 feet measured at right angles from the nearest bulkhead line or from the nearest dredged bottom edge of any channel, slip, or turning basin which has been authorized by the United States as a federal project for future construction, whichever is nearer.

14. **REMOVAL OF EQUIPMENT:** Upon the termination of this agreement for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells on State Land without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the pooled area the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of the pooled mineral therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

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

16. **SECURITY:** Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from the pooled are. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points of the pooled area's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

17. **SUCCESSORS AND ASSIGNS:** The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

18. **ANTIQUITIES CODE:** In the event that any feature of archeological or historical interest on Permanent School Fund Land is encountered during the activities authorized by this agreement, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN: Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78711) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (Vernon 1993 & Supp. 1998). Further, in the event that any site, object, location, artifact or other feature of archaeological, scientific, educational, cultural or historic interest is encountered during the activities authorize by this agreement, lessee will immediately notify lessor and the Texas Historical Commission so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate.

19. **VENUE:** Lessor and lessee, including lessee's successors and assigns, hereby agree that venue for any dispute arising out of a provision of this agreement, whether express or implied, regarding interpretation of this agreement, or relating in any way to this agreement or to applicable case law, statutes, or administrative rules, shall be in a court of competent jurisdiction located in Travis County, State of Texas.

20. **FILING:** Pursuant to Chapter 9 of the Tex. Bus. & Com. Code, this agreement must be filed of record in the office of the County Clerk in any county in which all or any part of the pooled area is located, and recorded copies thereof must be filed in the General Land Office. The prescribed filing fee shall accompany the recorded copies sent to the General Land Office.

EXHIBIT "2"

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof insofar as said lands cover and include those depths described below as the unitized interval. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those all depths underlying the surface boundaries of the pooled unit ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (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 land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each tract or lease included within said unit.
- (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 160 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) This Agreement shall not relieve Lessee from the duty of protecting the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.

(h) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

5.

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

DISSOLUTION:

6.

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

RATIFICATION/WAIVER:

7.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease or Pooling Agreement that has expired, terminated, or has been released in whole or in part or terminated under the their terms 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 or Pooling Agreement; (3) constitute a waiver or release of any claim by the State that such lease or Pooling Agreement is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or Pooling Agreement 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.

Exhibit A

M-113758

Oil and Gas Leases contributing to the Woodbine Acquisition LLC, 160-acre Wilson #5H Unit (GLO Unit 5268), Brazos and Madison Counties, Texas:

- 1) Oil and Gas Lease – James D. Wilson, et al., to Curran Campbell, Inc, dated August 29, 1974; recorded on October 11, 1974, in Volume 21 at Page 667, Brazos County, Texas, containing 2,072.33 acres, of which 157.74 acres are located in the J.K. Davis Survey, A-103, in Brazos County, Texas, and in the E. Edwards Survey, A-93, and the A. Lott Survey, A-146, in Madison County, Texas, and which comprise part of the Wilson #5H Unit; and
- 2) The State of Texas to Woodbine Acquisition LLC, M-113758, being 2.26 acres out of the Navasota River (said 2.26 acres heretofore referred to as the “unleased interest”), located in the J.K. Davis Survey, A-103, in Brazos County, Texas, and in the E. Edwards Survey, A-93, in Madison County, Texas, and contained within the boundaries of the Wilson #5H Unit.

END OF EXHIBIT A

Exhibit B
M-113758

160 ACRES
WOODBINE
WILSON NO. 5H UNIT
E. EDWARDS SURVEY, A – 93 (MADISON COUNTY)
A. LOTT SURVEY, A – 146 (MADISON COUNTY) &
J. K. DAVIS SURVEY, A – 103 (BRAZOS COUNTY)
MADISON AND BRAZOS COUNTIES, TEXAS
OCTOBER, 2011

All that certain lot, tract or parcel of land being 160 acres and being situated in the E. EDWARDS SURVEY, Abstract No. 93 AND THE A. LOTT SURVEY, Abstract No. 146, Madison County, Texas and the J. K. DAVIS SURVEY, Abstract No. 103, Brazos County, Texas, and being a part of the following tracts: 1) Being a part of the STATE OF TEXAS NAVASOTA RIVER TRACT (No Deed of Record found), 2) Being a part of the James D. Wilson Jr. Called 450 acre tract as described of record in Volume 2535, Page 163, and referenced as Tract Eight and described in Volume 80, Page 417, Deed Records of Brazos County, Texas, and 3) Being a part of the F.C. Herrling Called 563.33 acre tract as described of record in Volume 50, Page 517, and referenced in Volume 15, Page 521, Madison County, Texas, said 160 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a point in the calculated east line of said Called 563.33 acre tract for the southeast corner, the calculated southeast corner of called 563.33 acre tract bears S 6 ° 17 ' 03 " W a distance of 1368.77 feet;

THENCE N 81 ° 53 ' 34 " W, a distance of 7011.19 feet to a point for the southwest corner;

THENCE N 44 ° 16 ' 41 " W, a distance of 980.51 feet to a point for angle point;

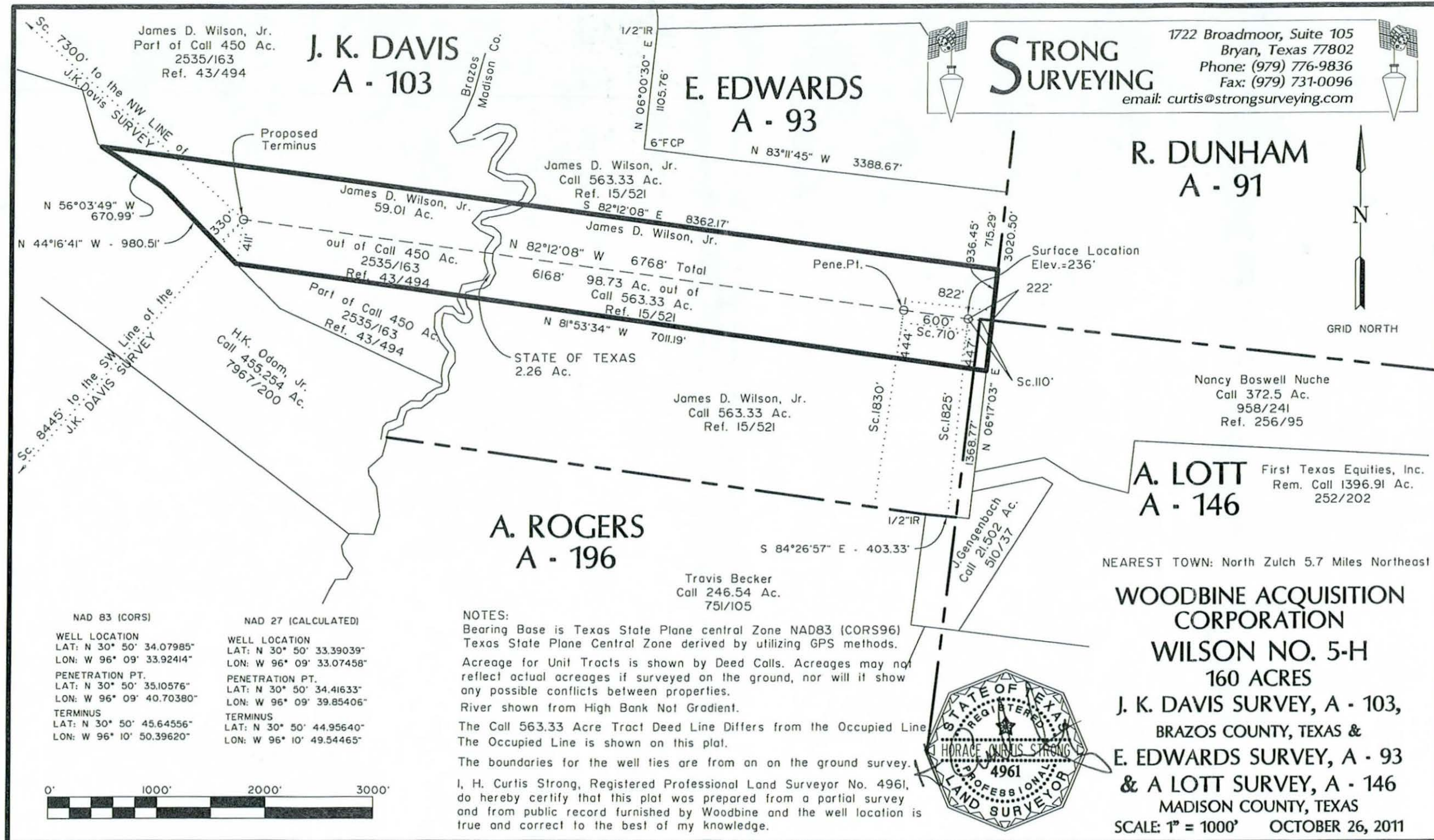
THENCE N 56 ° 03 ' 49 " W, a distance of 670.99 feet to a point for the northwest corner;

THENCE S 82 ° 12 ' 08 " E, a distance of 8362.17 feet to a point in the east line of 563.33 acre tract for the northeast corner;

THENCE S 6 ° 17 ' 03 " W, a distance of 936.45 feet to the PLACE OF BEGINNING containing 160 acres of land more or less.

END OF EXHIBIT B

Exhibit C - M-113758 Pooling Agreement



STRONG SURVEYING
 1722 Broadmoor, Suite 105
 Bryan, Texas 77802
 Phone: (979) 776-9836
 Fax: (979) 731-0096
 email: curtis@strongsurveying.com



NAD 83 (CORS)	NAD 27 (CALCULATED)
WELL LOCATION LAT: N 30° 50' 34.07985" LON: W 96° 09' 33.92414"	WELL LOCATION LAT: N 30° 50' 33.39039" LON: W 96° 09' 33.07458"
PENETRATION PT. LAT: N 30° 50' 35.10576" LON: W 96° 09' 40.70380"	PENETRATION PT. LAT: N 30° 50' 34.41633" LON: W 96° 09' 39.85406"
TERMINUS LAT: N 30° 50' 45.64556" LON: W 96° 10' 50.39620"	TERMINUS LAT: N 30° 50' 44.95640" LON: W 96° 10' 49.54465"



NOTES:
 Bearing Base is Texas State Plane central Zone NAD83 (CORS96)
 Texas State Plane Central Zone derived by utilizing GPS methods.
 Acreage for Unit Tracts is shown by Deed Calls. Acreages may not reflect actual acreages if surveyed on the ground, nor will it show any possible conflicts between properties.
 River shown from High Bank Not Gradient.
 The Call 563.33 Acre Tract Deed Line Differs from the Occupied Line The Occupied Line is shown on this plat.
 The boundaries for the well ties are from an on the ground survey.
 I, H. Curtis Strong, Registered Professional Land Surveyor No. 4961, do hereby certify that this plat was prepared from a partial survey and from public record furnished by Woodbine and the well location is true and correct to the best of my knowledge.



