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Archives and Records Staff

#8843

MF114156

State Lease	Control	Base File	County
MF114156	08-030560	149600	REEVES

Survey	PUBLIC SCHOOL LAND	
Block	C-21	
Block Name		
Township		
Section/Tract	16	
Land Part		
Part Description		
Acres	640	
Depth Below	Depth Above	Depth Other

Leasing: GH

Analyst: GH

Maps: VH

GIS: MC

DocuShare: _____

Name	RICOCHET ENERGY INC	
Lease Date	9/23/2010	
Primary Term	3 yrs	
Bonus (\$)	\$0.00	
Rental (\$)	\$0.00	
Lease Royalty	0.0625	

ATTENTION FILE USERS!
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CONTENTS OF FILE NO. M- 114156

① Royalty & Land ID	See MF 109915 #23, Settlement Agreement 7/6/18
② Private oil & gas leases	scanned PJ 7-19-2018
③ Plot	18. Ltr. From MSM+L 7/25/18
④ RRL W-1	19. Desig. of Yellow Jacket Unit 7/25/18
Scanned sm 7/9/13	20. Add to Yellow Jacket Unit 7/25/18
5. Exercise Option to Extend Primary Term 05/02/14	21. Ratification Packet #8843
6. Assignment 05/02/14	Rat. of Yellow Jacket Unit 8/8/18
Scanned PJ 9-3-14	22. Ltr. to MSM+L 8/8/18
See MF 109915 #14, for Assignment #8225	23. Division Order 8/17/18
7. DIVISION ORDER 8.20.12	scanned PJ 8-30-2018
8. Ltr + fees 01/20/15	24. Ltr. From Resolute 11/5/18
9. Amendment 01/20/15	25. Memo to SPS 12/18/18
10. Assignments #9322 Resolute Natural & Cold Unconventional to Firewheel 4/23/15	26. Ltr. to Resolute 12/21/18
Scanned PJ 5-13-15	27. Production sharing Agmt. 12/21/18
See MF 109915 #15 P15 Demand letter 1/6/15	scanned PJ 1-10-2019
11. Ltr. From Resolute 5/16/17	28. Ltr. From Kell. Kenney 4/15/19
12. Ltr. to Resolute 5/18/17	29. Ltr. to Kell. Kenney 4/11/19
13. Pooling Agmt Packet #8490 Breckenridge Horiz. Unit 5/18/17	30. Designation of Stinger 17H Unit 4/11/19
See MF 111748 #32, Ltr #10317	31. 1st Add to Stinger Unit 4/11/19
299 (to) PDC 299 7-27-17	32. Ratification Packet #9767 Stinger 17H Unit 4/11/19
scanned PJ 8-1-2017	scanned PJ 5-14-2019
14. Division Order 1-12-18	33. Division Order 8-22-19
scanned PJ 1-22-2018	34. Division Order 8-23-19
15. Certified Leases 04/10/18	scanned PJ 9-11-2019
16. Ltr + fee 04/10/18	35. Division Order 10-1-2019
17. Commingling Approval 6/20/2018	36. Division Order 10-1-2019
scanned PJ 7-2-2018	Scanned sm 10/09/2019

See MF 11356 #72 Audit
Letter 6/26/2023

Scanned WM 6-27-2023

See #35 in MF 11399 Final Audit
Billing Notice 11/8/2023

See #36 in MF 11399 Final
Audit Billing Notice 11/8/2023

Scanned WM 11-21-2023

See #37 in MF 11399 Audit
Closure Letter 1/3/2024

See #38 in MF 11399 Audit
Closure Letter 1/3/2024

Scanned WM 1-10-2024

37. Oil Draft + Audit + Billing Notice 4/16/2024

38. Gas Draft + Audit + Billing Notice 4/16/2024

Scanned Mt 4-17-2024

39. Shut in payments 7/19/25

Scanned WM 2-20-2025

40. Recon Billing 5/12/2025

Scanned SM 05/13/2025

**Basefile Number - 149600**

Information for this County -
REEVES COUNTY

[Related GloBase Record](#)[Download GIS Data](#)[Energy Lease Information](#)**IDENTIFICATION NUMBERS**

LAND CLASS NUMBER - 08
BASEFILE NUMBER - 149600
CONTROL NUMBER 08-030560

SURVEY INFORMATION

SURVEY NAME - PSL
GRANTEE NAME - Casey, L A
ABSTRACT - 5471
BLOCK - TOWNSHIP - 16 Public School C21
SECTION NUMBER - 16
SECTION/PART -
CURRENT ACRES - 640
ORIGINAL ACRES - 640

PATENT INFORMATION:

PATENTEE NAME - Casey, L A
DISTRICT - Bexar
CLASSIFICATION - School
FILE NUMBER - 149600
PATENT DATE - 28 Nov 1947
CERTIFICATE -
PATENT NUMBER - 25
PATENT VOLUME - 8-B
PAGE - 93

LEASE INFORMATION**POOLING AGREEMENTS:**

No Uplands Units

No Submerged Units

OIL & GAS LEASES:

Upland Oil & Gas Leases: MF110033

No Submerged Oil & Gas Leases

HARD MINERAL LEASES:**PSF SURFACE LEASES:**

NONE

HISTORIC LEASES FOR THIS PARCEL**POOLING AGREEMENTS:**

No Uplands Units

No Submerged Historical Units

OIL & GAS LEASES:

No Upland Oil & Gas Leases

1/16

✓ c/c
~ wrong ~

this lease is
for see 44
Bik 57
T. 3
A-3036
it is Ref

No SubMerged Historical Oil&Gas Leases

OIL & GAS WELL DATA

There are 1 wells within this tract.
423893096100

File No. ~~114156~~ 114156

Royalty @ Land ID

Date Filed:

Jerry E. Patterson, Commissioner

By GH

TX 00953.006

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88, General Pd Up-DD

OIL, GAS AND MINERAL LEASE
(Paid Up)

THIS AGREEMENT made August 31, 2010, BUT EFFECTIVE September 23, 2010, between Douglas Earl Bell, hereinafter referred to as LESSOR, whether one or more, whose address is P.O. Box 832021, Richardson, Texas 75083, and Petro-Hunt, L.L.C., whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, TX 75201-7201, hereinafter referred to as LESSEE, whether one or more,

WITNESSETH:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and sulphur and all other minerals, whether similar or dissimilar, injecting gas, waters, other fluids, and air into subsurface strata, laying pipelines, storing oil, building tanks, roadways, telephone and power lines, and other structures and things thereon to explore, produce, save, take care of, treat, process, store and transport said minerals, the following described land in Reeves County, Texas, to-wit (hereinafter called "said land" or "the leased premises").

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjoining the land above described and either (i) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (ii) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 1,920.0 acres, whether it actually comprises more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as full consideration for this lease and all rights and options hereunder

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of Three (3) years from the date hereof, (hereinafter called "primary term"), and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days. (Please See Paragraph #15)

3 The royalties to be paid by lessee are (a) on oil, and other liquid hydrocarbons saved at the well, One-Fourth (1/4) of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected, (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of One-Fourth (1/4) of the gas used, provided that on gas sold on or off the premises, the royalties shall be One-Fourth (1/4) of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing, and may be paid Directly to Lessor at Above Address, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within ninety (90) days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed

4 Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than eighty (80) surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than six hundred forty (640) surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the

subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining a maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5 Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6 Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain or reestablish production of oil, gas, and/or sulphur, and the production of oil, gas, and/or sulphur, whether or not in paying quantities.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor.

8 The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. No change or division in the ownership of said land, royalties, or other monies, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other monies, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have ninety (90) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after the service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations.

hereunder If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (i) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require, and (ii) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10 Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, or sulphur in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor

11. If, while this lease is in force at or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring one hundred (120) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred FM

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

13 All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, representatives, assigns, and successive assigns. The terms and conditions hereof shall inure to the benefit of and be binding upon the parties hereto, heirs, successors, representatives, assigns, and successive assigns of the parties hereto.

14 By the execution of this Lease, neither Lessor nor Lessee deny the title (but in fact recognize the title) of the present Lessee under that certain Memorandum of Oil and Gas Leases Effective September 22, 2005, recorded in Volume 702, Page 201 of the Deed Records of Reeves County, Texas, from Douglas Earl Bell, as Lessor, to Bracero Oil Company, as Lessee, (the "Effective Lease"). The primary term of the Effective Leases, as the result of current Lessee Chesapeake Exploration L L C exercising an Option to Lessor, expires on September 22, 2010, and Lessor hereby covenants and agrees not to further extend, renew, amend or modify the Effective Lease. If the Effective Lease should be extended beyond its primary term by drilling operations or reworking operations or by production from the lands covered thereby (or on land with which the Effective Lease has been pooled), then this Lease shall not become effective and any obligation of Lessee set forth herein shall thereby be relieved. If the Effective Lease shall terminate at the end of its primary term, this Lease shall become effective immediately upon its termination. Lessor states that at the present time there are no other leases or top leases which cover all or any portion of the leased premises, and agrees that no other top leases covering all or any part of the leased premises will be executed by Lessor.

15 Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation, to extend the primary term of this lease - as to any acreage covered hereby and not otherwise being maintained by any other provision herein - for a period of two (2) additional years by paying an additional bonus of \$750.00 per net mineral acre for any such lands. In the event this right to extend the primary term is exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof LOPT

EXECUTED the day and year first above written.

"LESSOR"


Douglas Earl Bell

INDIVIDUAL ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF Denton

This instrument was acknowledged before me on August 31st, 2010, by Douglas Earl Bell.

My commission expires: September 03, 2013

Laura A. Rountree
Notary Public



Certificate of Record

22.00

Recording Fee

22.00

Certified Copy Fee

Total Paid

Return to

Taylor Hamper

003043

FILED FOR RECORD

2010 SEP -2 PM 4:15

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX

[Signature] DEPUTY

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

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

OPR VOL 851 PAGE 222 DATE RECORDED 09/13/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By *[Signature]* Deputy

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 17th day of December, 2008, by and between Dela Minerals, Inc., by Gary N. Covington, President, P.O. Box 2539, Midland, Texas 79702-2539, hereinafter called Lessors, and Petro-Hunt, L.L.C., 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, hereinafter called Lessee

WITNESSETH

1 That Lessors, in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties provided, and of the covenants and agreements of Lessee hereinafter contained, hereby grant, lease, and let unto Lessee for the sole and only purpose of exploring, drilling, operating for, and producing oil and gas and of laying pipelines, building tanks, power stations, roads and structures thereon to produce, save, care for, treat, and transport said products from the land leased hereunder only, the following described land situated in Reeves Counties, State of Texas, to-wit:

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

and containing 1,920.0 acres, more or less (hereinafter called said land)

2 Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (hereinafter called primary term) and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land and the royalties therefor paid in accord with the terms hereof, unless the primary term shall be extended as provided in (6) below

3 When production of oil or gas is secured during the term of this lease, Lessee agrees to pay or cause to be paid to

Lessor

(A) 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, One-Fourth (1/4) part of the gross production or the market value thereof, at the option of 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 for the field where produced and when run, or 2) the highest market price thereof offered or paid for the field where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed in a plant, it will be run free of cost to the parties entitled to royalties through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of the royalty owners, the requirement that such gas is run through a separator or other equipment may be waived upon such terms and conditions as prescribed by them.