A. LOTT A - 146
 First Texas Equities, Inc.
 Rem. Call 1396.91 Ac.
 252/202

NEAREST TOWN: North Zulch 5.7 Miles Northeast

WOODBINE ACQUISITION CORPORATION
WILSON NO. 5-H
160 ACRES
J. K. DAVIS SURVEY, A - 103,
BRAZOS COUNTY, TEXAS &
E. EDWARDS SURVEY, A - 93
& A LOTT SURVEY, A - 146
MADISON COUNTY, TEXAS
 SCALE: 1" = 1000' OCTOBER 26, 2011

③

File No. M-113758
Pooling Agmt Packet # 5268
Wilson #5-14, Unit
Date Filed: 4/23/12
Jerry E. Patterson, Commissioner
By JEP

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

April 23, 2012

Mr. Clark Jobe
McElroy, Sullivan & Miller, L.L.P.
P. O. Box 12127
Austin, Texas 78711-2127

RE: 52.076 Pooling Agreement
Woodbine Acquisition LLC
Wilson #5-H Unit
M-113758 – GLO Unit No. 5268
Brazos and Madison Counties, Texas

Dear Clark:

Enclosed is a duplicate original of the above referenced Pooling Agreement that has been executed by Jerry E. Patterson, Commissioner of the Texas General Land Office. We have retained the other duplicate original of the Agreement, which will be filed in Mineral File **M-113758**. Please have your client refer to this file number when reporting and paying royalties to the State and in all future correspondence involving the State's unleased mineral interest within the referenced unit. This Unit has been assigned **GLO Unit No. 5268**, for the purpose of filing unit royalty reports with the GLO.

We also hereby acknowledge receipt of the check for \$678.00 as the consideration to the State for pooling the unleased interest.

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

Sincerely,

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

Enclosure

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

4

File No. M-113750
Fr. to WSTW

Date Filed: 4/23/12

Jerry E. Patterson, Commissioner

By: *[Signature]*



RRC 3

MF 113758

OIL AND GAS DIVISION ORDER

January 11, 2012

To: Woodbine Acquisition LLC
301 Commerce Street, Suite 2150
Fort Worth, TX 76102

Each party signing below (the "Owner") represents that he/she owns the interest set opposite his/her name in the oil, including condensate and other liquid hydrocarbons, and gas, including casinghead gas and other gaseous substances, or their proceeds, produced from the land described as follows (the "Lands"):

Table with 2 columns: Division Order No., Operator, Lease or Unit Name and Description. Row 1: WILSON 5H

(J K DAVIS SURVEY, A-103, E EDWARDS SURVEY, A-93)

Commencing as of first production WILSON 5H and until further written notice, Owner authorizes you, your nominee or agent to receive, purchase and pay for production from the Lands as follows:

Table with 3 columns: Credit To, Interest/Type, Address. Row 1: STATE OF TEXAS, 0.00353125; RI, 1700 NORTH CONGRESS AVE. Row 2: WILSON 5H, AUSTIN, TX 78701

Interest Types RI= Royalty Interest WI= Working Interest
PP= Production Payment ORRI Overriding Royalty Interest

OIL. Oil purchased shall become your property when delivered to you or any carrier or nominee designated by you. You will make settlement for Owner's interest in oil at: (1) your posted price in effect on the date of delivery for the same kind and quality of oil in the field where produced; or, (2) if sold by you to another purchaser, at the price received by you from that purchaser; less, in either case, transportation expense, if any, to the point of delivery designated by you or the purchaser.

Quantity and quality of oil purchased under this Division Order will be determined in compliance with practices prevailing at the place of delivery and applicable governmental rules and regulations. You or your nominee may require oil to be treated, at Owner's expense, to render it merchantable.

GAS. In making settlement for Owner's interest in gas: (1) you may use the net proceeds received by you at the well(s); or (2) if gas is sold or used off the premises, you may use the market value at the well(s) of the gas sold or used off the premises, provided the market value used will not exceed the net proceeds you derived from the sale or use off the premises.

COMMINGLED PRODUCTION. If oil or gas is commingled with like production from other separately owned land prior to delivery, Owner's interest in the commingled production will be determined by meter measurements, periodic well tests, or any other method generally accepted in the industry as an equitable basis for determining the quantity and quality of the production sold or delivered from each separately owned source of production.

UNITIZATION. If the land described above is now or later becomes a part of a unit or units formed by governmental authority or by voluntary act, this division order will be subject to the terms of the agreement establishing each Unit and settlement to Owner will be made on the basis of unit production allocated to Owner's interest. No additional division orders will be required.

TIME OF SETTLEMENT. Settlement will be made monthly by check mailed to Owner, less any production, severance, occupation or other tax required to be paid with respect to Owner's interest. If the proceeds in any month amount to less than \$___, you may defer settlement until the accruals total that sum, provided settlement will be made at least once each calendar year.

CHANGE OF OWNERSHIP. You will not be responsible for any changes of ownership until you receive notice and satisfactory proof of the change in ownership. Owner agrees to notify you in writing of any change in his or her ownership and agrees any transfer, assignment, or conveyance of all or part of his or her interest will be made subject to this division order. Changes in ownership will be effective at 7:00 a.m. on the first day of the calendar month in which notice is received by you. You will not be responsible for determining when an interest increases, decreases, terminates, or is transferred as a result of payment of money, lapse of time, or any other reason. Until you receive notice in writing to the contrary, you may continue to make settlement in the manner provided in this



Division Order. If written notice of change of ownership is not received by you, you will be held harmless for errors of over, under, or wrong payment.

TITLE. When requested, Owner will furnish evidence of title satisfactory to you as of the effective date of this division order and at any later time. If evidence of title is not furnished, or in the event of a claim or controversy which, in your opinion, affects Owner's title, you may, without interest and any liability, hold the amounts credited to Owner until indemnity satisfactory to you has been furnished, or until the claim or controversy is settled to your satisfaction.

INDEMNITY. Owner agrees to protect and indemnify you from and against any loss or expense, including all reasonable costs and attorney's fees, which you may incur by reason of your purchase of and/or payment for Owner's interest under this Division Order, regardless of how the loss, expense, cost or fees may arise.

BINDING EFFECT. When signed, this Division Order will be binding on each Owner and his or her legal representatives, successors, and assigns regardless of the failure or refusal of any other party to sign the Division Order.

FAILURE TO PROVIDE A PROPER TAXPAYER IDENTIFICATION NUMBER MAY SUBJECT PAYMENTS TO FEDERAL INCOME TAX WITHHOLDING.

<u>Owner's Name</u>	<u>Owner's Signature</u>	<u>Taxpayer No. or Social Security Number</u>
STATE OF TEXAS		
<u>Phone Number</u>		
<u>Phone Number</u>		



Woodbine Acquisition LLC
301 Commerce Street, Suite 2150
Fort Worth, TX 76102
(817) 288-7800 - main
(817) 288-7801- fax

January 11, 2012

STATE OF TEXAS
1700 NORTH CONGRESS AVE.
AUSTIN, TX 78701

RE: Division Order
WILSON 5H
Brazos & Madison County, Texas

Dear Owners,

Enclosed, in duplicate, is the Division Order for the WILSON 5H well in Madison County, Texas. Please verify your interest, sign one copy of the division order, fill out the W-9 and return to my attention at your very earliest convenience at the letterhead address. The extra copy is for you to keep for your records. Your interest will be placed in suspense until we receive your signed Division Order back. Once we receive it back in house your interest will then be placed in a pay status.

Thank you very much for your patience. Please let me know if you have any questions.

Sincerely,

Debra Hazelton

Debra Hazelton
Landman

5.

File No. 113756

DIVISION ORDER

Date Filed: 01/16/12
Jerry E. Patterson, Commissioner

By 

113756

**McELROY, SULLIVAN, MILLER,
WEBER & OLMSTEAD, L.L.P.**
Attorneys at Law

MAILING ADDRESS

P.O. BOX 12127
AUSTIN, TX 78711

1201 SPYGLASS DRIVE
SUITE 200
AUSTIN, TX 78746

TELEPHONE
(512) 327-8111

FAX
(512) 327-6566

February 21, 2014

Mr. J. Daryl Morgan, CPL
Energy Resources Division
Texas General Land Office
Stephen F. Austin Building, 8th Floor
1700 No. Congress Avenue
Austin, Texas 78701-1495

Re: Pooling Agreement
Woodbine Acquisition LLC
Wilson 5H Unit
M-113758 — Unit 6690
Brazos & Madison County, Texas

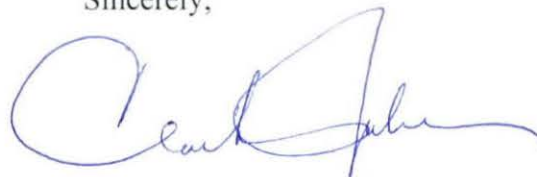
Dear Mr. Morgan:

Enclosed are two originals of the Pooling Agreement executed by Woodbine Acquisition LLC to pool 160 acres in Brazos & Madison County, Texas into the Wilson 5H Unit.

If you will please return a fully-executed original to me, I will forward it to Woodbine Acquisition LLC.

Thank you for your assistance with this pooling agreement. Please let me know if I can provide additional information regarding this application.

Sincerely,



Clark Jobe
Attorney for Woodbine Acquisition LLC

Enclosures

6

M-113758

File No. Lt. from Clerk Jdx

Date Filed: 2/21/14

By: Jerry E. Patterson, Commissioner

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

February 27, 2014

Mr. Clark Jobe
McElroy, Sullivan & Miller, L.L.P.
P. O. Box 12127
Austin, Texas 78711-2127

RE: 52.076 Pooling Agreement
Woodbine Acquisition LLC
Wilson #5-H Unit
Brazos and Madison Counties, Texas

Dear Clark:

Enclosed is a duplicate original of the above referenced Pooling Agreement that has been executed by Jerry E. Patterson, Commissioner of the Texas General Land Office. We have retained the other duplicate original of the Agreement, which will be filed in Mineral File **M-113758**. Please have your client refer to this file number when reporting and paying royalties to the State and in all future correspondence involving the State's unleased mineral interest within the referenced unit. This Unit has been assigned **GLO Unit No. 6690**, for the purpose of filing unit royalty reports with the GLO.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Daryl Morgan".