(B) 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) One-Fourth (1/4) part of the gross production or the market value thereof, at the option of Lessor, such value to be based on the highest market price paid or offered for gas of comparable quality for the field 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 lease 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 industry at the time of testing. In the event Lessee obtains production on the subject land, Lessee shall notify Lessors via certified mail describing the terms of which Lessee will be selling oil and/or gas, and in the event Lessors object to the terms of said sales, Lessors shall notify Lessee of such objection within fifteen (15) days of receipt of such notice and make their election to take-in-kind as provided in 3(G) hereinafter.

For the purpose of this lease "field" means the general area in which the land covered by this lease is located

(C) As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons One-Fourth (1/4) part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of Lessors. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%) or that percent accruing to Lessee, whichever is greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease, provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at 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 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, F O B at the plant in which said gas is processed), whichever is greater.

(D) As a royalty on carbon black, sulfur 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, One-Fourth (1/4) part of the 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 for the same month in which such product is produced, or

(2) On the basis of the average gross sale price of each product for the same month in which such product is sold, whichever is greater.

(E) Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use whether or not such costs are incurred either before or after the sale or use of production hereunder.

(F) Royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Lessors, Lessee may recycle gas for gas lift purposes on the lease premises for the injection into any oil or gas producing formation underlying the lease premises 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 the Lessors to a royalty thereon under the provisions of this lease.

(G) Notwithstanding any other provision in this lease, at any time or from time to time, the Lessors may, at the option of Lessors, upon not less than thirty (30) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. Lessee shall choose the delivery point for the oil and/or gas so taken by Lessors. Said delivery point shall be located on the lease premises at a point on the downstream side of the metering device or tanks used to gauge the volume of production from wells located on the lease premises. All royalties, which are not taken in kind as provided herein, shall be due and payable to the Lessors by Lessee in Boerne, Kendall County, Texas. Royalty on oil shall be due and payable on or before the 1st day of the second month succeeding the month of production, and royalty on gas shall be due and payable on or before the 28th day of the second month succeeding the month of production. Past due payments of royalty shall bear interest per annum at the highest rate of non-usurious interest allowed by law. By execution hereof, Lessee grants to Lessors a

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in and under and that may be produced from the above described land, and a security interest in its share of oil and/or gas when extracted and in all personal property and equipment placed in or on said land, to secure payment of Lessor's royalty, together with interest thereon as above stated Lessors shall be entitled to exercise the rights and remedies of a Second Party under the Uniform Commercial Code To secure such security interest, this lease may be filed as a Financing Statement

(H) Failure to make payment or delivery of royalty pursuant to the terms of this paragraph 3 shall not be the basis for a termination pursuant to the estate defined above in numerical paragraph 2 unless such failure continues for thirty (30) days following written notice of such failure from Lessor to Lessee Such termination shall not occur if there is a good faith dispute as to the fact of failure and if such dispute has been made the subject of a judicial proceeding before the expiration of such thirty (30) day period, and if, in the case of such a dispute as to the payment of money, lessee is making payment into the Registry of the Court or in accord with an order of a Court of competent jurisdiction

4 Delay Rentals. This is a Paid-Up Oil and Gas Lease, and All Delay Rentals referred to herein are paid in full

5 If oil or gas is discovered on said land, Lessee agrees to further develop said land, as a reasonably prudent operator would do in the same or similar circumstances Lessee shall adequately protect the oil and gas under the above-described land from drainage from the adjacent lands or leases Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depths necessary for effective protection against drainage by other wells on adjacent lands or leases In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit as to the producing horizon(s) only Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s)

6 On or before the third anniversary date of this lease, Lessee may, at its sole option, extend the primary term of the lease for an additional two (2) years by making payment to Lessors, at the address in (4) above, of Three Hundred Ten and no/100 dollars (\$310.00) per net mineral acre. If, during the primary term hereof and prior to production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if, after production of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if on or before the rental paying date next ensuing Lessee commences additional drilling or reworking operations thereon, or commences or resumes the payment of annual delay rental in the same manner as provided in Paragraph 4 of this lease

7 If, upon the expiration of the primary term of this lease, production of oil or gas in paying quantities has not been obtained and no test well is then being drilled or reworked on said lease, the lease shall terminate in its entirety. If, at the expiration of said primary term, production of oil or gas in paying quantities has been obtained on said lease, and royalties therefor are being paid, or Lessee is then drilling or reworking a test well thereon, said lease shall be and continue to remain in full force and effect so long as Lessee conducts a continuous drilling program on the lands covered by said lease with no more than 180 consecutive days elapsing between the completion of one well (such "completion" being defined as that date when the well is production tested for initial potential, placed back on production of oil or gas, or sixty (60) days after cessation of drilling, whichever occurs first) and the commencement of actual drilling of the next succeeding well Upon the cessation of such continuous drilling program, this lease shall then terminate as follows

1) As to the entire lease premises not then included in a proration unit approved by the Railroad Commission of Texas or other governmental authority having jurisdiction as to the proration unit Said lease shall then continue in full force and effect only as to that portion of the lease premises which is included in a proration unit from which production of oil or gas in paying quantities is then being obtained and Lessee shall forthwith execute and deliver to Lessor a recordable release of this lease as to that portion of the lease premises not included in a proration unit or units as described

2) As to all depths below, but not above, 100 feet below the deepest depth drilled in any well in each such proration unit retained by Lessee from which oil or gas is then being produced Then and in that event Lessee agrees to execute and deliver to Lessors, a recordable release of this lease as to all depths below, but not above, 100 feet below the deepest depth drilled in any well in each such proration unit

8 Lessee shall have, except in the case of water wells, the right to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing, within 120 days after the expiration or termination of this lease, unless the Lessors grant lessee an extension of this 120 day period In the case of water wells, (or any well capable of producing potable water), Lessee shall have the right at Lessee's sole expense to remove all property and fixtures therefrom except casing but shall obtain the written consent of Lessors prior to drawing and removing said casing and plugging said well Nothing in this paragraph is intended nor shall be construed to give the Lessee hereunder any rights with regard to water on or under the land

9 The rights and estate of any party hereto may be assigned in whole or in part All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, and assigns No change or division of ownership of said land, or of the royalties, rental, or other moneys, or the right to receive same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after such record owner has been furnished notice of such change or division, supported by copies of the documents evidencing such change or division If any such change in ownership occurs by reason of the death of owner, Lessee may, nevertheless, pay or tender such royalties, rentals or other moneys, to the credit of the decedent in the depository bank named above Lessee shall notify Lessors of any assignment of Lessee's rights hereunder, stating the name and current mailing address of the assignee, and shall furnish Lessors a copy of such assignment within thirty days of its recording in the county records

10 Should Lessors own an interest in said land which is less than the entire and undivided fee simple estate therein, then the royalties and rental hereon provided shall be paid the Lessors in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein

11 Lessors hereby warrant and agree to defend the title to said land by, through, and under Lessors, but not otherwise. Lessee, at its option, may discharge any tax lien upon said land, and, in the event Lessee does so, Lessee shall have the right to apply rentals and royalties accruing hereunder to reimburse such payment

12 The books, accounts and all other records pertaining to production, transportation, sale and marketing of oil or gas produced hereunder shall, during regular business hours, be subject to inspection and examination by Lessors Lessors shall have the right to be present at any regularly scheduled inspection of meters and other equipment located on the lease premises, provided for in the terms of any gas contract entered into by Lessee, his heirs, successors, and assigns, and any gas purchaser

13 This lease shall be subject to all federal and state laws, executive orders, rules and regulations of all federal or state officers, agencies, boards and commissions which relate to or affect performance of the express or implied covenants of this lease and this lease shall not be forfeited for failure of Lessee to comply with the express or implied covenants of this lease, if such compliance is prevented by or if such failure results from compliance with any such rule, order or regulation. Further, this lease shall not terminate during any period of time in which Lessee is prevented or prohibited from producing oil or gas from the premises or conducting operations on the premises by reason of any law, order, rule or regulation of any governmental authority having jurisdiction, and this lease shall be extended during the time Lessee is so prevented or prohibited

14 Lessors, at their sole cost, risk and expense shall have access at all times to the location, rig and derrick floor of any well drilled or reentered on lands covered by this lease, and upon written request by Lessors, shall be furnished copies of all well data All well information furnished to Lessor under the terms of this paragraph shall be held confidential and not be disclosed to any third party without permission of Lessee

15 Where gas from a gas well located on the lease premises ("gas well" being defined as any well classified as a gas well by the governmental body having lawful authority to make such classification) is not sold because of a lack of market therefor or because of marketing or transportation difficulties which in Lessee's judgment make it inadvisable for economic reasons to produce and sell gas for a period of time, Lessee shall pay or tender as royalty, by valid check of Lessee a sum of money described below to the party entitled to receive royalty under this lease at P O Box 2539, Midland, TX 79702-2539, on or before thirty (30) days from the date on which the well is shut-in The amount of the shut-in gas well royalty payment shall be a sum of money equal to twenty and no/100 dollars (\$20.00) per net mineral acre of lessor's gas acreage then held under this lease. If such payment is properly and timely made, it will be considered that gas is being produced from the above described land in accord with the terms of this lease (and the meaning of Paragraph 2 of this lease) for a period of one (1) year from the date of shut-in or from the anniversary date thereof, provided, however, this lease may not be continued in force by the making of annual shut-in gas well royalty payments as herein provided for a period longer than two (2) years after the expiration of the primary term hereof. If at any time or times after the two (2) year period provided for above, there is located on the lease premises, a gas well (as defined above) from which gas is not sold because of the lack of a market or because of marketing or transportation difficulties which in Lessee's judgment make it advisable not to sell gas for a period of time, Lessee may pay or tender as royalty, by a valid check of Lessee, to the party entitled to receive royalty under this lease at P O Box 2539, Midland, TX 79702-2539, on or before thirty (30) days after the date on which the well is shut-in or after the date on which this lease ceases to be otherwise maintained, and on or before the end of each period of six (6) months from such shut-in date thereafter, a shut-in gas well royalty payment in an amount equal to five times the annual rental provided herein If such payment is properly and timely made, it will be considered that gas is being produced from the above described land in accord with the terms of this lease (and the meaning of Paragraph 2 of this lease) during the entire six (6) month period for which payment was made

16 All notices and communications between parties shall be in writing and shall be directed and mailed to the respective parties hereto at the following address:

Lessor Dela Minerals, Inc
Attn: Gary N. Covington
P.O. Box 2539
Midland, TX 79702-2539

Lessee Petro-Hunt L.L.C.
Attn: Land Department
1601 Elm Street, Suite 3400
Thanksgiving Tower
Dallas, Texas 75201-7201

Either party may from time to time change the address to which notices to it shall be directed by furnishing the other party with written notice of the change. All notices provided for and authorized to be given hereunder shall be considered given only if and when received by the party to whom addressed. However, any notice sent by a private express carrier marked for expedited delivery, or by United States Express Mail, mailgram, registered mail or certified mail with return requested and all postage and fees therefor paid shall be deemed to have been given on the date such notice is delivered to the express company or deposited in the United States mail addressed to the party being notified. Notices transmitted by telecopier shall be deemed an actual delivery if a legible copy is received.

17 Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than eighty (80) surface acres, plus 10% acreage tolerance, provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than six hundred forty (640) surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining a maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 17, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 17 with consequent allocation of production as herein provided. As used in this paragraph 17, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

IN WITNESS WHEREOF, this instrument is executed as of the day first above written

Lessor

Lessee

Gary N. Covington
Dela Minerals, Inc., by Gary N. Covington, President

Bruce W. Hunt
Petro-Hunt L.L.C., by Bruce W. Hunt, President

STATE OF TEXAS

COUNTY OF

This instrument was acknowledged before me on the 18th day of December 2008 by Dela Minerals, Inc., by Gary N. Covington, President

July 8, 2012
My Commission Expires



Stephanie Jackson
Notary Public, State of Texas

STEPHANIE JACKSON
Type or Print Name of Notary

R-3

AME
Initial for Identification

1 STATE OF TEXAS

2
3 COUNTY OF Dallas

4
5
6 This instrument was acknowledged before me on this 24th day of February, ~~2008~~ 2009 by Bruce W Hunt, President of
7 Petro-Hunt, L.L.C



June 24, 2012

My Commission Expires

Susan M. Lecroy
Notary Public, State of Texas

Susan m. Lecroy
Type or Print Name of Notary

YMC
Initial for Identification

Certificate of Record

22.00

Recording Fee

Certified Copy Fee

22.00

Total Paid

env

Return to

Petro Hunt LLC

000835

FILED FOR RECORD

2009 MAR -5 PM 3:15

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX

By: M. Camacho

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES }

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

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

OPR VOL 816 PAGE 56 DATE RECORDED 03/09/2009



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Dalia Salas Deputy

TX 00953.001

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PRODUCERS 88 (bcd-96) TX

PAID-UP OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 28th day of August, 2008, by and between Kevin Louis Roberson, as Lessor, (whether one or more) whose address is 3705 Mossbrook Drive, Keller, Texas 76148, and Petro-Hunt, L.L.C., as Lessee, (whether one or more) whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the covenants and agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and related hydrocarbons, injecting gas, waters, other fluids and air into sub-surface strata, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following described land in Reeves County, Texas, to-wit:

All of Section 8, Block C-20, Public School Land Survey, containing 640.0 acres, more or less

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less - FR - 1495971 08-030481

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less - FR - 1495971 08-030542

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less - FR - 1496004 08-030560

and containing 2,560.00 acres, more or less (hereinafter called "said land").

2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced in paying quantities from said land hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from said land, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, delay rentals, royalty, drilling and completion costs.

3. The royalties to be paid by Lessee are: (a) on oil, One-Fourth (1/4) of that produced and saved from said land, the same to be delivered free of charge at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of One-Fourth (1/4) of the gas sold or used, provided that on gas sold at the well in a bona fide transaction between Lessee and a party not controlled by Lessee the term "market value" shall be an amount realized from such sale. Where gas from a well capable of producing gas only is not sold or used, Lessee shall pay as royalty an amount per year equal to \$25.00 per net mineral acre commencing on or before ninety (90) days after completion of such shut-in gas well and annually thereafter; and while such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof; provided, however, it is agreed that after the end of the primary term hereof, this lease may not be maintained in force and effect solely by the payment of shut-in royalty for any single period in excess of two (2) years. However, Lessee shall be entitled to invoke the shut-in royalty provisions from time to time for periods not to exceed two (2) years, provided that Lessee shall have actually marketed gas in paying quantities from said land in good faith after the end of each prior period for which Lessee has paid shut-in gas royalty under this lease. The term "gas only" includes gas, distillate, condensate, and other substances produced from a gas well or a well classified as a gas well by the Railroad Commission of Texas or other governmental agencies having jurisdiction, but not casinghead gas or any substance produced from any oil well. Lessee agrees that all gas produced from the lease premises that is not processed in a plant or plants from which products derived therefrom and the residue gas is ratably allocated to the lease premises for the payment of royalties shall, if economically feasible to do so before the same is sold or used for any purpose or transported from the lease premises, be passed through a conventional separator designed and operated to effect the maximum economical recovery of liquids therefrom and any and all such liquids shall, for the purpose of this lease, be treated as oil for royalty payment. Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, except secondary recovery operations, and the royalty on oil and/or gas shall be computed after deducting any so used. (All royalty on oil, gas and associated hydrocarbons shall be due and payable to Lessor within three (3) months of the date when initial production from any well commences. Thereafter, royalty shall be due and payable on or before the last day of the second month succeeding the month of production. In the event a royalty is not so timely paid, Lessee agrees that it will pay Lessor interest on the amount so due at the (generally accepted) prime rate per annum for the royalties so owing, said interest to commence on the day following the date such royalty is owing by the terms hereof. Lessee agrees that all royalties accruing under this lease shall be paid 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.

4. This is a paid-up oil and gas lease and no delay rentals are due and payable hereunder.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall remain in force as long as additional drilling or re-working operations are conducted upon said land with no cessation for more than ninety (90) days in a good faith effort to discover and produce oil and/or gas, or (if it be within the primary term) Lessee commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of one month from date of completion of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil and/or gas is not being produced on said land but Lessee is then engaged in actual drilling or re-working operations on said land this lease shall remain in force so long as operations are prosecuted

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with no cessation of more than sixty (90) consecutive days, 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. *NESS*

6. After the discovery of oil and/or gas on said land, Lessee shall further develop said land as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under said land from drainage from the adjacent lands or leases. In the event a well or wells producing oil and/or gas in paying quantities should be brought in on adjacent land and draining the lease premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases. In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit only as prescribed by the by the Railroad Commission of Texas. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s).

7. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in this lease, if said oil is produced from lands covered by this lease, and Lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

8. Lessee shall have the right at any time during or within 120 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within one thousand (1000) feet of any residence or barn now on said land without Lessor's consent.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished a copy of the recorded instrument evidencing same. In the event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the lands covered hereby, and such notice shall be accompanied by a true copy of the instrument effecting such assignment within sixty (60) days of its recording in the county records. All rights, covenants, and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of such party. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor by delivering or mailing a release hereof to Lessor, or by placing a release thereof of record in the county in which said land is located; thereupon Lessee shall be relieved from all subsequent obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. *Assign oblig*

10. Notwithstanding anything to the contrary herein contained, at the expiration of the primary term hereof, this lease shall terminate as to (1) all depths below 100 feet below the producing perforations in any proration unit upon which there is a well producing oil and/or gas in commercial quantities, and (2) all lands which are not included within a proration unit established by the Railroad Commission of the State of Texas for wells producing in commercial quantities, unless Lessee is engaged in drilling or reworking operations. If Lessee is, at the expiration of the primary term, engaged in actual drilling operations, this lease shall remain in full force and effect as to all lands covered hereby for so long as such operations continue to completion or abandonment and for so long thereafter as operations for drilling are conducted with no more than 120 days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well. A well shall be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first; and a well shall be determined to be commenced when such well is spudded. *plugh*

11. At the expiration of the primary term of this lease or when Lessee ceases continuous development as provided in Paragraph 10, whichever is the later date, this lease will terminate as to all rights except those covering from 100 feet above to 100 feet below producing perforations in each producing proration unit.

12. In the event Lessor considers that operations, either express or implied, are not at any time being conducted in compliance with this lease, Lessor shall notify the Lessee in writing setting out specifically in what respect Lessee has breached this contract, and Lessee, if in default, shall have sixty (60) days after such notice in which to comply, or commence to comply, with the obligations imposed by virtue of this instrument.

13. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations hereunder shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; provided that Lessee shall never be relieved from the payment of annual shut-in rental hereof so as to keep this lease in force in the absence of actual drilling operations. *FM*

14. Lessee agrees to furnish to Lessor daily drilling reports, copies of all logs run, surveys made, and any other well information pertaining to wells drilled on said land and copies of reports and forms filed by Lessee with the state regulatory agencies in connection with such wells. Lessee also agrees to furnish Lessor copies of all title opinions, title reports, drilling opinions, division order opinions and any and all related documents or reports. Lessor agrees to hold all such information confidential so long as this lease is in force as to any part of said land, or ninety (90) days after the expiration of the primary term and/or continuous drilling, whichever is first.

15. Lessor hereby warrants and agrees to defend the title to said land by, through, and under Lessor, but not otherwise. If Lessor owns an interest in said land less than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein. Lessee, at its option, may discharge any tax, mortgage or other lien against Lessor's interest in said land, either in whole or in part, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Lessor shall have and hereby retains a first lien upon all oil or gas produced from the lease premises and attributable to the undivided interest covered hereby, to secure the payment of all royalty and other amounts that may become due hereunder to Lessor.

16. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land, lease or leases in the immediate vicinity, as herein provided. Units pooled hereunder shall conform in size with those prescribed or permitted by the Railroad Commission of Texas, or other lawful authority, for the drilling or operation of a well at a regular location or for obtaining maximum allowables from any well to be drilled, drilling or already drilled, provided however, that Lessee may form pooled units for horizontal wells below the base of the Wolfcamp formation comprised of 640.00 acres, plus a tolerance of 10%. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as to oil in any one or more strata and as to gas in any one or more strata. Lessee shall file in the appropriate county, an instrument describing and designating the pooled acreage as to a pooled unit; and upon such recordation, the unit shall be effective as to all parties hereto. Lessee at its option may exercise its pooling option before or after commencing operations for or completing an oil or gas well. Any such operations on lands ultimately included in the pooled unit shall be considered as operations for drilling on or production of oil or gas from land covered by this lease. For the purpose of computing the royalties payable under this lease, there shall be allocated to the land covered by this lease and included in said unit, a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit, such allocation shall be on an acreage basis, meaning there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Notwithstanding anything herein seemingly to the contrary, in the event Lessee pools only a portion of the acres in this lease, then in such event the pooled portion and the unpooled portion shall each be treated and considered as a separate and distinct lease for the limited purpose of paying shut-in royalties and perpetuating said leases by drilling production or reworking operations. Should pooling occur, the payment of any subsequent shut-in gas royalties shall be based on the number of acres then covered by each separate lease.

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

LESSOR

Kevin Louis Roberson

Kevin Louis Roberson

STATE OF TEXAS

COUNTY OF

Tarrant

§

§

The foregoing instrument was acknowledged before me on this 3rd day of September, 2008, by, Kevin Louis Roberson.

Christopher Young
Notary Public in and for the State of Texas

My commission expires:

11-13-09



Certificate of Record

18.00 Recording Fee

18.00 Certified Copy Fee

18.00 Total Paid *envelope* **004516**

Return to:

Petro-Hunt LLC

COMPARED

FILED FOR RECORD

2008 OCT 16 PM 4:35

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

[Signature] DEPUTY

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

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

OPR 806 VOL. 189 PAGE 10/21/2008 DATE RECORDED



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: *[Signature]* Deputy

PAID-UP OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 28th day of August, 2008, by and between Kimberly Roberson Reynolds, as Lessor, (whether one or more) whose address is 24649 Kings Canyon Square, Aldie, Virginia 20105, and Petro-Hunt, L.L.C., as Lessee, (whether one or more) whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the covenants and agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and related hydrocarbons, injecting gas, waters, other fluids and air into sub-surface strata, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following described land in Reeves County, Texas, to-wit:

All of Section 8, Block C-20, Public School Land Survey, containing 640.0 acres, more or less

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

and containing 2,560.00 acres, more or less (hereinafter called "said land").

2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced in paying quantities from said land hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from said land, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, delay rentals, royalty, drilling and completion costs.