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

Enclosure

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

Handwritten notes:
M-113758
Wilson #5-H Unit
Brazos and Madison Counties, Texas

7

File No. M-11375B

Ltr. to Clerk John

Date Filed: 2/27/14

Jerry E. Patterson, Commissioner

By [Signature]

DO NOT DESTROY



**Texas General Land Office
UNIT AGREEMENT MEMO**

UPA148017

Unit Number 6690
 Operator Name Woodbine Acquisition Corporation, Fort Worth Effective Date 01/17/2014
 Customer ID 000050973 Unitized For Oil And Gas
 Unit Name Wilson #5-H Unit Unit Term
 County 1 Brazos RRC District 1 03 Old Unit Number Inactive Status Date
 County 2 Madison RRC District 2 03
 County 3 RRC District 3
 County 4 RRC District 4
 Unit type Permanent
 State Net Revenue Interest 0.00353125
 State Part in Unit 0.01412500
 Unit Depth Specified Depths Well
 From Depth surface Formation
 To Depth 100' below total depth 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
MF113758	1	2.260000	160.000000	0.014125	0.25000000	0.003531	No

API Number
4231330902 ✓

Remarks:

This unit replaces temporary unit 5268 which expired 1/17/2014.

Prepared By: CMB
 GLO Base Updated By: CMB
 RAM Approval By: VAD
 GIS By: M
 Well Inventory By: CMB

Prepared Date: 5/5/14
 GLO Base Date: 5/5/14
 RAM Approval Date: 5/9/14
 GIS Date: 6-30-14
 WI Date: 5/5/14

Pooling Committee Report

To: School Land Board

UPA148017

Date of Board Meeting: 02/04/2014

Unit Number: 6690

Effective Date: 01/17/2014

Unit Expiration Date:

Applicant: WOODBINE ACQUISITION LLC

Attorney Rep: Clark Jobe

Operator: Woodbine Acquisition, Llc

Unit Name: Wilson #5-H Unit

Field Name: Madisonville, W. (Woodbine -A-)

County:

Brazos
Madison

<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>
52.076	MF113758	0.25000000	01/17/2013	1 years	2.260	2.260	0.00353125

A part of the Navasota River is being pooled pursuant to Texas Natural Resource Code 52.076.

Private Acres:	157.740000
State Acres:	2.260000
Total Unit Acres:	160.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	1.41%
<u>State Net Revenue Interest:</u>	0.35%

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

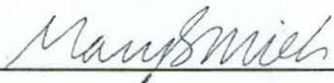
<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	160 + 40 optional

REMARKS:

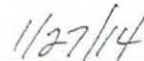
- Woodbine Acquisition, LLC is requesting permanent oil and gas pooling from the surface to 8580 feet TVD and that the effective date be January 17, 2014.
- The School Land Board approved a twenty -four month temporary unit on January 17, 2012.
- The applicant completed its first unit well on December 22, 2012 with a total depth of 14,940 feet MD. It has cumulative production of 123,662 BO and 114,303 MCF through November, 2013.
- With Board approval, the State's unit royalty participation will remain .35%.
- The State has participated from the date of first production.

POOLING COMMITTEE RECOMMENDATION:

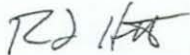
The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.



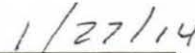
Mary Smith - Office of the Attorney General



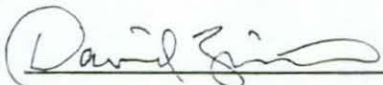
Date



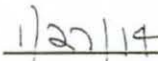
Robert Hatter - General Land Office



Date



David Zimmerman - Office of the Governor



Date

THOMAS
FITZGERALD
A-97

ARCHILUS
NUNLEY
A-176

MADISON COUNTY

EVAN
EDDARDS
A-93

RH DUNHAM
A-91

Navasota River

A part of the Navasota River is being
pooled pursuant to T.N.R.C. 52.076

BHL
⊙

MF113758

SL
⊙

BRAZOS COUNTY

JESSE
K DAVIS
A-103

ABSOLOM
LOTT
A-146

ARMSTEAD
ROGERS
A-196

AUSTIN

BRAZOS COUNTY

MADISON COUNTY

GRIMES COUNTY

THOMAS TOBY
A-462

UPA148017/Unit #6690
Woodbine Acquisition, LLC.
Wilson #5-H Unit
Madisonville, W (Woodbine -A-) Field
Brazos & Madison Counties, Texas



1,500 750 0 1,500 Feet

The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map IS NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Generated by:
Mark Conway
IS/BAS/GIS
January 2014

**POOLING AGREEMENT PURSUANT TO TNRC § 52.076
STATE OF TEXAS / WOODBINE ACQUISITION LLC
WILSON #5-H UNIT
M-113758 – GLO UNIT NO. 6690
BRAZOS AND MADISON COUNTIES, TEXAS**

THIS AGREEMENT ("Agreement") is made and entered into and effective January 17, 2014, by and between the Commissioner of the General Land Office of the State of Texas ("State"), and Woodbine Acquisition LLC ("Woodbine").

WITNESSETH THAT:

WHEREAS, the State owns the minerals under 2.26 acres of the Navasota River contained within the boundaries of the 160 acre Wilson #5-H Unit ("Unit") said 2.26 acres hereinafter referred to as the ("unleased interest"); and

WHEREAS, pursuant to Texas Natural Resources Code §52.076(a)(4), the School Land Board has authority to pool unleased river beds and channels owned by the State; and

WHEREAS, Woodbine and the State desire to pool the unleased interest into said Unit; and

WHEREAS, the School Land Board at its regular meeting on February 4, 2014, determined that pooling said unleased interest for oil and gas produced from the surface to 8,580 feet below the surface as more particularly described on the attached exhibits is in the best interest of the State.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth and together with other valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, and for the purposes and upon the terms and conditions contained herein, the parties hereto agree as follows:

1. This Agreement is entered into pursuant to the authority granted in Chapter 52, of the Texas Natural Resources Code and Chapter 9 of Title 31 of the Texas Administrative Code and 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 minerals from the Unit and in the interpretation and application hereof this Agreement shall be, in all things, subject thereto.
2. The State and Woodbine agree that nothing herein shall be construed as granting a leasehold interest to Woodbine in the unleased interest, but rather this Agreement affects a contractual pooling of interests with the respective rights and duties of the parties defined in paragraph 3, below.
3. The rights and duties of the State and Woodbine with respect to the unleased interest within the boundaries of the Unit shall be established, governed and controlled by the terms, conditions and covenants contained in Exhibit "1" and Exhibit "2" attached hereto and incorporated herein, wherein the State shall be considered the Lessor and Woodbine the Lessee and the State shall receive its share of unit production in the form of a royalty as provided in Exhibit "1" and allocated to the State as provided in Exhibit "2", with no obligation to the State for operating costs of any kind, including but not limited to exploring, drilling, equipping, completion, treating, transporting, marketing, plugging, abandonment or restoration.
4. This Agreement shall remain in effect for a term of one year from the effective date (herein called "primary term") and so long as the pooled mineral is being produced in paying quantities from the Unit, or so long as this Agreement is maintained in force by payment of shut-in oil or gas well royalties on a unit well, by drilling or rework operations on a unit well, or by other means in accordance with the terms of Exhibit "1" to this Agreement, or so long as the instrument creating the Unit remains in effect; provided that this Agreement shall automatically terminate on the date production of the pooled mineral ceases and there are no further operations on the unit to re-establish production of the pooled mineral, even though the instrument creating the Unit may remain in effect because a dissolution of unit has not been filed of record.
5. Inasmuch as the parties may not be able conveniently to execute one original hereof, it is agreed that a counterpart hereof may be executed by each party to this Agreement, each of which shall be considered an original, and all of said counterparts shall be construed together as one instrument.
6. The terms and provisions hereof shall extend to and be binding upon the heirs, legal representatives, successors, and assigns of the parties hereto.

7. This Agreement is to be performed in the State of Texas, and the substantive laws of the State of Texas will govern the validity, construction and enforcement of this Agreement.

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

Date Executed 2/26/14

STATE OF TEXAS

legal mm
leas. mm
cont. mm
exec. B

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

Date Executed 2/20/14

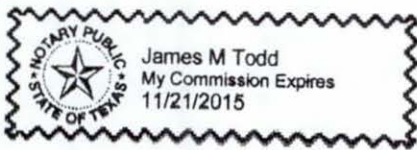
WOODBINE ACQUISITION LLC

By: Eric Cook
Eric Cook
Its: Gen Counsel

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on February 20, 2014, by Eric Cook as General Counsel of Woodbine Acquisition LLC, a _____ corporation, on behalf of said corporation.



James M Todd
Notary Public in and for the State of Texas

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on February 4, 2014, the foregoing instrument was approved by said Board under the provisions of Chapter 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 26th day of February, 2014.

Stephanie Crenshaw
Secretary of the School Land Board

EXHIBIT "1"

§52.076 Exhibit 1, Revised 3/07

1. RESERVATION AND GRANT: There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted to Lessee, being the right to explore for, drill and produce the pooled mineral from the pooled area, and Lessor further reserves the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals and zones which are not covered by this Agreement. All of the rights in and to the pooled area retained by Lessor and all of the rights in and to the pooled area granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. PRODUCTION ROYALTIES: Upon production of the pooled mineral Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

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

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

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

(D) OTHER PRODUCTS: As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry" or any other gas, by fractionating, burning or any other processing, $\frac{1}{4}$ part of gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

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

(E) NO DEDUCTIONS: Lessee agrees that all royalties accruing to Lessor under this agreement shall be without deduction for the cost of producing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(F) ROYALTY IN KIND: Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this agreement be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use. Lessor's right to take its royalty in kind shall not diminish or negate Lessor's rights or Lessee's obligations, whether express or implied, under this agreement.

(G) PLANT FUEL AND RECYCLED GAS: No royalty shall be payable on any gas as may represent this agreement's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the General Land Office, Lessee may recycle gas for gas lift purposes on the pooled area after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this agreement.

(H) MINIMUM ROYALTY: The royalties paid to Lessor each year in no event shall be less than \$5.00 per acre pooled; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of first production a sum equal to \$5.00 per acre pooled less the amount of royalties paid during the preceding year.

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

4. (A) RESERVES, CONTRACTS AND OTHER RECORDS: Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of pooled mineral reserves underlying the pooled area and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the pooled

mineral produced from the pooled area, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) DRILLING RECORDS: Written notice of all operations on the pooled unit shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall send a true copy of all logs on each unit well to the General Land Office within fifteen (15) days after the making of said log.

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

5. OFFSET WELLS: If the pooled mineral should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this agreement, the Lessee shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1,000) feet from the area covered by this agreement begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this agreement, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this agreement, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities. Only upon the determination of the Commissioner and with his written approval, may the payment of a compensatory royalty satisfy the obligation to drill an offset well or wells required under this Paragraph.

6. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM: If, at the expiration of the primary term, the pooled mineral is not being produced from the pooled area, but Lessee is then engaged in drilling or reworking operations thereon, this agreement shall remain in force so long as operations on said well or for drilling or reworking of any additional wells are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this agreement.