3. The royalties to be paid by Lessee are: (a) on oil, One-Fourth (1/4) of that produced and saved from said land, the same to be delivered free of charge at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of One-Fourth (1/4) of the gas sold or used, provided that on gas sold at the well in a bona fide transaction between Lessee and a party not controlled by Lessee the term "market value" shall be an amount realized from such sale. Where gas from a well capable of producing gas only is not sold or used, Lessee shall pay as royalty an amount per year equal to \$25.00 per net mineral acre commencing on or before ninety (90) days after completion of such shut-in gas well and annually thereafter; and while such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof; provided, however, it is agreed that after the end of the primary term hereof, this lease may not be maintained in force and effect solely by the payment of shut-in royalty for any single period in excess of two (2) years. However, Lessee shall be entitled to invoke the shut-in royalty provisions from time to time for periods not to exceed two (2) years, provided that Lessee shall have actually marketed gas in paying quantities from said land in good faith after the end of each prior period for which Lessee has paid shut-in gas royalty under this lease. The term "gas only" includes gas, distillate, condensate, and other substances produced from a gas well or a well classified as a gas well by the Railroad Commission of Texas or other governmental agencies having jurisdiction, but not casinghead gas or any substance produced from any oil well. Lessee agrees that all gas produced from the lease premises that is not processed in a plant or plants from which products derived therefrom and the residue gas is ratably allocated to the lease premises for the payment of royalties shall, if economically feasible to do so before the same is sold or used for any purpose or transported from the lease premises, be passed through a conventional separator designed and operated to effect the maximum economical recovery of liquids therefrom and any and all such liquids shall, for the purpose of this lease, be treated as oil for royalty payment. Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, except secondary recovery operations, and the royalty on oil and/or gas shall be computed after deducting any so used. All royalty on oil, gas and associated hydrocarbons shall be due and payable to Lessor within three (3) months of the date when initial production from any well commences. Thereafter, royalty shall be due and payable on or before the last day of the second month succeeding the month of production. In the event a royalty is not so timely paid, Lessee agrees that it will pay Lessor interest on the amount so due at the (generally accepted) prime rate per annum for the royalties so owing, said interest to commence on the day following the date such royalty is owing by the terms hereof. Lessee agrees that all royalties accruing under this lease shall be paid 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.

4. This is a paid-up oil and gas lease and no delay rentals are due and payable hereunder.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall remain in force as long as additional drilling or re-working operations are conducted upon said land with no cessation for more than ninety (90) days in a good faith effort to discover and produce oil and/or gas, or (if it be within the primary term) Lessee commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of one month from date of completion of said dry hole or holes, or the cessation of production. If, at the expiration of the primary term, oil and/or gas is not being produced on said land but Lessee is then engaged in actual drilling or re-working operations on said land this lease shall remain in force so long as operations are prosecuted

with no cessation of more than ninety (90) consecutive days, 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.

6. After the discovery of oil and/or gas on said land, Lessee shall further develop said land as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under said land from drainage from the adjacent lands or leases. In the event a well or wells producing oil and/or gas in paying quantities should be brought in on adjacent land and draining the lease premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases. In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit only as prescribed by the by the Railroad Commission of Texas. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s). *Drainage*

7. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in this lease, if said oil is produced from lands covered by this lease, and Lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

8. Lessee shall have the right at any time during or within 120 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within one thousand (1000) feet of any residence or barn now on said land without Lessor's consent. *Sub*

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished a copy of the recorded instrument evidencing same. In the event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the lands covered hereby, and such notice shall be accompanied by a true copy of the instrument effecting such assignment within sixty (60) days of its recording in the county records. All rights, covenants, and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of such party. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor by delivering or mailing a release hereof to Lessor, or by placing a release thereof of record in the county in which said land is located; thereupon Lessee shall be relieved from all subsequent obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. *Assign oblig*

10. Notwithstanding anything to the contrary herein contained, at the expiration of the primary term hereof, this lease shall terminate as to (1) all depths below 100 feet below the producing perforations in any proration unit upon which there is a well producing oil and/or gas in commercial quantities, and (2) all lands which are not included within a proration unit established by the Railroad Commission of the State of Texas for wells producing in commercial quantities, unless Lessee is engaged in drilling or reworking operations. If Lessee is, at the expiration of the primary term, engaged in actual drilling operations, this lease shall remain in full force and effect as to all lands covered hereby for so long as such operations continue to completion or abandonment and for so long thereafter as operations for drilling are conducted with no more than 120 days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well. A well shall be determined to be completed on the day lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first; and a well shall be determined to be commenced when such well is spudded. *Horiz Vert Pugh Cont'd*

11. At the expiration of the primary term of this lease or when lessee ceases continuous development as provided in Paragraph 10, whichever is the later date, this lease will terminate as to all rights except those covering from 100 feet above to 100 feet below producing perforations in each producing proration unit. *Horiz Pugh*

12. In the event Lessor considers that operations, either express or implied, are not at any time being conducted in compliance with this lease, Lessor shall notify the Lessee in writing setting out specifically in what respect Lessee has breached this contract, and Lessee, if in default, shall have sixty (60) days after such notice in which to comply, or commence to comply, with the obligations imposed by virtue of this instrument.

13. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations hereunder shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; provided that Lessee shall never be relieved from the payment of annual shut-in rental hereof so as to keep this lease in force in the absence of actual drilling operations. *Force majeure*

14. Lessee agrees to furnish to Lessor daily drilling reports, copies of all logs run, surveys made, and any other well information pertaining to wells drilled on said land and copies of reports and forms filed by Lessee with the state regulatory agencies in connection with such wells. Lessee also agrees to furnish Lessor copies of all title opinions, title reports, drilling opinions, division order opinions and any and all related documents or reports. Lessor agrees to hold all such information confidential so long as this lease is in force as to any part of said land, or ninety (90) days after the expiration of the primary term and/or continuous drilling, whichever is first. *Copies*

15. Lessor hereby warrants and agrees to defend the title to said land by, through, and under Lessor, but not otherwise. If Lessor owns an interest in said land less than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein. Lessee, at its option, may discharge any tax, mortgage or other lien against Lessor's interest in said land, either in whole or in part, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Lessor shall have and hereby retains a first lien upon all oil or gas produced from the lease premises and attributable to the undivided interest covered hereby, to secure the payment of all royalty and other amounts that may become due hereunder to Lessor.

16. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land, lease or leases in the immediate vicinity, as herein provided. Units pooled hereunder shall conform in size with those prescribed or permitted by the Railroad Commission of Texas, or other lawful authority, for the drilling or operation of a well at a regular location or for obtaining maximum allowables from any well to be drilled, drilling or already drilled, provided however, that Lessee may form pooled units for horizontal wells below the base of the Wolfcamp formation comprised of 640.00 acres, plus a tolerance of 10%. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as to oil in any one or more strata and as to gas in any one or more strata. Lessee shall file in the appropriate county, an instrument describing and designating the pooled acreage as to a pooled unit; and upon such recordation, the unit shall be effective as to all parties hereto. Lessee at its option may exercise its pooling option before or after commencing operations for or completing an oil or gas well. Any such operations on lands ultimately included in the pooled unit shall be considered as operations for drilling on or production of oil or gas from land covered by this lease. For the purpose of computing the royalties payable under this lease, there shall be allocated to the land covered by this lease and included in said unit, a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit, such allocation shall be on an acreage basis, meaning there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Notwithstanding anything herein seemingly to the contrary, in the event Lessee pools only a portion of the acres in this lease, then in such event the pooled portion and the unpooled portion shall each be treated and considered as a separate and distinct lease for the limited purpose of paying shut-in royalties and perpetuating said leases by drilling production or reworking operations. Should pooling occur, the payment of any subsequent shut-in gas royalties shall be based on the number of acres then covered by each separate lease. pooling

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

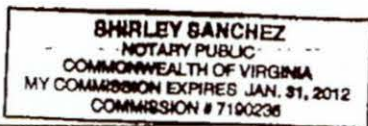
LESSOR

Kimberly Roberson Reynolds
Kimberly Roberson Reynolds

STATE OF ~~TEXAS~~ Virginia §
COUNTY OF Loudoun §

The foregoing instrument was acknowledged before me on this 03 day
of September, 2008, by, Kimberly Roberson Reynolds.

[Signature]
Notary Public in and for the State of ~~Texas~~ Virginia



My commission expires: January 31, 2012

Certificate of Record

18.00

Recording Fee

Certified Copy Fee

18.00

Total Paid

envelope

Return to:

Petro-Hunt LLC

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

004515

COMPARED

FILED FOR RECORD

2008 OCT 16 PM 4:35

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

BY: *[Signature]* DEPUTY

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

OPR

806

PAGE

186

DATE RECORDED

10/21/2008



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By:

[Signature]

Deputy

PAID-UP OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 28th day of August, 2008, by and between Tera Burkholder King, as Lessor, (whether one or more) whose address is 803 Palomino, Midland, Texas 79705, and Petro-Hunt, L.L.C., as Lessee, (whether one or more) whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the covenants and agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and related hydrocarbons, injecting gas, waters, other fluids and air into sub-surface strata, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following described land in Reeves County, Texas, to-wit:

All of Section 8, Block C-20, Public School Land Survey, containing 640.0 acres, more or less

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

and containing 2,560.00 acres, more or less (hereinafter called "said land").

2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced in paying quantities from said land hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from said land, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, delay rentals, royalty, drilling and completion costs.

3. The royalties to be paid by Lessee are: (a) on oil, One-Fourth (1/4) of that produced and saved from said land, the same to be delivered free of charge at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of One-Fourth (1/4) of the gas sold or used, provided that on gas sold at the well in a bona fide transaction between Lessee and a party not controlled by Lessee the term "market value" shall be an amount realized from such sale. Where gas from a well capable of producing gas only is not sold or used, Lessee shall pay as royalty an amount per year equal to \$25.00 per net mineral acre commencing on or before ninety (90) days after completion of such shut-in gas well and annually thereafter; and while such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof; provided, however, it is agreed that after the end of the primary term hereof, this lease may not be maintained in force and effect solely by the payment of shut-in royalty for any single period in excess of two (2) years. However, Lessee shall be entitled to invoke the shut-in royalty provisions from time to time for periods not to exceed two (2) years, provided that Lessee shall have actually marketed gas in paying quantities from said land in good faith after the end of each prior period for which Lessee has paid shut-in gas royalty under this lease. The term "gas only" includes gas, distillate, condensate, and other substances produced from a gas well or a well classified as a gas well by the Railroad Commission of Texas or other governmental agencies having jurisdiction, but not casinghead gas or any substance produced from any oil well. Lessee agrees that all gas produced from the lease premises that is not processed in a plant or plants from which products derived therefrom and the residue gas is ratably allocated to the lease premises for the payment of royalties shall, if economically feasible to do so before the same is sold or used for any purpose or transported from the lease premises, be passed through a conventional separator designed and operated to effect the maximum economical recovery of liquids therefrom and any and all such liquids shall, for the purpose of this lease, be treated as oil for royalty payment. Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, except secondary recovery operations, and the royalty on oil and/or gas shall be computed after deducting any so used. All royalty on oil, gas and associated hydrocarbons shall be due and payable to Lessor within three (3) months of the date when initial production from any well commences. Thereafter, royalty shall be due and payable on or before the last day of the second month succeeding the month of production. In the event a royalty is not so timely paid, Lessee agrees that it will pay Lessor interest on the amount so due at the (generally accepted) prime rate per annum for the royalties so owing, said interest to commence on the day following the date such royalty is owing by the terms hereof. Lessee agrees that all royalties accruing under this lease shall be paid 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.

4. This is a paid-up oil and gas lease and no delay rentals are due and payable hereunder.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall remain in force as long as additional drilling or re-working operations are conducted upon said land with no cessation for more than ninety (90) days in a good faith effort to discover and produce oil and/or gas, or (if it be within the primary term) Lessee commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of one month from date of completion of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil and/or gas is not being produced on said land but Lessee is then engaged in actual drilling or re-working operations on said land this lease shall remain in force so long as operations are prosecuted

with no cessation of more than ninety (90) consecutive days, 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.