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

8. SHUT-IN ROYALTIES: For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If at any time after the end of the primary term, a well capable of producing the pooled mineral in paying quantities is located on the pooled area, but the pooled mineral is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to \$10.00 per acre pooled, but not less than \$1,200 for each well capable of producing the pooled mineral in paying quantities. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term (2) 60 days after the Lessee ceases to produce the pooled mineral from the pooled area, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the terms of this agreement; whichever date is latest. If the shut-in oil or gas royalty is paid, this agreement shall be considered to be a producing agreement and the payment shall extend the term of the agreement for a period of one year from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the pooled mineral exists, Lessee may extend this agreement for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

9. COMPENSATORY ROYALTIES: If, during the period the agreement is kept in effect by payment of the shut-in oil or gas royalty, the pooled mineral is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the pooled area and completed in the same producing reservoir, or in any case in which drainage of the pooled mineral is occurring, the right to continue to maintain the agreement by paying the shut-in oil or gas royalty shall cease, but the agreement shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the agreement for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in this agreement of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the pooled area. The compensatory royalty is to be paid monthly to the Commissioner beginning on or before the last day of the month following the month in which the pooled mineral is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the pooled area; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments, which are not timely paid, will accrue penalty and interest in accordance with Paragraph 3 of this agreement.

10. USE OF WATER; SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the pooled area; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land.

11. POLLUTION: In developing this pooled area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

(A) Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

(B) No discharge of solid waste or garbage shall be allowed into State waters from any drilling or support vessels, production platform, crew or supply boat, barge, jack-up rig or other equipment located on the pooled area. Solid waste shall include but shall not be limited to containers, equipment, rubbish, plastic, glass, and any other man-made non-biodegradable items. A sign must be displayed in a high traffic area on all vessels and manned platforms stating, "Discharge of any solid waste or garbage into State Waters from vessels or platforms is strictly prohibited and may subject this agreement to forfeiture." Such statement shall be in lettering of at least 1" in size.

(C) PENALTY: Failure to comply with the requirements of this provision may result in the maximum penalty allowed by law including forfeiture of the agreement. Lessee shall be liable for the damages caused by such failure and any costs and expenses incurred in cleaning areas affected by the discharged waste.

12. IDENTIFICATION MARKERS: Lessee shall erect, at a distance not to exceed twenty-five (25) feet from each well on the premises covered by this agreement, a legible sign on which shall be stated the name of the operator, the State Lease Number designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are

connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this agreement.

13. ASSIGNMENTS: The agreement may be transferred at any time; provided, however, that the liability of the transferor to properly discharge its obligation under the agreement, including properly plugging abandoned wells, removing platforms or pipelines, or remediation of contamination at drill sites shall pass to the transferee upon the prior written consent of the Commissioner of the General Land Office. The Commissioner may require the transferee to demonstrate financial responsibility and may require a bond or other security. All assignments must reference this agreement by the State Lease Number and must be recorded in the county where the pooled area is located, and the recorded assignment or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such assignment or certified copy thereof. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior transferee of the agreement, including any liabilities to the state for unpaid royalties.

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

15. FORFEITURE: If Lessee shall fail or refuse to make the payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this agreement, or if this agreement is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this agreement shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease or pooling. However, nothing herein shall be construed as waiving the automatic termination of this agreement by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this agreement and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this agreement and the rules and regulations that may be adopted relative hereto.

16. RIVERBED TRACTS: Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in N.R.C. Sections 52.092-52.093, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

17. APPLICABLE LAWS AND DRILLING RESTRICTIONS: This agreement shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land (specifically including any rules promulgated that relate to plans of operations), payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this agreement. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this agreement, to be bound by and subject to all statutory and regulatory provisions relating to the General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140

18. REMOVAL OF EQUIPMENT: Upon the termination of this agreement, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells on State Land without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the pooled area the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of the pooled mineral therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

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

20. SECURITY: Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from the pooled area. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points of the pooled area's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

21. SUCCESSORS AND ASSIGNS: The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

22. ANTIQUITIES CODE: In the event that any site, object, location, artifact or other feature of archaeological, scientific, educational, cultural, archeological or historical interest are encountered on Permanent School Fund Land during the activities authorized by this agreement, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN: Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78711) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (Vernon 1993 & Supp. 1998).

23. VENUE: Lessor and lessee, hereby agree that venue for any dispute arising out of a provision of this agreement, whether express or implied, regarding interpretation of this agreement, or relating in any way to this agreement or to applicable case law, statutes, or administrative rules, shall be in a court of competent jurisdiction located in Travis County, State of Texas.

24. FILING: Pursuant to Chapter 9 of the Tex. Bus. & Com. Code, this agreement must be filed of record in the office of the County Clerk in any county in which all or any part of the pooled area is located, and recorded copies thereof must be filed in the General Land Office.

EXHIBIT "2"

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof insofar as said lands cover and include those depths described below as the unitized interval. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to 8,580 feet TVD ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (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 land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each tract or lease included within said unit.
- (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 160 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) This Agreement shall not relieve Lessee from the duty of protecting the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (h) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

5.

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

DISSOLUTION:

6.

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

RATIFICATION/WAIVER:

7.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease or Pooling Agreement that has expired, terminated, or has been released in whole or in part or terminated under the their terms 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 or Pooling Agreement; (3) constitute a waiver or release of any claim by the State that such lease or Pooling Agreement is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or Pooling Agreement 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.

Exhibit A

M-113758

Oil and Gas Leases contributing to the Woodbine Acquisition Corporation, 160-acre Wilson #5H Unit (GLO Unit 5268), Brazos and Madison Counties, Texas:

- 1) Oil and Gas Lease – James D. Wilson, et al., to Curran Campbell, Inc, dated August 29, 1974; recorded on October 11, 1974, in Volume 21 at Page 667, Brazos County, Texas, containing 2,072.33 acres, of which 157.74 acres are located in the J.K. Davis Survey, A-103, in Brazos County, Texas, and in the E. Edwards Survey, A-93, and the A. Lott Survey, A-146, in Madison County, Texas, and which comprise part of the Wilson #5H Unit; and
- 2) The State of Texas to Woobine Acquisition, LLC, M-113758, being 2.26 acres out of the Navasota River (said 2.26 acres heretofore referred to as the “unleased interest”), located in the J.K. Davis Survey, A-103, in Brazos County, Texas, and in the E. Edwards Survey, A-93, in Madison County, Texas, and contained within the boundaries of the Wilson #5H Unit.

END OF EXHIBIT A

Exhibit B

M-113758

**160 ACRES
WOODBINE**

WILSON NO. 5H UNIT

E. EDWARDS SURVEY, A – 93 (MADISON COUNTY)

A. LOTT SURVEY, A – 146 (MADISON COUNTY) &

J. K. DAVIS SURVEY, A – 103 (BRAZOS COUNTY)

MADISON AND BRAZOS COUNTIES, TEXAS

OCTOBER, 2011

All that certain lot, tract or parcel of land being 160 acres and being situated in the E. EDWARDS SURVEY, Abstract No. 93 AND THE A. LOTT SURVEY, Abstract No. 146, Madison County, Texas and the J. K. DAVIS SURVEY, Abstract No. 103, Brazos County, Texas, and being a part of the following tracts: 1) Being a part of the STATE OF TEXAS NAVASOTA RIVER TRACT (No Deed of Record found), 2) Being a part of the James D. Wilson Jr. Called 450 acre tract as described of record in Volume 2535, Page 163, and referenced as Tract Eight and described in Volume 80, Page 417, Deed Records of Brazos County, Texas, and 3) Being a part of the F.C. Herrling Called 563.33 acre tract as described of record in Volume 50, Page 517, and referenced in Volume 15, Page 521, Madison County, Texas, said 160 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a point in the calculated east line of said Called 563.33 acre tract for the southeast corner, the calculated southeast corner of called 563.33 acre tract bears S 6 ° 17 ' 03 " W a distance of 1368.77 feet;

THENCE N 81 ° 53 ' 34 " W, a distance of 7011.19 feet to a point for the southwest corner;

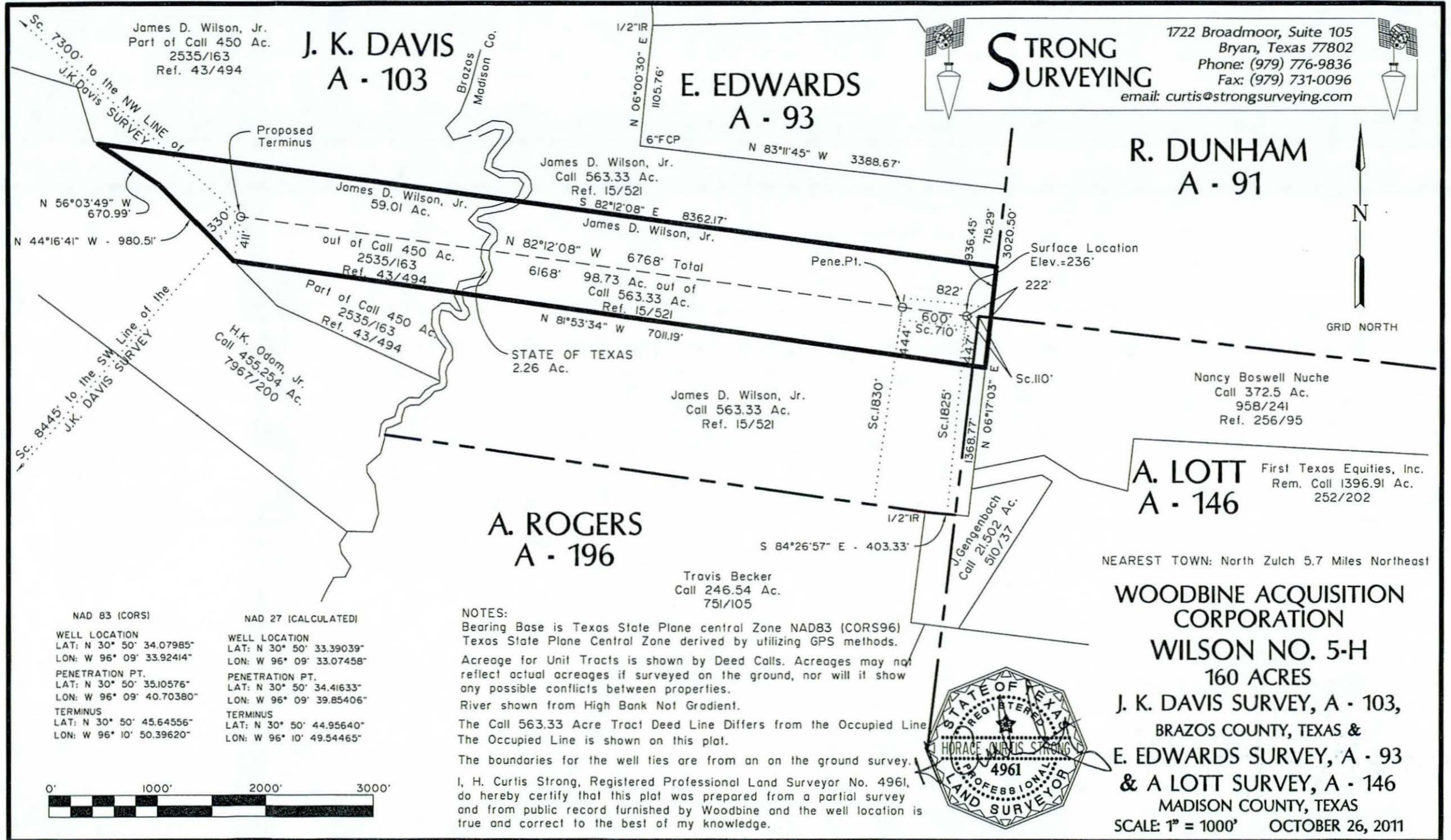
THENCE N 44 ° 16 ' 41 " W, a distance of 980.51 feet to a point for angle point;

THENCE N 56 ° 03 ' 49 " W, a distance of 670.99 feet to a point for the northwest corner;

THENCE S 82 ° 12 ' 08 " E, a distance of 8362.17 feet to a point in the east line of 563.33 acre tract for the northeast corner;

THENCE S 6 ° 17 ' 03 " W, a distance of 936.45 feet to the PLACE OF BEGINNING containing 160 acres of land more or less.