6. After the discovery of oil and/or gas on said land, Lessee shall further develop said land as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under said land from drainage from the adjacent lands or leases. In the event a well or wells producing oil and/or gas in paying quantities should be brought in on adjacent land and draining the lease premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases. In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit only as prescribed by the by the Railroad Commission of Texas. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s).

7. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in this lease, if said oil is produced from lands covered by this lease, and Lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

8. Lessee shall have the right at any time during or within 120 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within one thousand (1000) feet of any residence or barn now on said land without Lessor's consent.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished a copy of the recorded instrument evidencing same. In the event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the lands covered hereby, and such notice shall be accompanied by a true copy of the instrument effecting such assignment within sixty (60) days of its recording in the county records. All rights, covenants, and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of such party. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor by delivering or mailing a release hereof to Lessor, or by placing a release thereof of record in the county in which said land is located; thereupon Lessee shall be relieved from all subsequent obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

10. Notwithstanding anything to the contrary herein contained, at the expiration of the primary term hereof, this lease shall terminate as to (1) all depths below 100 feet below the producing perforations in any proration unit upon which there is a well producing oil and/or gas in commercial quantities, and (2) all lands which are not included within a proration unit established by the Railroad Commission of the State of Texas for wells producing in commercial quantities, unless Lessee is engaged in drilling or reworking operations. If Lessee is, at the expiration of the primary term, engaged in actual drilling operations, this lease shall remain in full force and effect as to all lands covered hereby for so long as such operations continue to completion or abandonment and for so long thereafter as operations for drilling are conducted with no more than 120 days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well. A well shall be determined to be completed on the day lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first; and a well shall be determined to be commenced when such well is spudded.

11. At the expiration of the primary term of this lease or when lessee ceases continuous development as provided in Paragraph 10, whichever is the later date, this lease will terminate as to all rights except those covering from 100 feet above to 100 feet below producing perforations in each producing proration unit.

12. In the event Lessor considers that operations, either express or implied, are not at any time being conducted in compliance with this lease, Lessor shall notify the Lessee in writing setting out specifically in what respect Lessee has breached this contract, and Lessee, if in default, shall have sixty (60) days after such notice in which to comply, or commence to comply, with the obligations imposed by virtue of this instrument.

13. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations hereunder shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; provided that Lessee shall never be relieved from the payment of annual shut-in rental hereof so as to keep this lease in force in the absence of actual drilling operations.

14. Lessee agrees to furnish to Lessor daily drilling reports, copies of all logs run, surveys made, and any other well information pertaining to wells drilled on said land and copies of reports and forms filed by Lessee with the state regulatory agencies in connection with such wells. Lessee also agrees to furnish Lessor copies of all title opinions, title reports, drilling opinions, division order opinions and any and all related documents or reports. Lessor agrees to hold all such information confidential so long as this lease is in force as to any part of said land, or ninety (90) days after the expiration of the primary term and/or continuous drilling, whichever is first.

15. Lessor hereby warrants and agrees to defend the title to said land by, through, and under Lessor, but not otherwise. If Lessor owns an interest in said land less than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein. Lessee, at its option, may discharge any tax, mortgage or other lien against Lessor's interest in said land, either in whole or in part, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Lessor shall have and hereby retains a first lien upon all oil or gas produced from the lease premises and attributable to the undivided interest covered hereby, to secure the payment of all royalty and other amounts that may become due hereunder to Lessor.

16. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land, lease or leases in the immediate vicinity, as herein provided. Units pooled hereunder shall conform in size with those prescribed or permitted by the Railroad Commission of Texas, or other lawful authority, for the drilling or operation of a well at a regular location or for obtaining maximum allowables from any well to be drilled, drilling or already drilled, provided however, that Lessee may form pooled units for horizontal wells below the base of the Wolfcamp formation comprised of 640.00 acres, plus a tolerance of 10%. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as to oil in any one or more strata and as to gas in any one or more strata. Lessee shall file in the appropriate county, an instrument describing and designating the pooled acreage as to a pooled unit; and upon such recordation, the unit shall be effective as to all parties hereto. Lessee at its option may exercise its pooling option before or after commencing operations for or completing an oil or gas well. Any such operations on lands ultimately included in the pooled unit shall be considered as operations for drilling on or production of oil or gas from land covered by this lease. For the purpose of computing the royalties payable under this lease, there shall be allocated to the land covered by this lease and included in said unit, a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit, such allocation shall be on an acreage basis, meaning there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Notwithstanding anything herein seemingly to the contrary, in the event Lessee pools only a portion of the acres in this lease, then in such event the pooled portion and the unpooled portion shall each be treated and considered as a separate and distinct lease for the limited purpose of paying shut-in royalties and perpetuating said leases by drilling production or reworking operations. Should pooling occur, the payment of any subsequent shut-in gas royalties shall be based on the number of acres then covered by each separate lease.

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

LESSOR


Tera Burkholder King

STATE OF TEXAS

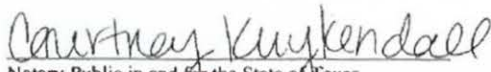
§

COUNTY OF Midland

§

The foregoing instrument was acknowledged before me on this 4th day of September, 2008, by, **Tera Burkholder King**.




Notary Public in and for the State of Texas

My commission expires: 1-30-2010

Certificate of Record

18.00 Recording Fee

18.00 Certified Copy Fee

18.00 Total Paid *envelope*

004514

Return to:

Petro-Hunt LLC

COMPARED

FILED FOR RECORD

2008 OCT 16 PM 4:35

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

BY: *[Signature]* DEPUTY

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

THE STATE OF TEXAS,
COUNTY OF REEVES.

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

OPR 806 VOL. 183 PAGE 10/21/2008 DATE RECORDED



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: *[Signature]* Deputy

TX00953.004

68424-0009-004
1031934

PRODUCERS 88 (bcd-96) TX

PAID-UP OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 28th day of August, 2008, by and between Tiffani Burkholder, as Lessor, (whether one or more) whose address is 408 Spring Meadow Court, Midland, Texas 79705, and Petro-Hunt, L.L.C., as Lessee, (whether one or more) whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the covenants and agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and related hydrocarbons, injecting gas, waters, other fluids and air into sub-surface strata, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following described land in Reeves County, Texas, to-wit:

All of Section 8, Block C-20, Public School Land Survey, containing 640.0 acres, more or less

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

and containing 2,560.00 acres, more or less (hereinafter called "said land").

2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced in paying quantities from said land hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from said land, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, delay rentals, royalty, drilling and completion costs.

3. The royalties to be paid by Lessee are: (a) on oil, One-Fourth (1/4) of that produced and saved from said land, the same to be delivered free of charge at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of One-Fourth (1/4) of the gas sold or used, provided that on gas sold at the well in a bona fide transaction between Lessee and a party not controlled by Lessee the term "market value" shall be an amount realized from such sale. Where gas from a well capable of producing gas only is not sold or used, Lessee shall pay as royalty an amount per year equal to \$25.00 per net mineral acre commencing on or before ninety (90) days after completion of such shut-in gas well and annually thereafter; and while such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof; provided, however, it is agreed that after the end of the primary term hereof, this lease may not be maintained in force and effect solely by the payment of shut-in royalty for any single period in excess of two (2) years. However, Lessee shall be entitled to invoke the shut-in royalty provisions from time to time for periods not to exceed two (2) years, provided that Lessee shall have actually marketed gas in paying quantities from said land in good faith after the end of each prior period for which Lessee has paid shut-in gas royalty under this lease. The term "gas only" includes gas, distillate, condensate, and other substances produced from a gas well or a well classified as a gas well by the Railroad Commission of Texas or other governmental agencies having jurisdiction, but not casinghead gas or any substance produced from any oil well. Lessee agrees that all gas produced from the lease premises that is not processed in a plant or plants from which products derived therefrom and the residue gas is ratably allocated to the lease premises for the payment of royalties shall, if economically feasible to do so before the same is sold or used for any purpose or transported from the lease premises, be passed through a conventional separator designed and operated to effect the maximum economical recovery of liquids therefrom and any and all such liquids shall, for the purpose of this lease, be treated as oil for royalty payment. Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, except secondary recovery operations, and the royalty on oil and/or gas shall be computed after deducting any so used. All royalty on oil, gas and associated hydrocarbons shall be due and payable to Lessor within three (3) months of the date when initial production from any well commences. Thereafter, royalty shall be due and payable on or before the last day of the second month succeeding the month of production. In the event a royalty is not so timely paid, Lessee agrees that it will pay Lessor interest on the amount so due at the (generally accepted) prime rate per annum for the royalties so owing, said interest to commence on the day following the date such royalty is owing by the terms hereof. Lessee agrees that all royalties accruing under this lease shall be paid 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.

4. This is a paid-up oil and gas lease and no delay rentals are due and payable hereunder.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall remain in force as long as additional drilling or re-working operations are conducted upon said land with no cessation for more than ninety (90) days in a good faith effort to discover and produce oil and/or gas, or (if it be within the primary term) Lessee commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of one month from date of completion of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil and/or gas is not being produced on said land but Lessee is then engaged in actual drilling or re-working operations on said land this lease shall remain in force so long as operations are prosecuted

with no cessation of more than ninety (90) consecutive days, 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.

6. After the discovery of oil and/or gas on said land, Lessee shall further develop said land as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under said land from drainage from the adjacent lands or leases. In the event a well or wells producing oil and/or gas in paying quantities should be brought in on adjacent land and draining the lease premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases. In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit only as prescribed by the by the Railroad Commission of Texas. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s).

7. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in this lease, if said oil is produced from lands covered by this lease, and Lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

8. Lessee shall have the right at any time during or within 120 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within one thousand (1000) feet of any residence or barn now on said land without Lessor's consent.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished a copy of the recorded instrument evidencing same. In the event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the lands covered hereby, and such notice shall be accompanied by a true copy of the instrument effecting such assignment within sixty (60) days of its recording in the county records. All rights, covenants, and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of such party. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor by delivering or mailing a release hereof to Lessor, or by placing a release thereof of record in the county in which said land is located; thereupon Lessee shall be relieved from all subsequent obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

10. Notwithstanding anything to the contrary herein contained, at the expiration of the primary term hereof, this lease shall terminate as to (1) all depths below 100 feet below the producing perforations in any proration unit upon which there is a well producing oil and/or gas in commercial quantities, and (2) all lands which are not included within a proration unit established by the Railroad Commission of the State of Texas for wells producing in commercial quantities, unless Lessee is engaged in drilling or reworking operations. If Lessee is, at the expiration of the primary term, engaged in actual drilling operations, this lease shall remain in full force and effect as to all lands covered hereby for so long as such operations continue to completion or abandonment and for so long thereafter as operations for drilling are conducted with no more than 120 days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well. A well shall be determined to be completed on the day lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first; and a well shall be determined to be commenced when such well is spudded.

11. At the expiration of the primary term of this lease or when lessee ceases continuous development as provided in Paragraph 10, whichever is the later date, this lease will terminate as to all rights except those covering from 100 feet above to 100 feet below producing perforations in each producing proration unit.

12. In the event Lessor considers that operations, either express or implied, are not at any time being conducted in compliance with this lease, Lessor shall notify the Lessee in writing setting out specifically in what respect Lessee has breached this contract, and Lessee, if in default, shall have sixty (60) days after such notice in which to comply, or commence to comply, with the obligations imposed by virtue of this instrument.

13. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations hereunder shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; provided that Lessee shall never be relieved from the payment of annual shut-in rental hereof so as to keep this lease in force in the absence of actual drilling operations.

14. Lessee agrees to furnish to Lessor daily drilling reports, copies of all logs run, surveys made, and any other well information pertaining to wells drilled on said land and copies of reports and forms filed by Lessee with the state regulatory agencies in connection with such wells. Lessee also agrees to furnish Lessor copies of all title opinions, title reports, drilling opinions, division order opinions and any and all related documents or reports. Lessor agrees to hold all such information confidential so long as this lease is in force as to any part of said land, or ninety (90) days after the expiration of the primary term and/or continuous drilling, whichever is first.

15. Lessor hereby warrants and agrees to defend the title to said land by, through, and under Lessor, but not otherwise. If Lessor owns an interest in said land less than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein. Lessee, at its option, may discharge any tax, mortgage or other lien against Lessor's interest in said land, either in whole or in part, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Lessor shall have and hereby retains a first lien upon all oil or gas produced from the lease premises and attributable to the undivided interest covered hereby, to secure the payment of all royalty and other amounts that may become due hereunder to Lessor.

16. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land, lease or leases in the immediate vicinity, as herein provided. Units pooled hereunder shall conform in size with those prescribed or permitted by the Railroad Commission of Texas, or other lawful authority, for the drilling or operation of a well at a regular location or for obtaining maximum allowables from any well to be drilled, drilling or already drilled, provided however, that Lessee may form pooled units for horizontal wells below the base of the Wolfcamp formation comprised of 640.00 acres, plus a tolerance of 10%. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as to oil in any one or more strata and as to gas in any one or more strata. Lessee shall file in the appropriate county, an instrument describing and designating the pooled acreage as to a pooled unit; and upon such recordation, the unit shall be effective as to all parties hereto. Lessee at its option may exercise its pooling option before or after commencing operations for or completing an oil or gas well. Any such operations on lands ultimately included in the pooled unit shall be considered as operations for drilling on or production of oil or gas from land covered by this lease. For the purpose of computing the royalties payable under this lease, there shall be allocated to the land covered by this lease and included in said unit, a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit, such allocation shall be on an acreage basis, meaning there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Notwithstanding anything herein seemingly to the contrary, in the event Lessee pools only a portion of the acres in this lease, then in such event the pooled portion and the unpooled portion shall each be treated and considered as a separate and distinct lease for the limited purpose of paying shut-in royalties and perpetuating said leases by drilling production or reworking operations. Should pooling occur, the payment of any subsequent shut-in gas royalties shall be based on the number of acres then covered by each separate lease.

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

LESSOR

Tiffani Burkholder
Tiffani Burkholder

STATE OF TEXAS

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COUNTY OF Mideand

§

The foregoing instrument was acknowledged before me on this 4th day of September, 2008, by, Tiffani Burkholder.



Courtney Kuykendall
Notary Public in and for the State of Texas

My commission expires: 1-30-2010

Certificate of Record

18.00 Recording Fee

18.00 Certified Copy Fee

18.00 Total Paid *envelope*

Return to:

Petro-Hunt LLC

004513

FILED FOR RECORD

2008 OCT 16 PM 4:35

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

BY: *[Signature]* DEPUTY

COMPARED

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

THE STATE OF TEXAS,
COUNTY OF REEVES.

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

OPR 806 PAGE 180 DATE RECORDED 10/21/2008
VOL. _____



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: *[Signature]*, Deputy

OIL AND GAS LEASE

NOTICE: PRIOR TO RECORDING THIS INSTRUMENT, A NATURAL PERSON MAY REMOVE OR STRIKE HIS/HER SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER THEREFROM.

THIS AGREEMENT made this 28th day of December, 2009, to be effective January 1, 2010, between Barbara H Prewit, 974 East Wendy Brooke Lane, Fayetteville, Arkansas 72703, Lessor and Petro-Hunt, L L C , 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, Lessee

WITNESSETH:

1 Lessor in consideration of Ten and No/100 Dollars (\$10 00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets unto Lessee for the purpose of investigating, exploring, conducting geophysical operations, prospecting, drilling and producing oil and gas, from the following described land in Reeves County, Texas, to-wit:

Tract 1 Section 14, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

Tract 2 Section 16, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

and containing 1,280 acres, more or less Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provisions hereof

No water from any source from said land shall be used for any purpose without written consent of Lessor, which shall not be unreasonably withheld.

2. Subject to the other provisions herein contained, the lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced and sold in paying quantities from said land hereunder

3 The Royalties to be paid Lessor are

3(a) On oil (including condensate and other liquid hydrocarbons) 1/4th of the value of oil that flows from a well on said land Lessee shall pay Lessor the market value thereof at the well purchased by a non-affiliated third party. Non-affiliated third party is one in which Lessee owns no interest and has no agreement with, except for the purchase of oil. If oil is purchased by an affiliated third party, then the value of the oil is that of the highest market price in the area of like gravity or the amount received by Lessee, which ever is greater.

3(b) On gas, including casinghead gas or other gaseous substances that flow from a well on said land, the value at the well head of 1/4th of the gas, or at Lessor's option 1/4th of the proceeds of the sale of gas by Lessee, whichever yields the higher value, where gas from said land is processed in a plant for the purpose of extracting products therefrom, Lessor shall receive as royalty 1/4th of the amount realized by Lessee at the plant of the products so extracted and 1/4th of the value of the residue gas remaining after extractions of said products

3(c) If gas is gathered by, or sold to an affiliated third party of Lessee, then Lessee will pay Lessor's cost of making the gas market ready, which includes compressing, dehydrating, treating and transporting gas to the trunk pipeline Affiliated third party means any person or entity in which there is any ownership or shared beneficial interest with Lessee

3(d) Notwithstanding the provisions of (b) above, Lessor may elect one (1) time only, to take in kind its royalty share of gas and gaseous substances produced Once the election is made, all of Lessor's gas shall be marketed by Lessor, and delivered to Lessor, free of production costs, by Lessee at the wellhead

3(e) Whenever Lessor takes its royalty share of oil or gas in kind, it shall construct

or cause to be constructed, such facilities as may be necessary in connection with such taking in kind at or near Lessee's facilities, at Lessor's sole cost and expense

3(f) In addition to Lessor's royalty or share of the oil and gas provided above, Lessee agrees to pay Lessor $1/4^{\text{th}}$ of the total value or money received, whichever is the greater (free of cost to Lessor), of any contract, agreement, exchange or other bargain that Lessee may enter into that in anywise pertains to any of the oil or gas under the land, whether produced or not, and of the total of any other benefit Lessee may receive under any incident of ownership of this lease. Such payment to Lessor shall be at the same time Lessee receives the value or money. Such payment or obligation of payment shall not extend the term of this lease or diminish any other obligation of Lessee under this lease agreement. This paragraph 3(f) is not applicable to any value or payment received by Lessee for a bona fide sale of any of Lessee's interest in this lease to another party or entity

3(g) After expiration of the primary term, if there is a gas well on said land capable of producing gas in paying quantities, and if gas is not being sold for a period in excess of ninety (90) days, and this lease is not then being maintained in force and effect under the other provisions hereof, this lease shall automatically terminate unless Lessee shall pay as royalty on or before ninety (90) days from the date production of gas ceases, a sum (herein called "shut-in royalty") of Five Dollars (\$5.00) for each acre of land subject to this lease on the date of payment, and upon such payment this lease shall remain in force as to the acreage for which such payment is made for a period of one (1) year from the date of such payment; this lease shall automatically terminate at the expiration of each period of one (1) year for which payment of shut-in royalty has been made unless on or before the expiration of such period of one (1) year, Lessee shall pay a shut-in royalty computed as hereinabove provided, and upon each such payment, this lease shall remain in force as to the acreage for which such payment is made for an additional period of one (1) year, provided, however, that payment of shut-in royalty shall not maintain this lease in force or effect to any extent for a total period in excess of two (2) consecutive years after the date of the expiration of the primary term of this lease, and no such payment shall be treated or considered as advance royalty payment on any gas produced from the land

4. This is a paid-up oil and gas lease for a primary term of three (3) years

5 (a) If oil or gas is not being produced and sold from said land in paying quantities at the expiration of the primary term hereof, then this lease shall ipso facto terminate as to both parties unless Lessee is engaged in actual drilling of an oil and/or gas well thereon or reworking operations thereon, then this lease shall remain in force as long as said drilling and reworking operations are diligently prosecuted with no cessation of more than a total of sixty (60) days, and if the drilling or reworking operations result in the production and sale of oil and/or gas in paying quantities, then so long thereafter as oil and/or gas in paying quantities is produced and sold from said land, but subject to the termination or partial termination provisions contained herein. If, after the expiration of the primary term, production and sale of oil and/or gas in paying quantities on a particular proration unit that has not previously terminated should cease for any cause, this lease as to that proration unit shall remain in force as long as drilling or reworking operations are commenced within sixty (60) days after such cessation and are thereafter diligently prosecuted with no cessation of more than a total of sixty (60) days, and if said reworking operations result in the production and sale of oil and/or gas in paying quantities, so long thereafter as oil and/or gas in paying quantities is produced and sold from said proration unit

5(b) Notwithstanding anything contained herein to the contrary, if at the end of the primary term, oil and/or gas is being produced and sold, or if this said lease is being maintained in force and effect under other provisions hereof, this lease will remain in force and effect as to all acreage so long as Lessee commences to drill an oil and/or gas well, and drills same with due diligence, every eight (8) months after the end of the primary term, and upon failure to do so, this lease shall ipso facto terminate as to all acreage except for acreage surrounding a producing well in paying quantities in the form, as nearly as possible, of a square or rectangular tract containing the number of acres permitted by the Railroad Commission of the State of Texas for a proration unit. Absent field rules establishing proration units, an oil well shall retain a 40 acre unit; a gas well shall retain a 160 acre unit as to depths from the surface of the earth to 8,000 feet, a 320 acre unit as to

Spacing = Oil - 40 / 320 8-12,000'
gas - 160 / 640 below 12,000'
Surf to 8,000'

depths below 8,000 feet to a depth of 12,000 feet and a 640 acre unit for a gas well completed 12,000 feet beneath the surface of the ground. Thereafter, any proration unit formed under the provisions of this paragraph 5(b) shall also ipso facto terminate sixty (60) days after cessation of production in paying quantities from the last producing well thereon, unless there are ongoing operations to drill, rework, or recomple a well on the proration unit and said drilling, rework or recomple operations result in production in paying quantities thereon. This lease shall also ipso facto terminate at the expiration of the primary term and/or continuous drilling program as to all depths one hundred (100') below the stratigraphic equivalent of the total depth drilled in the deepest producing well completed under the proration unit, but in no event to exceed the base of the deepest producing formation of the deepest well completed on the proration unit, whichever is lesser. Provided, however, that if a shut-in gas well(s), capable of producing in paying quantities, is located on the acreage contained herein, and if Lessee has adhered to the provisions of paragraph 3(g) hereof, this lease shall remain in full force and effect as to the proration unit around each well with the same depth limitations immediately set forth above for the period of time provided in paragraph 3(g) hereof. If a Railroad Commission permitted proration unit around a producing well is a temporary unit in the number of acres, and then later there is a designated permanent proration unit of less number of acres, the proration unit hereunder shall be the less number of acres.