END OF EXHIBIT B



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File No. M-113758
Pooling Agent Packet # 6690
Wilson #5-H, Unit
Date Filed: 5/20/14
Jerry E. Patterson, Commissioner
By [Signature]



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: October 6, 2015

PSA# 0074

TO: School Land Board

FROM: Pooling Committee

SUBJECT: Request from MD America Energy, LLC to have the State enter into a Production Sharing Agreement for drilling an allocation well.

- **MD America Energy, LLC** is the operator of the Wilson 5-H Unit (Unit 6690) in which the State has a royalty interest, and they are requesting that the royalty owners sign a Production Sharing Agreement, which the School Land Board has the authority to approve pursuant to Texas Natural Resources Code §52.154.
- The Production Sharing Agreement will allow the operator to allocate production for sharing wells that cross Unit 6690.
- The State's participation in the sharing wells will be based on the length of lateral on Unit 6690 divided by the total length of lateral.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the Production Sharing Agreement.


Mary Smith – Office of the Attorney General

9/22/2015
Date


Robert Hatter – General Land Office

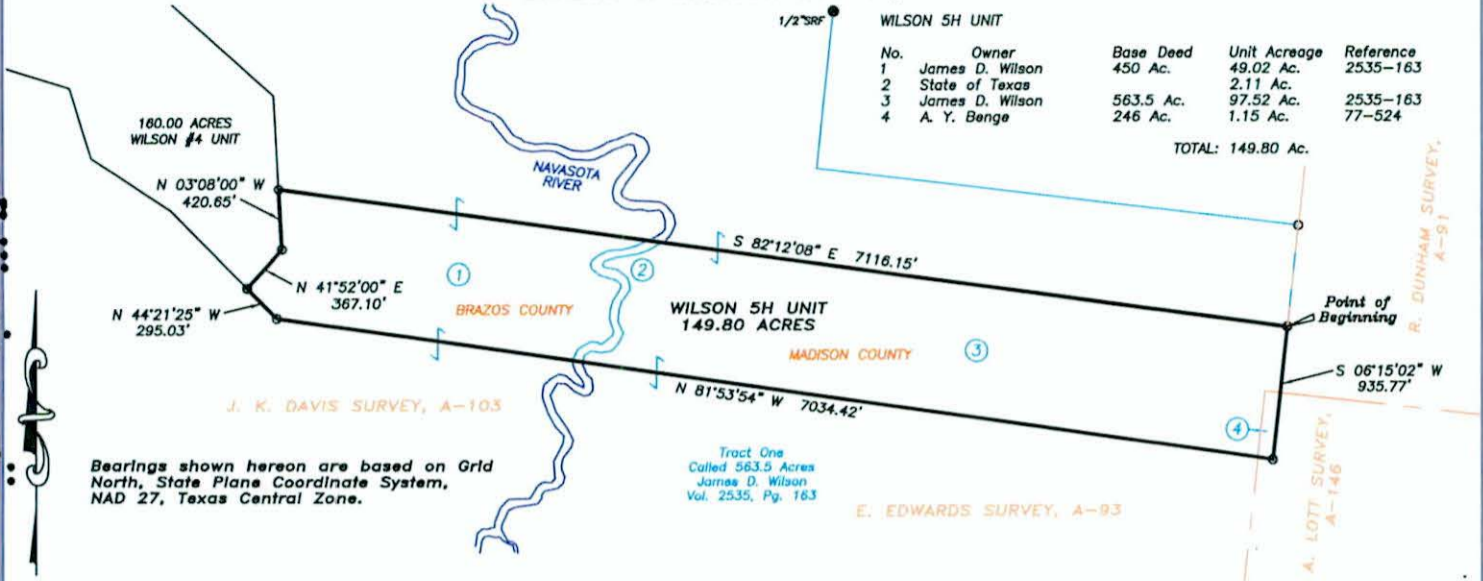
9/22/15
Date


Diane Morris – Office of the Governor

9.22.2015
Date

PSA part of Amend to Unit
Exhibit "3" of # 6690
Mar 4/9/16

**UNIT PLAT
MD AMERICA ENERGY, LLC
WILSON 5H UNIT
149.80 ACRES
J. K. DAVIS SURVEY, A-103
A. LOTT SURVEY, A-146
& E. EDWARDS SURVEY, A-93
BRAZOS & MADISON COUNTY, TEXAS**



DESCRIPTION

STATE OF TEXAS
MADISON & BRAZOS COUNTY

BEING all of that tract of land in Madison County and Brazos County, Texas, out of the J. K. Davis Survey, Abstract No. 103, E. Edwards Survey, Abstract No. 93 and A. Lott Survey, Abstract No. 146 and being part of that called 563.5 acres of land described as Tract One and part of that called 450 acres of land described as Tract Two in a deed to James D. Wilson as recorded in Volume 2535, Page 163 of the Deed Records of Brazos County, Texas, and being part of that called 246 acres of land described as Eight Tract in a deed to A. Y. Bengé as recorded in Volume 77, Page 524 of the Deed Records of Madison County, Texas, and being part of the Navasota River and being further described as follows:

BEGINNING at a point in the East line of said 563.5 acres, from which the most Easterly Northeast corner of said 563.5 acres bears North 06 degrees 15 minutes 02 seconds East, 714.37 feet for witness;

THENCE South 06 degrees 15 minutes 02 seconds West, 935.77 feet to a point for corner;

THENCE North 81 degrees 53 minutes 54 seconds West, 7034.42 feet to a point for corner;

THENCE North 44 degrees 21 minutes 25 seconds West, 295.03 feet to a point for corner;

THENCE North 41 degrees 52 minutes 00 seconds East, 367.10 feet to a point for corner;


THENCE North 03 degrees 08 minutes 00 seconds West, 420.65 feet to a point for corner;

THENCE South 82 degrees 12 minutes 08 seconds East, 7116.15 feet to the POINT OF BEGINNING, containing 149.80 acres of land.

Bearings shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone.

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

March 2, 2015


Shane Graham
R.P.L.S. No. 6044



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1519 Surveying, LLC

7111 Bosque Blvd, Suite 101 Waco, TX 76710 Ph: 254-776-1519 TBPLS Firm# 10193968

1519 Job: 7903

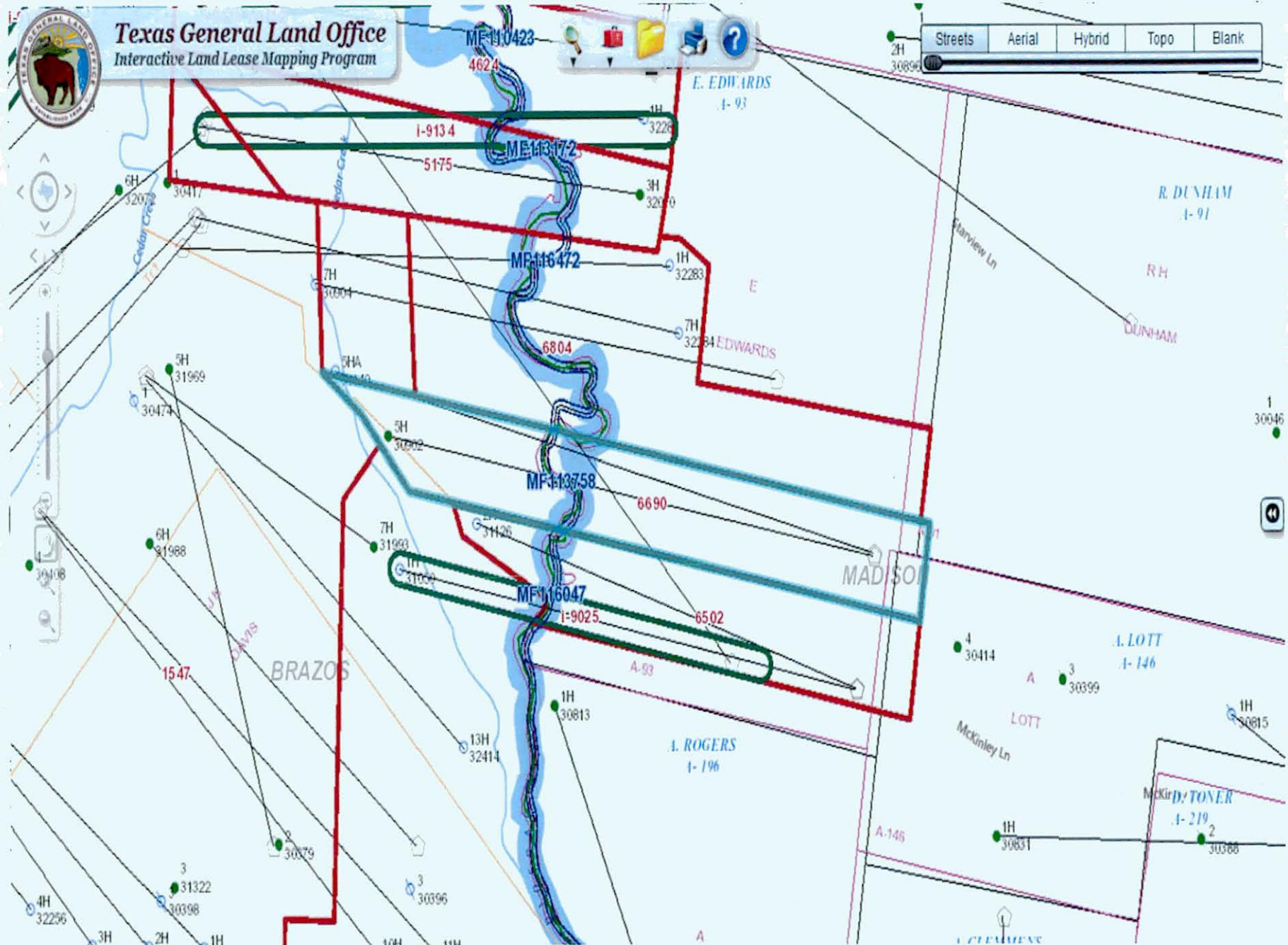
Drawn By: SG

Sheet 1 of 1

Property Address:
Brazos & Madison
County

Prepared For:
MD America Energy,
LLC

1519
www.1519surveying.com
www.1519gis.com



9

File No. M-113758

Memo to SLB, _____ County

Date Filed: 6/9/16

George P. Bush, Commissioner

By [Signature]

**McELROY, SULLIVAN, MILLER,
WEBER & OLMSTEAD, L.L.P.**
Attorneys at Law

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(512) 327-8111

FAX

(512) 327-6566

June 9, 2016

Mr. J. Daryl Morgan, CPL
Energy Resources Division
Texas General Land Office
Stephen F. Austin Building, 8th Floor
1700 No. Congress Avenue
Austin, Texas 78701-1495

Re: Pooling Agreement
MD America Energy, LLC
Wilson 5H Unit
M-113758 — Unit 6690
Brazos and Madison Counties, Texas

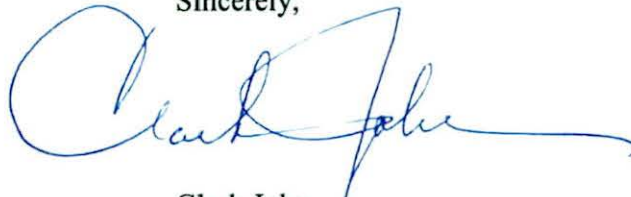
Dear Mr. Morgan:

Enclosed are two originals of the Amendment of the Pooling Agreement executed by MD America Energy, LLC to pool 2.11 acres of unleased riverbed in Brazos and Madison Counties, Texas into the Wilson 5H Unit.

If you will please return a fully-executed original to me, I will forward it to MD America Energy, LLC.

Thank you for your assistance with this pooling agreement. Please let me know if I can provide additional information regarding this application.

Sincerely,



Clark Jobe
Attorney for MD America Energy, LLC

Enclosures

10

File No. M-113758

Ltr. From Clark Jolbe County

Date Filed: 6/9/16

George P. Bush, Commissioner

By 

DO NOT DESTROY



**Texas General Land Office
UNIT AGREEMENT MEMO**

UPA158017

Unit Number 6690
 Operator Name *Woodbine Acquisition Corporation MD America* Effective Date 01/01/2012
 Customer ID *C008050973* *C-52134* Energy LLC Unitized For Oil And Gas
 Unit Name *Wilson #5-H Unit* Unit Term
 County 1 Brazos RRC District 1 03 Old Unit Number Inactive Status Date
 County 2 Madison RRC District 2 03
 County 3 RRC District 3
 County 4 RRC District 4
 Unit type Permanent
 State Net Revenue Interest Oil 0.00352136
 State Part in Unit 0.01408545
 Unit Depth Specified Depths Well
 From Depth surface Formation
 To Depth 100' below total depth 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
MF113758	1	2.110000	149.800000	0.01408545	O/G	0.25000000	0.00352136	No

API Number
4231330902

Remarks:

Unit amended for depth and acreage.

Prepared By: *[Signature]*
 GLO Base Updated By: *[Signature]*
 RAM Approval By: *[Signature]*
 GIS By: *[Signature]*
 Well Inventory By: *[Signature]*

Prepared Date: 10/6/15
 GLO Base Date: 10/6/15
 RAM Approval Date: 10/14/15
 GIS Date: 7-25-16
 WI Date: 10/6/15

Pooling Committee Report

To: School Land Board UPA158017
Date of Board Meeting: 10/06/2015 Unit Number: 6690
Effective Date: 01/01/2012
Unit Expiration Date:
Applicant: MD America Energy, LLC
Attorney Rep: Clark Jobe
Operator: MD America Energy LLC, Fort Worth
Unit Name: Wilson #5-H Unit
Field Name: Madisonville, W. (Woodbine -A-)

County: Brazos
 Madison

<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>
52.076	MF113758	0.25000000	01/17/2013	1 years	2.260000	2.110000	0.00352136

A part of the Navasota River is being pooled pursuant to Texas Natural Resource Code 52.076.

Private Acres:	147.690000
State Acres:	2.110000
Total Unit Acres:	149.800000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	1.41%
State Net Revenue Interest:	0.35%

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

RRC Rules:	Spacing Acres:
Yes	160 + 40 optional

Working File Number: UPA158017

REMARKS:

- MD America Energy, LLC is requesting to amend its Wilson #5H Unit in order to change the pooled interval from the surface to 9,500 feet TVD, and change the unit footprint. The School Land Board approved permanent oil and gas pooling from the surface to 8,580 feet in January, 2012.
- The applicant completed its first unit well on December 22, 2012 with a total depth of 14,940 feet MD. It has cumulative production of 145,368 BO and 114,967 MCF through May, 2015.
- With Board approval, the State's unit royalty participation will remain .35%.
- The State has participated on a unitized basis from the date of first production.
- To compensate the State for lost lease bonus on the unleased Navasota River acreage, the applicant has paid the Permanent School Fund \$300.00 per acre for a total of \$633.00.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the amended Wilson #5H Unit under the above-stated provisions.



Mary Smith - Office of the Attorney General

9/22/2015

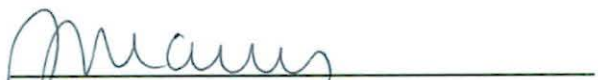
Date



Robert Hatter - General Land Office

9/22/15

Date



Diane Morris - Office of the Governor

9-22-2015

Date

EVAN
EDDARDS
A-93

RH DUNHAM
A-91

JESSE K
DAVIS
A-103

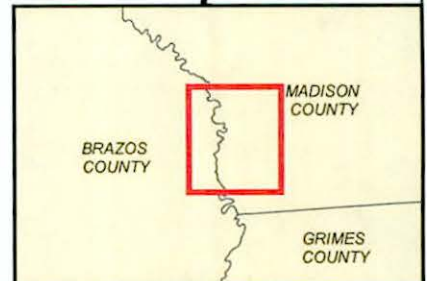
ME113758

A part of the Navasota River is being pooled
pursuant to T.N.R.C. 52.076

ABSOLOM
LOTT
A-146

ARMSTEAD
ROGERS
A-196

Navasota River



Unit #6690
MD America Energy, LLC
Wilson 5-H Unit
Madisonville, W (Woodbine -A-) Field
Brazos & Madison Counties, Texas

1,000 500 0 1,000 Feet



The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map IS NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Generated by:
Mark Conway
IS/BAS/GIS
October 2015

**AMENDMENT OF POOLING AGREEMENT PURSUANT TO TNRC §52.076
STATE OF TEXAS / WOODBINE ACQUISITION LLC
WILSON #5-H UNIT
M-113758 – GLO UNIT NO. 6690
BRAZOS AND MADISON COUNTIES, TEXAS**

WHEREAS, on February 4, 2014, the School Land Board of the State of Texas approved pooling 2.26 acres of the State's unleased mineral interest under the Navasota River into the 160-acre Wilson #5-H Unit ("Unit") pursuant to the provisions of §52.076 and Subchapter E of Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Woodbine Acquisition LLC and the Commissioner of the General Land Office of the State of Texas entered into that Pooling Agreement pursuant to TNRC §52.076 ("Agreement") to pool State Land into the Unit as more particularly described in said Agreement on file in the Archives and Records of the Texas General Land Office at Austin, Texas, in Mineral File No. M-113758; and

WHEREAS, MD America Energy, LLC is the current operator of the Unit; and

WHEREAS, on October 6, 2015, MD America Energy, LLC made application and the School Land Board approved its application to amend said Agreement by decreasing the size of the Unit, amending the unitized interval and adding Exhibit "3" providing for Horizontal Sharing Wells; and

WHEREAS, the Commissioner of the General Land Office finds that amending said Agreement as approved by the School Land Board is in the best interest of the State of Texas:

NOW THEREFORE, in consideration of the mutual agreements contained in said Agreement, it is agreed that said Agreement is amended as to the amount of State acreage being pooled and the total unit acreage by amending the second Paragraph so that "2.26 acres" in said Paragraph is deleted and changed to "2.11 acres" in both instances where it occurs and "160 acre" is deleted and changed to "149.8-acre" and said Agreement is further amended by deleting the Exhibits attached to Exhibit "2" of the Agreement in their entirety and substituting the attached Exhibit "A", as a list of the oil and gas leases included in the amended unit, the attached Exhibit "B" as a description of the lands included in the amended unit and the attached Exhibit "C" as a plat of the amended 149.8-acre unit and is amended by adding the attached Exhibit "3" and amended as to the unitized interval by deleting the last "WHEREAS" line of the Agreement and Paragraph 3 of Exhibit "2" to the Agreement and substituting the following paragraphs therefor.:

"WHEREAS, The School Land Board determined that pooling said unleased interest as to oil and gas produced from the surface to the correlative equivalent of the depth of 9,500 feet, as seen on the log of the Montana 1H Pilot Well, API No. 42-313-31220 and as more particularly described on the attached Exhibit "2" is in the best interest of the State.

MINERAL POOLED

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the correlative equivalent of the depth of 9,500 feet, as seen on the log of the Montana 1H Pilot Well, API No. 42-313-31220 ("unitized interval")."

Nothing in this Amendment, nor the approval of this Amendment by the School Land Board, nor the execution of this Amendment by the Commissioner shall: (1) operate as a ratification or revivor of any State lease or Pooling Agreement that has expired, terminated, or has been released in whole or in part or terminated under their terms 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 or Pooling Agreement; (3) constitute a waiver or release of any claim by the State that such lease or Pooling Agreement 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; or (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.

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below but to be effective as of October 1, 2015.

Date Executed 6/10/16

STATE OF TEXAS

Legal [Signature]
Content [Signature]
Geology [Signature]
Executive [Signature]

By: [Signature]
George P. Bush, Commissioner
General Land Office

Date Executed _____

MD AMERICA ENERGY, LLC

By: [Signature]
Blake Anderson
Its: Vice President - Land

BC

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on Nov 3, 2015, by Blake Anderson as VP - Land of MD America Energy, 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 the School Land Board duly held on the 6th day of October, 2015, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this 9th day of June, 2016.