6. If a well capable of producing oil, gas or other hydrocarbon in paying quantities shall be completed hereafter on land (whether or not owned by Lessor), other than the leased land, within one thousand feet (1,000') on an adjoining proration unit, established by proper regulatory authority, to the leased land, then within one hundred eighty (180) days after such well shall have been completed on such other land, (or in case of a gas or gas condensate well, within one hundred eighty (180) days after commencement of first production of gas therefrom) Lessee shall commence operations for, and shall thereafter diligently prosecute the drilling of an offset well on the proration unit on the leased land off-setting the adjoining proration unit to the depth of the producing formation. Lessee has the option to release the off-set proration unit as to the producing horizon(s) only in lieu of drilling an off-set well. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas in paying quantities from the same formation on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land. *drainage*

7. This lease may NOT be assigned in whole, or in part, without written consent of Lessor, which is not to be unreasonably withheld, except to an affiliate or subsidiary business entity of Lessee, and Lessee shall remain liable and responsible for the obligations of the Lessee herein, and any attempted assignment shall be void, and if assigned with written permission, the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. Written permission to assign this Lease shall not be unreasonably withheld by Lessor. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a copy of a recorded instrument evidencing same. *Assign*

8. Lessor, hereby agrees that Lessee at its option may discharge any tax, mortgage or other lien bearing upon the mineral interest of Lessor with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other payments to be paid Lessor shall be reduced proportionately.

9. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement or requirement hereof is delayed or interrupted by any law, order of the Government of the United States or of any State or other governmental body, or act of God which results in Lessee being prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, or regulation is terminated and for a period of ninety (90) days after such termination and after such act of God, each and every provision of this lease that might operate to terminate it shall be suspended. If any period of suspension occurs during the primary term, the time thereof shall be added to the primary term. *force majeure*

10. Lessee agrees to indemnify and hold Lessor harmless from all liability, loss, damage,

expense and obligations resulting from injury to (including the death of) persons or damage to property, pollution, environment, air space, surface and subsurface, of any kind arising out of or in connection with Lessee's, its successors' or assigns', operations on the leased premises

11 Lessor does not warrant title to the mineral rights hereunder except he has not sold or leased his mineral rights to any other person as of date hereof, and to the extent of any royalties received from that portion of the land to which the mineral title shall fail or a proportionate part of said royalties in the event of failure of title to an undivided interest in said portion. Notwithstanding the fact that the Lessor has executed this lease on the above described lands, and the ownership is now, or in the future may be in separate tracts or parcels, this lease shall be treated as an entirety, except that royalties as to any producing well or shut-in gas well shall be payable to the owner or owners of the royalty in the respective tracts upon which the producing well or shut-in gas well is located

12 Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public

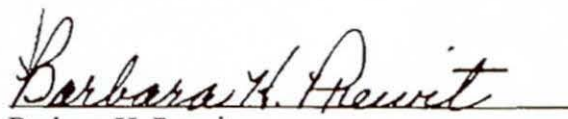
13 At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells

14 If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee

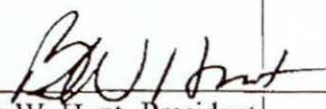
15 Lessee shall have the option, but not the obligation, of extending the primary term of this lease for an additional two (2) years from the expiration of the primary term by payment to Lessor on or before the expiration of the primary term, the sum of the same bonus per net mineral acre as the bonus is for the first three (3) year term herein.

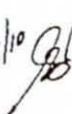
This oil and gas lease agreement shall be binding upon and shall inure to be benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable).

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


Barbara H. Prewit

ACCEPTED
PETRO-HUNT, L.L.C.

By 
Bruce W. Hunt, President

Wah 3/19/10 

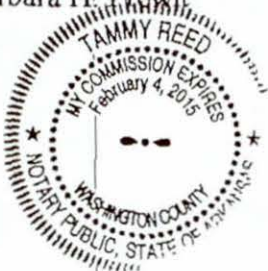
ACKNOWLEDGMENTS

STATE OF Arkansas

COUNTY OF Washington

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The foregoing instrument was acknowledged before me this 31 day of Dec., 2009, by Barbara H. Prewitt



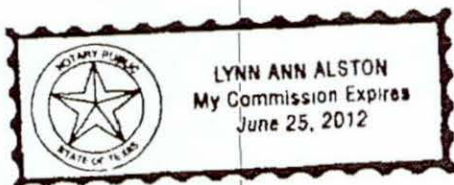
Tammy Reed, State of Arkansas
Notary Public, Said State

STATE OF TEXAS

COUNTY OF DALLAS

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The foregoing instrument was acknowledged before me this 12 day of March, 2010, by Bruce W. Hunt, President of Petro-Hunt, L L C, on behalf of said corporation



Lynn Ann Alston
Notary Public, State of Texas

Certificate of Record

26.00

Recording Fee

Certified Copy Fee

26.00

Total Paid

Return to

Petro-Hunt LLC

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

001093

COMPARED

FILED FOR RECORD

2010 APR -5 PM 12:41

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

Deputy

THE STATE OF TEXAS, }
COUNTY OF REEVES }

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

OPR VOL 841 PAGE 53 DATE RECORDED 04/14/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By [Signature], Deputy

OIL AND GAS LEASE

NOTICE: PRIOR TO RECORDING THIS INSTRUMENT, A NATURAL PERSON MAY REMOVE OR STRIKE HIS/HER SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER THEREFROM.

THIS AGREEMENT made this 28th day of December, 2009, to be effective January 1, 2010, between Eleanor Elizabeth Powell, 23747 S.W. Red Fern Drive, Sherwood, Oregon 97140, Johnnie Marie Powell Ashley, 600 Thoreau, Allen, Texas 75002, and Mica Dawn Powell, 5135 Ridgedale, Dallas, Texas 75206, Lessor and Petro-Hunt, L L C, 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, Lessee.

WITNESSETH:

1 Lessor in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets unto Lessee for the purpose of investigating, exploring, conducting geophysical operations, prospecting, drilling and producing oil and gas, from the following described land in Reeves County, Texas, to-wit

Tract 1. Section 14, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

Tract 2. Section 16, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

and containing 1,280 acres, more or less Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provisions hereof

No water from any source from said land shall be used for any purpose without written consent of Lessor, which shall not be unreasonably withheld

2 Subject to the other provisions herein contained, the lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced and sold in paying quantities from said land hereunder.

3 The Royalties to be paid Lessor are

3(a) On oil (including condensate and other liquid hydrocarbons) 1/4th of the value of oil that flows from a well on said land Lessee shall pay Lessor the market value thereof at the well purchased by a non-affiliated third party Non-affiliated third party is one in which Lessee owns no interest and has no agreement with, except for the purchase of oil. If oil is purchased by an affiliated third party, then the value of the oil is that of the highest market price in the area of like gravity or the amount received by Lessee, which ever is greater

3(b) On gas, including casinghead gas or other gaseous substances that flow from a well on said land, the value at the well head of 1/4th of the gas, or at Lessor's option 1/4th of the proceeds of the sale of gas by Lessee, whichever yields the higher value, where gas from said land is processed in a plant for the purpose of extracting products therefrom, Lessor shall receive as royalty 1/4th of the amount realized by Lessee at the plant of the products so extracted and 1/4th of the value of the residue gas remaining after extractions of said products.

3(c) If gas is gathered by, or sold to an affiliated third party of Lessee, then Lessee will pay Lessor's cost of making the gas market ready, which includes compressing, dehydrating, treating and transporting gas to the trunk pipeline Affiliated third party means any person or entity in which there is any ownership or shared beneficial interest with Lessee.

3(d) Notwithstanding the provisions of (b) above, Lessor may elect one (1) time only, to take in kind its royalty share of gas and gaseous substances produced Once the election is made, all of Lessor's gas shall be marketed by Lessor, and delivered to Lessor, free of production costs, by Lessee at the wellhead.

3(e) Whenever Lessor takes its royalty share of oil or gas in kind, it shall construct or cause to be constructed, such facilities as may be necessary in connection with such taking in kind at or near Lessee's facilities, at Lessor's sole cost and expense.

3(f) In addition to Lessor's royalty or share of the oil and gas provided above, Lessee agrees to pay Lessor $1/4^{\text{th}}$ of the total value or money received, whichever is the greater (free of cost to Lessor), of any contract, agreement, exchange or other bargain that Lessee may enter into that in anywise pertains to any of the oil or gas under the land, whether produced or not, and of the total of any other benefit Lessee may receive under any incident of ownership of this lease. Such payment to Lessor shall be at the same time Lessee receives the value or money. Such payment or obligation of payment shall not extend the term of this lease or diminish any other obligation of Lessee under this lease agreement. This paragraph 3(f) is not applicable to any value or payment received by Lessee for a bona fide sale of any of Lessee's interest in this lease to another party or entity.

3(g) After expiration of the primary term, if there is a gas well on said land capable of producing gas in paying quantities, and if gas is not being sold for a period in excess of ninety (90) days, and this lease is not then being maintained in force and effect under the other provisions hereof, this lease shall automatically terminate unless Lessee shall pay as royalty on or before ninety (90) days from the date production of gas ceases, a sum (herein called "shut-in royalty") of Five Dollars (\$5.00) for each acre of land subject to this lease on the date of payment, and upon such payment this lease shall remain in force as to the acreage for which such payment is made for a period of one (1) year from the date of such payment, this lease shall automatically terminate at the expiration of each period of one (1) year for which payment of shut-in royalty has been made unless on or before the expiration of such period of one (1) year, Lessee shall pay a shut-in royalty computed as hereinabove provided, and upon each such payment, this lease shall remain in force as to the acreage for which such payment is made for an additional period of one (1) year; provided, however, that payment of shut-in royalty shall not maintain this lease in force or effect to any extent for a total period in excess of two (2) consecutive years after the date of the expiration of the primary term of this lease, and no such payment shall be treated or considered as advance royalty payment on any gas produced from the land.

4 This is a paid-up oil and gas lease for a primary term of three (3) years.

5 (a) If oil or gas is not being produced and sold from said land in paying quantities at the expiration of the primary term hereof, then this lease shall ipso facto terminate as to both parties unless Lessee is engaged in actual drilling of an oil and/or gas well thereon or reworking operations thereon, then this lease shall remain in force as long as said drilling and reworking operations are diligently prosecuted with no cessation of more than a total of sixty (60) days, and if the drilling or reworking operations result in the production and sale of oil and/or gas in paying quantities, then so long thereafter as oil and/or gas in paying quantities is produced and sold from said land, but subject to the termination or partial termination provisions contained herein. If, after the expiration of the primary term, production and sale of oil and/or gas in paying quantities on a particular proration unit that has not previously terminated should cease for any cause, this lease as to that proration unit shall remain in force as long as drilling or reworking operations are commenced within sixty (60) days after such cessation and are thereafter diligently prosecuted with no cessation of more than a total of sixty (60) days, and if said reworking operations result in the production and sale of oil and/or gas in paying quantities, so long thereafter as oil and/or gas in paying quantities is produced and sold from said proration unit.