[Signature]
Secretary of the School Land Board

EXHIBIT "3" HORIZONTAL SHARING WELLS

WHEREAS, the parties wish to encourage further development of the Unit via the drilling of horizontal wells, in order to:

- (a) Prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of oil, gas and other associated hydrocarbons from the Unit; and
- (b) Protect the correlative rights of all Interest Owners in the Unit so that each may receive a fair share of the production in and under the Unit; and

WHEREAS, it may be advantageous to position one or more horizontal wells (i.e. any well having a lateral length of greater than 100') such that same may traverse lands within and outside of the Unit (a "Sharing Well"), and to establish a basis for sharing in production proceeds from each Sharing Well;

NOW THEREFORE, the parties do hereby agree to the following:

- (1) Each Interest Owner shall share in each Sharing Well on the basis of each Interest Owner's ownership in the Unit multiplied by the Allocation Factor. The "Allocation Factor" is defined as a fraction, the numerator of which is equal to the length of that portion of the Lateral Line Equivalent that lies within the boundaries of the Unit, and the denominator being the total length of the Lateral Line Equivalent. For purposes of this Agreement, the Lateral Line Equivalent is defined as a line drawn, using map view perspective, that begins at the First Take Point of a well and runs laterally toward the Last Take Point of a well along the actual surveyed well path to the Last Take Point of the well. A "Take Point" in a horizontal drainhole well is defined as any point along a horizontal drainhole where oil and/or gas can be produced into the wellbore from the reservoir or field interval.
- (2) Operations on or production from each Sharing Well shall be treated as if they were actual operations on or production from each Unit and the proceeds from production from such Sharing Well shall be paid in accordance with the Allocation Factor set out above.
- (3) Production from any and all Sharing Wells drilled on the Unit shall not create any offset obligation, whether express or implied, and as to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection of each Interest Owner's correlative rights. The parties further agree that this Agreement affects only production from each Sharing Well, and in no way affects ownership of production from any other wells drilled or to be drilled which lie solely within the Unit and are not Sharing Wells.

EXHIBIT A
WILSON 5H UNIT

STATE OF TEXAS
MADISON & BRAZOS COUNTY

Tracts 1 & 3

Lessor: James D. Wilson, Individually and as Independent Executor and Trustee for James D. Wilson, Jr. and Frances Elizabeth Wilson, minors, under the Will of Hazel Herrling, deceased
Lessee: Curran R. Campbell, Inc.
Lease Date: 8/29/1974
Gross Acres: 2,072.33 acres of land, more or less
Recording: Volume 21, Page 667 in the records of Brazos County, Texas
Recording: Volume 203, Page 464 in the records of Madison County, Texas

Tract 2

Lessor: Commissioner of the General Land Office of the State of Texas
Lessee: MD America Energy, LLC
Lease Date: 2/4/2014
Gross Acres: 2.26 acres
Recording: Volume 1322, Page 1 in the records of Madison County, Texas
Volume 11947, Page 209 in the records of Brazos County, Texas

GLO Record Info
Mineral File: M-113758
GLO Unit No: 6690

**EXHIBIT B
WILSON 5H UNIT
DESCRIPTION**

**STATE OF TEXAS
MADISON & BRAZOS COUNTY**

BEING all of that tract of land in Madison County and Brazos County, Texas, out of the 1.K. Davis Survey, Abstract No. 103, E. Edwards Survey, Abstract No. 93 and A. Lott Survey, Abstract No. 146 and being part of that called 563.5 acres of land described as Tract One and part of that called 450 acres of land described as Tract Two in a deed to James D. Wilson as recorded in Volume 2535, Page 163 of the Deed Records of Brazos County, Texas, and being a portion of that called 160 acres of land described as the Wilson 5-H Unit dated October 26, 2011, and being further described as follows:

BEGINNING at a point in the East line of said 563.5 acres, from which the most Easterly Northeast corner of said 563.5 acres bears North 06 degrees 15 minutes 02 seconds East, 714.37 feet for witness;

THENCE South 06 degrees 15 minutes 02 seconds West, 935.77 feet along the East line of said Wilson 5-H Unit to a point for corner; **THENCE** North 81 degrees 53 minutes 54 seconds West, 7034.42 feet to a point for corner;

THENCE North 44 degrees 21 minutes 25 seconds West, 295.03 feet to a point for corner;

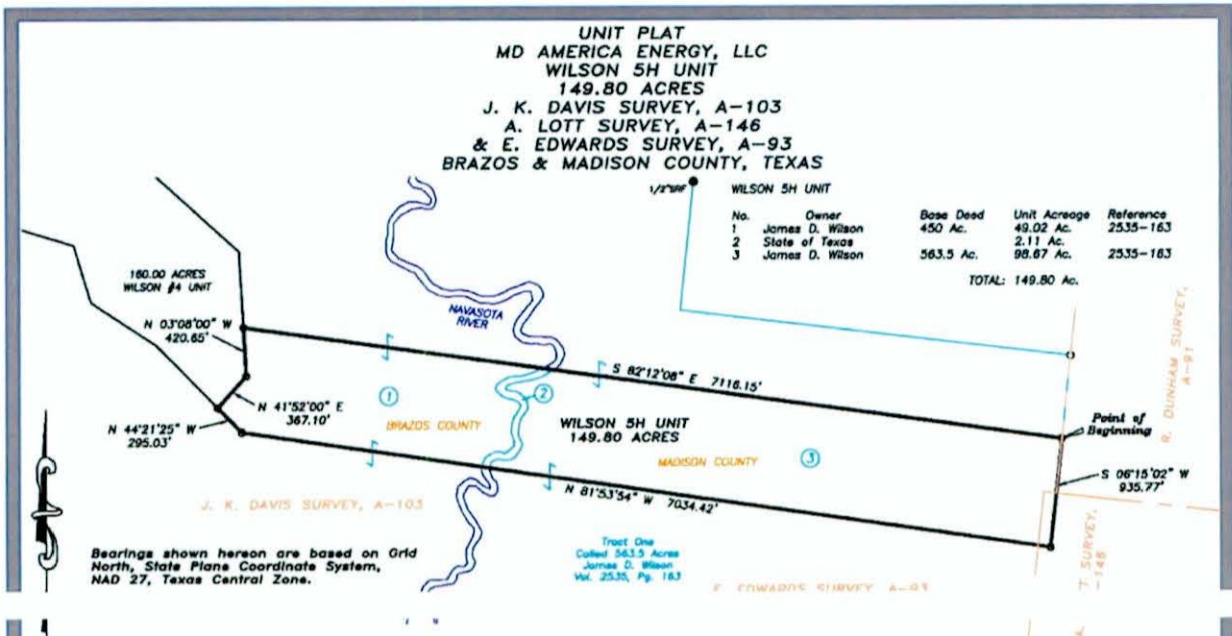
THENCE North 41 degrees 52 minutes 00 seconds East, 367.10 feet to a point for corner;

THENCE North 03 degrees 08 minutes 00 seconds West, 420.65 feet to a point for corner;

THENCE South 82 degrees 12 minutes 08 seconds East, 7116.15 feet to the **POINT OF BEGINNING**, containing 149.80 acres of land.

Bearings shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone.

**EXHIBIT C
WILSON 5H UNIT
PLAT**



DESCRIPTION

STATE OF TEXAS
MADISON & BRAZOS COUNTY

BEING all of that tract of land in Madison County and Brazos County, Texas, out of the J. K. Davis Survey, Abstract No. 103, E. Edwards Survey, Abstract No. 93 and A. Lott Survey, Abstract No. 146 and being part of that called 563.5 acres of land described as Tract One and part of that called 450 acres of land described as Tract Two in a deed to James D. Wilson as recorded in Volume 2535, Page 163 of the Deed Records of Brazos County, Texas, and being a portion of that called 160 acres of land described as the Wilson 5-H Unit dated October 26, 2011, and being further described as follows:

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Bearings shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone.

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

March 2, 2015
Revised: 10-20-15

Shane Graham
Shane Graham
R.P.L.S. No. 6044



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1519 Surveying, LLC

5054 Franklin Ave., Ste. A Waco, TX 76710 Ph: 254-776-1519 TBPLS Firm# 10193968

1519 Job# 7908	Drawn By: SG
	Sheet 1 of 1
Property Address: Brazos & Madison County	Prepared For: MD America Energy, LLC

1519
www.1519surveying.com
www.1519gis.com

File No. M-113758
Amendment to County
Wilson #511 Unit # 6690
Date Filed: 6/10/16
George P. Bush, Commissioner
By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 13, 2016

Mr. Clark Jobe
McElroy, Sullivan, Miller, Weber & Olmstead, L.L.P.
P. O. Box 12127
Austin, Texas 78711-2127

RE: Amendment of 52.076 Pooling Agreements
Woodbine Acquisition LLC
Wilson #5-H Unit
M-113758 – GLO Unit No. 6690
Brazos and Madison Counties, Texas

Dear Clark:

Enclosed is a duplicate original of the above referenced Amendment of §52.076 Pooling Agreement that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained the other original of the Pooling Agreement for our files.

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

Sincerely,

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

Enclosure

21

File No. M-113758

Ltr. to Clerk John County _____

Date Filed: 6/13/16

By: 
George P. Bush, Commissioner



OIL AND/OR GAS DIVISION ORDER

To/Operator: MD America Energy, LLC
 301 Commerce Street, Suite 2500
 Fort Worth, TX 76102

Date Prepared: 11/19/2018
 Effective Date: Date of Last Settlement

Property Name: **Wilson #5-H Unit** [M-113758 – GLO NO. 6690]

Property Description: 149.8 ACRES, MORE OR LESS, LOCATED IN THE J. K. DAVIS SURVEY, A-103, BRAZOS COUNTY, TEXAS, AND THE E. EDWARDS SURVEY, A-93, AND A. LOTT SURVEY, A-146, MADISON COUNTY, TEXAS, MORE FULLY DESCRIBED IN THAT AMENDMENT OF POOLING AGREEMENT PURSUANT TO TNRC 52.076, STATE OF TEXAS / WOODBINE ACQUISITION LLC, WILSON #5-H UNIT, M-113758 - GLO UNIT NO. 6690, BRAZOS AND MADISON COUNTIES, TEXAS, RECORDED IN VOLUME 13437, PAGE 119, OFFICIAL RECORDS OF BRAZOS COUNTY, TEXAS AND VOLUME 1549, PAGE 103, OFFICIAL RECORDS OF MADISON COUNTY, TEXAS.

Owner#/Owner Name/Address	Unit Tract #	Land Tract #	Lease #	Interest/Interest Type
AMENDED				
TEXGLO(463) Commissioner of the General Land Office of the State of Texas Stephen F. Austin Building 1700 North Congress Avenue Austin, TX 78701	2	KR0253	TX-KR-LLS-9999-01560	1/4x2.11/149.8 RI (0.00352136)

Interest Types: RI=Royalty Interest; NEMI-Non-Executive Mineral Interest; NPRI=Non-Participating Royalty Interest; ORI=Overriding Royalty Interest; WI=Working Interest

THIS DIVISION ORDER DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL AND/OR GAS.

The undersigned (hereafter referred to as "Payee/Owner") certifies the ownership of their decimal interest in the oil, including condensate and other liquid hydrocarbons, and gas, including casinghead gas and other gaseous substances, or their proceeds, produced from the land, as described above, payable by MD America Energy, LLC or MD America Energy, LLC's nominee or agent (hereafter referred to as "Payor").

PAYMENT: Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the Payor may hold accumulated proceeds of less than \$10 until production ceases or the Payor's responsibility for making payment for production ceases, whichever occurs first. Payee/Owner agrees to reimburse Payor any amounts attributable to an interest or part of an interest to which the Payee/Owner is not entitled.

INDEMNITY: The Payee/Owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Payee/Owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the Payee/Owner's interest to which Payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Payee/Owner, written notice shall be given to Payor by the Payee/Owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest, unless otherwise required by applicable statute, until the claim or dispute is settled.

NOTICES: The Payee/Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the addresses listed above unless otherwise advised by either party.

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.

Witnesses/Attest:

Payee/Owner Signature(s)

Payee/Owner Printed Name(s) and Title(s)

Payee/Owner Social Security/Taxpayer Identification Number(s):

Payee/Owner Daytime Telephone Number(s):

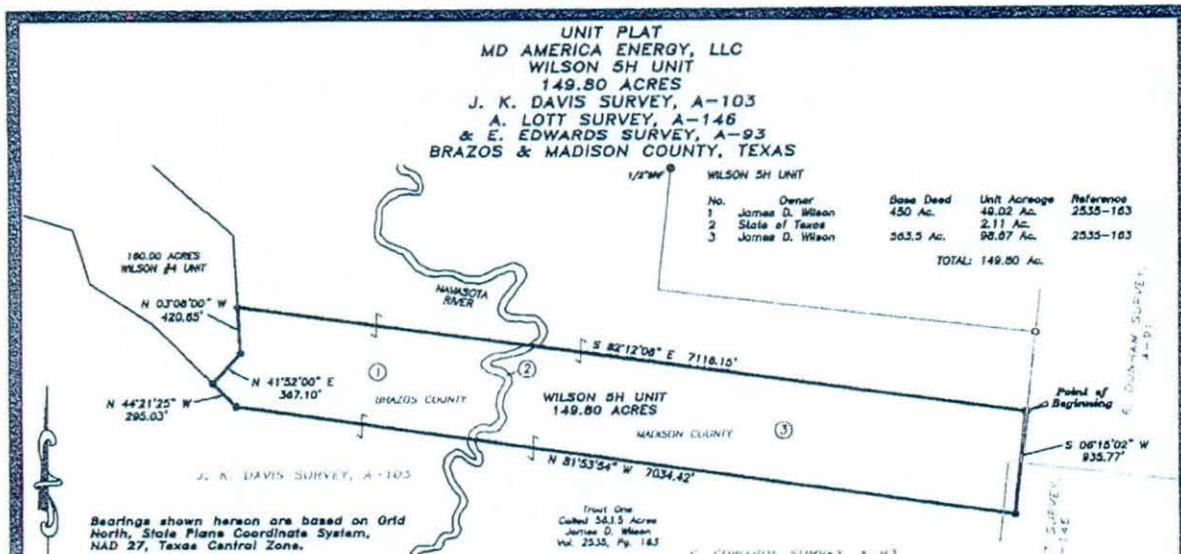
Payee/Owner email address:

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN TAX WITHHOLDING IN ACCORDANCE WITH FEDERAL LAW, WHICH WILL NOT BE REFUNDABLE BY PAYOR.

**EXHIBIT C
WILSON 5H UNIT
PLAT**

Doc 01268040 Bk OR Vol 13437 Pg 124

Doc 89532 Bk OR Vol 1549 Pg 108



DESCRIPTION

STATE OF TEXAS
MADISON & BRAZOS COUNTY

BEING all of that tract of land in Madison County and Brazos County, Texas, out of the J. K. Davis Survey, Abstract No. 103, E. Edwards Survey, Abstract No. 93 and A. Lott Survey, Abstract No. 146 and being part of that called 563.5 acres of land described as Tract One and part of that called 450 acres of land described as Tract Two in a deed to James D. Wilson as recorded in Volume 2535, Page 163 of the Deed Records of Brazos County, Texas, and being a portion of that called 160 acres of land described as the Wilson 5-H Unit dated October 26, 2011, and being further described as follows:

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Bearings shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone.

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

March 2, 2015
Revised: 10-20-15

Shane Graham
Shane Graham
R.P.L.S. No. 6044



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1519 Surveying, LLC

5034 Franklin Ave., Ste. A Waco, TX 76710 Ph: 254-776-1519 TDD: 10198968

1519 Job: 7908	Drawn By: SG
	Sheet 1 of 1
Property Address: Brazos & Madison County	Prepared For: MD America Energy, LLC

1519
www.1519surveying.com
www.1519gts.com

STATE OF TEXAS
COUNTY OF BRAZOS

The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas

Thereby certify, on 6-24-16



Karen McQueen
County Clerk
Brazos County, Texas



301 Commerce Street, Suite 2500
Fort Worth, TX 76102
(817) 288-7800

VIA USPS

November 19, 2018

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

Re: **AMENDED** - Oil and/or Gas Division Order
Wilson #5-H Unit [M-113758 – GLO NO. 6690]
Brazos and Madison Counties, Texas

Dear Interest Owner,

The Wilson #5-H Unit was amended from a 160 acre unit to a 149.8 acre unit, therefore, we have prepared and enclose herewith our **AMENDED** - Oil and/or Gas Division Order, in duplicate, concerning your interest in the referenced well. Please review the division order for accuracy and upon your approval, please:

- ❖ Sign the division order, exactly as your name appears thereon, in the space indicated;
- ❖ Have your signature witnessed by two (2) disinterested adults, or attested, whichever applies;
- ❖ Be sure to include your Social Security/Tax Identification Number on the division order in the space provided;
- ❖ Return the division order marked **SIGN AND RETURN** in the self-addressed, postage paid envelope, retain the duplicate division order marked **KEEP FOR YOUR RECORDS**.

Upon receipt of the properly executed division order, your interest will be placed in a “Pay” status.

MD America Energy, LLC’s revenue checks are processed around the 25th of each month. Executed division orders received by the 12th of the month will receive a revenue check in that same month; those received after the 12th of any month will be processed the following month.

Should you have any questions regarding any of the above, please contact the undersigned.

Regards,

Sherry Sheffield

Sherry Sheffield
Land Administration Team Leader

/sls

Enclosures





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 26, 2019

Sherry Sheffield
Land Administration Team Leader
MD America Energy, LLC
301 Commerce Street, Suite 2500
Fort Worth, TX 76102

Re: State Lease No. MF113758 Wilson 5H Unit 6690

Dear Mrs. Sheffield:

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

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

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

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

Thank you,

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

File No. MF 113758

Madison/Brazos County

Division Order

Date Filed: 2-26-19

George P. Bush, Commissioner

By: VR



MF 113758
OIL AND/OR GAS DIVISION ORDER

To/Operator: MD America Energy, LLC
301 Commerce Street, Suite 2500
Fort Worth, TX 76102

Date Prepared: 11/19/2018
Effective Date: 9/16/2018 (Date of First Production)

Property Name: **Rainier (Allocation) No. 1H Well** [API No. 42-313-31352]

Property Description: J. K. DAVIS SURVEY, A-103, BRAZOS COUNTY, TEXAS AND THE E. EDWARDS SURVEY, A-93, AND A. LOTT SURVEY, A-146, MADISON COUNTY, TEXAS (PRODUCING LATERAL ALLOCATION: COUNTY LINE UNIT (GLO#6502)=1146.79/8991.57; WILSON #5-H UNIT (GLO#6690)=1665.06/8991.57; WILSON 7H UNIT (GLO#7676)=3133.61/8991.57; WILSON C #3-H UNIT (GLO#5175)=1935.16/8991.57; WILSON UNIT A #2H UNIT (GLO#4624)=1110.95/8991.57)

Owner#/Owner Name/Address	Unit.Tract #	Land Tract #	Lease #	Interest/Interest Type
TEXGLO(463) Commissioner of the General Land Office of the State of Texas Stephen F. Austin Building 1700 North Congress Avenue Austin, TX 78701	County Line.2 (M-116047/GLO#6502)	KR0325	620	1/4x3.21/186.44x1146.79/8991.57 plus
	Wilson #5-H.2 (M-113758/GLO#6690)	KR0253	1560	1/4x2.11/149.8x1665.06/8991.57 plus
	Wilson 7H Unit.2 (M-117709/GLO#7676)	KR0331	1611	1/4x5.35/231.26x3133.61/8991.57 plus
	Wilson C #3-H Unit.2 (M-113172/GLO#5175)	KR0254	485	1/4x3.52/130.59x1935.16/8991.57 plus
	Wilson #2H Unit.2 (M-110423/GLO#4624)	KR0254	653	1/4x4.22/155.8x1110.95/8991.57 RI (0.00550359) ✓

Interest Types: RI=Royalty Interest; NEMI=Non-Executive Mineral Interest; NPRI=Non-Participating Royalty Interest; ORI=Overriding Royalty Interest; WI=Working Interest

THIS DIVISION ORDER DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL AND/OR GAS.

The undersigned (hereafter referred to as "Payee/Owner") certifies the ownership of their decimal interest in the oil, including condensate and other liquid hydrocarbons, and gas, including casinghead gas and other gaseous substances, or their proceeds, produced from the land, as described above, payable by MD America Energy, LLC or MD America Energy, LLC's nominee or agent (hereafter referred to as "Payor").

PAYMENT: Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the Payor may hold accumulated proceeds of less than \$10 until production ceases or the Payor's responsibility for making payment for production ceases, whichever occurs first. Payee/Owner agrees to reimburse Payor any amounts attributable to an interest or part of an interest to which the Payee/Owner is not entitled.

INDEMNITY: The Payee/Owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Payee/Owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the Payee/Owner's interest to which Payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Payee/Owner, written notice shall be given to Payor by the Payee/Owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest, unless otherwise required by applicable statute, until the claim or dispute is settled.

NOTICES: The Payee/Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the addresses listed above unless otherwise advised by either party.

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.

Witnesses/Attest:

Payee/Owner Signature(s)

Payee/Owner Printed Name(s) and Title(s)

Payee/Owner Social Security/Taxpayer Identification Number(s):

Payee/Owner Daytime Telephone Number(s):

Payee/Owner email address:

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN TAX WITHHOLDING IN ACCORDANCE WITH FEDERAL LAW, WHICH WILL NOT BE REFUNDABLE BY PAYOR.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 26, 2019

Sherry Sheffield
Land Administration Team Leader
MD America Energy, LLC
301 Commerce Street, Suite 2500
Fort Worth, TX 76102

Re: State Lease Nos. MF110423, MF113172, MF113758, MF116047 and MF117709
Rainier (Allocation) 1H iNut 9786

Dear Mrs. Sheffield:

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


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File No. MF 113758
Madison / Brazos County
Division Order
Date Filed: 2-28-19
By:  George R. Bush, Commissioner