5(b) Notwithstanding anything contained herein to the contrary, if at the end of the primary term, oil and/or gas is being produced and sold, or if this said lease is being maintained in force and effect under other provisions hereof, this lease will remain in force and effect as to all acreage so long as Lessee commences to drill an oil and/or gas well, and drills same with due diligence, every eight (8) months after the end of the primary term, and upon failure to do so, this lease shall ipso facto terminate as to all acreage except for acreage surrounding a producing well in paying quantities in the form, as nearly as possible, of a square or rectangular tract containing the number of acres permitted by the Railroad Commission of the State of Texas for a proration unit. Absent field rules establishing proration units, an oil well shall retain a 40 acre unit; a gas well shall

retain a 160 acre unit as to depths from the surface of the earth to 8,000 feet, a 320 acre unit as to depths below 8,000 feet to a depth of 12,000 feet and a 640 acre unit for a gas well completed 12,000 feet beneath the surface of the ground. Thereafter, any proration unit formed under the provisions of this paragraph 5(b) shall also ipso facto terminate sixty (60) days after cessation of production in paying quantities from the last producing well thereon, unless there are ongoing operations to drill, rework, or recompleting a well on the proration unit and said drilling, rework or recompleting operations result in production in paying quantities thereon. This lease shall also ipso facto terminate at the expiration of the primary term and/or continuous drilling program as to all depths one hundred (100') below the stratigraphic equivalent of the total depth drilled in the deepest producing well completed under the proration unit, but in no event to exceed the base of the deepest producing formation of the deepest well completed on the proration unit, whichever is lesser. Provided, however, that if a shut-in gas well(s), capable of producing in paying quantities, is located on the acreage contained herein, and if Lessee has adhered to the provisions of paragraph 3(g) hereof, this lease shall remain in full force and effect as to the proration unit around each well with the same depth limitations immediately set forth above for the period of time provided in paragraph 3(g) hereof. If a Railroad Commission permitted proration unit around a producing well is a temporary unit in the number of acres, and then later there is a designated permanent proration unit of less number of acres, the proration unit hereunder shall be the less number of acres.

6. If a well capable of producing oil, gas or other hydrocarbon in paying quantities shall be completed hereafter on land (whether or not owned by Lessor), other than the leased land, within one thousand feet (1,000') on an adjoining proration unit, established by proper regulatory authority, to the leased land, then within one hundred eighty (180) days after such well shall have been completed on such other land, (or in case of a gas or gas condensate well, within one hundred eighty (180) days after commencement of first production of gas therefrom) Lessee shall commence operations for, and shall thereafter diligently prosecute the drilling of an offset well on the proration unit on the leased land off-setting the adjoining proration unit to the depth of the producing formation. Lessee has the option to release the off-set proration unit as to the producing horizon(s) only in lieu of drilling an off-set well. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas in paying quantities from the same formation on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land.

7. This lease may NOT be assigned in whole, or in part, without written consent of Lessor, which is not to be unreasonably withheld, except to an affiliate or subsidiary business entity of Lessee, and Lessee shall remain liable and responsible for the obligations of the Lessee herein, and any attempted assignment shall be void, and if assigned with written permission, the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. Written permission to assign this Lease shall not be unreasonably withheld by Lessor. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a copy of a recorded instrument evidencing same.

8. Lessor, hereby agrees that Lessee at its option may discharge any tax, mortgage or other lien bearing upon the mineral interest of Lessor with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other payments to be paid Lessor shall be reduced proportionately.

9. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement or requirement hereof is delayed or interrupted by any law, order of the Government of the United States or of any State or other governmental body, or act of God which results in Lessee being prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, or regulation is terminated and for a period of ninety (90) days after such termination and after such act of God, each and every provision of this lease that might operate to terminate it shall be suspended. If any period of suspension occurs during the primary term, the time thereof shall be added to the primary term.

10. Lessee agrees to indemnify and hold Lessor harmless from all liability, loss, damage, expense and obligations resulting from injury to (including the death of) persons or damage to property, pollution, environment, air space, surface and subsurface, of any kind arising out of or in connection with Lessee's, its successors' or assigns', operations on the leased premises

11 Lessor does not warrant title to the mineral rights hereunder except he has not sold or leased his mineral rights to any other person as of date hereof, and to the extent of any royalties received from that portion of the land to which the mineral title shall fail or a proportionate part of said royalties in the event of failure of title to an undivided interest in said portion. Notwithstanding the fact that the Lessor has executed this lease on the above described lands, and the ownership is now, or in the future may be in separate tracts or parcels, this lease shall be treated as an entirety, except that royalties as to any producing well or shut-in gas well shall be payable to the owner or owners of the royalty in the respective tracts upon which the producing well or shut-in gas well is located

12 Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public

13 At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells

14. If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee

15 Lessee shall have the option, but not the obligation, of extending the primary term of this lease for an additional two (2) years from the expiration of the primary term by payment to Lessor on or before the expiration of the primary term, the sum of the same bonus per net mineral acre as the bonus is for the first three (3) year term herein

This oil and gas lease agreement shall be binding upon and shall inure to be benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable)

This lease may be signed in counterparts

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

Eleanor Elizabeth Powell

✓ Johnnie Marie Powell Ashley
Johnnie Marie Powell Ashley

ACCEPTED
PETRO-HUNT, L.L.C.

Mica Dawn Powell

By BW Hunt
Bruce W Hunt, President

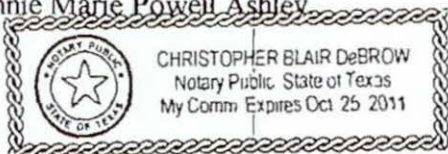
WAT 3/9/10

STATE OF TEXAS

COUNTY OF Collin

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This instrument was acknowledged to before me this the 9th day of January, 2010, by
Johnnie Marie Powell Ashley



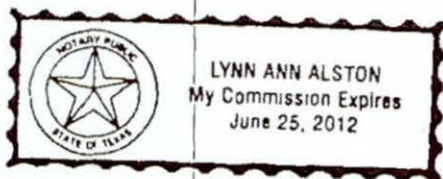
[Signature]
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF DALLAS

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§

The foregoing instrument was acknowledged before me this 12 day of ~~January~~ March, 2010,
by Bruce W. Hunt, President of Petro-Hunt, L L C , on behalf of said corporation



[Signature]
Notary Public, State of Texas

Certificate of Record

26.00

Recording Fee

26.00

Certified Copy Fee

Total Paid

Return to

Petro-Hunt LLC

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

BEAR GRAPHICS INC

001091

FILED FOR RECORD

2010 APR -5 PM 12:41

DIANNE J. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

By *[Signature]* DEPUTY

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES }

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

OPR VOL 841 PAGE 42 DATE RECORDED 04/14/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By *[Signature]*, Deputy

TTG

OIL AND GAS LEASE

NOTICE: PRIOR TO RECORDING THIS INSTRUMENT, A NATURAL PERSON MAY REMOVE OR STRIKE HIS/HER SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER THEREFROM.

THIS AGREEMENT made this 28th day of December, 2009, to be effective January 1, 2010, between Eleanor Elizabeth Powell, 23747 S.W Red Fern Drive, Sherwood, Oregon 97140, Johnnie Marie Powell Ashley, 600 Thoreau, Allen, Texas 75002, and Mica Dawn Powell, 5135 Ridgedale, Dallas, Texas 75206, Lessor and Petro-Hunt, L L C , 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, Lessee

WITNESSETH:

1 Lessor in consideration of Ten and No/100 Dollars (\$10 00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets unto Lessee for the purpose of investigating, exploring, conducting geophysical operations, prospecting, drilling and producing oil and gas, from the following described land in Reeves County, Texas, to-wit

Tract 1: Section 14, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

Tract 2: Section 16, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

and containing 1,280 acres, more or less. Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provisions hereof.

No water from any source from said land shall be used for any purpose without written consent of Lessor, which shall not be unreasonably withheld

2 Subject to the other provisions herein contained, the lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced and sold in paying quantities from said land hereunder.

3 The Royalties to be paid Lessor are

3(a) On oil (including condensate and other liquid hydrocarbons) 1/4th of the value of oil that flows from a well on said land Lessee shall pay Lessor the market value thereof at the well purchased by a non-affiliated third party. Non-affiliated third party is one in which Lessee owns no interest and has no agreement with, except for the purchase of oil. If oil is purchased by an affiliated third party, then the value of the oil is that of the highest market price in the area of like gravity or the amount received by Lessee, which ever is greater

3(b) On gas, including casinghead gas or other gaseous substances that flow from a well on said land, the value at the well head of 1/4th of the gas, or at Lessor's option 1/4th of the proceeds of the sale of gas by Lessee, whichever yields the higher value, where gas from said land is processed in a plant for the purpose of extracting products therefrom, Lessor shall receive as royalty 1/4th of the amount realized by Lessee at the plant of the products so extracted and 1/4th of the value of the residue gas remaining after extractions of said products.

3(c) If gas is gathered by, or sold to an affiliated third party of Lessee, then Lessee will pay Lessor's cost of making the gas market ready, which includes compressing, dehydrating, treating and transporting gas to the trunk pipeline. Affiliated third party means any person or entity in which there is any ownership or shared beneficial interest with Lessee

3(d) Notwithstanding the provisions of (b) above, Lessor may elect one (1) time only, to take in kind its royalty share of gas and gaseous substances produced. Once the election is made, all of Lessor's gas shall be marketed by Lessor, and delivered to Lessor, free of production costs, by Lessee at the wellhead

3(e) Whenever Lessor takes its royalty share of oil or gas in kind, it shall construct or cause to be constructed, such facilities as may be necessary in connection with such taking in kind at or near Lessee's facilities, at Lessor's sole cost and expense.

3(f) In addition to Lessor's royalty or share of the oil and gas provided above, Lessee agrees to pay Lessor 1/4th of the total value or money received, whichever is the greater (free of cost to Lessor), of any contract, agreement, exchange or other bargain that Lessee may enter into that in anywise pertains to any of the oil or gas under the land, whether produced or not, and of the total of any other benefit Lessee may receive under any incident of ownership of this lease. Such payment to Lessor shall be at the same time Lessee receives the value or money. Such payment or obligation of payment shall not extend the term of this lease or diminish any other obligation of Lessee under this lease agreement. This paragraph 3(f) is not applicable to any value or payment received by Lessee for a bona fide sale of any of Lessee's interest in this lease to another party or entity.

3(g) After expiration of the primary term, if there is a gas well on said land capable of producing gas in paying quantities, and if gas is not being sold for a period in excess of ninety (90) days, and this lease is not then being maintained in force and effect under the other provisions hereof, this lease shall automatically terminate unless Lessee shall pay as royalty on or before ninety (90) days from the date production of gas ceases, a sum (herein called "shut-in royalty") of Five Dollars (\$5.00) for each acre of land subject to this lease on the date of payment, and upon such payment this lease shall remain in force as to the acreage for which such payment is made for a period of one (1) year from the date of such payment; this lease shall automatically terminate at the expiration of each period of one (1) year for which payment of shut-in royalty has been made unless on or before the expiration of such period of one (1) year, Lessee shall pay a shut-in royalty computed as hereinabove provided, and upon each such payment, this lease shall remain in force as to the acreage for which such payment is made for an additional period of one (1) year; provided, however, that payment of shut-in royalty shall not maintain this lease in force or effect to any extent for a total period in excess of two (2) consecutive years after the date of the expiration of the primary term of this lease, and no such payment shall be treated or considered as advance royalty payment on any gas produced from the land.

4 This is a paid-up oil and gas lease for a primary term of three (3) years.

5. (a) If oil or gas is not being produced and sold from said land in paying quantities at the expiration of the primary term hereof, then this lease shall ipso facto terminate as to both parties unless Lessee is engaged in actual drilling of an oil and/or gas well thereon or reworking operations thereon, then this lease shall remain in force as long as said drilling and reworking operations are diligently prosecuted with no cessation of more than a total of sixty (60) days, and if the drilling or reworking operations result in the production and sale of oil and/or gas in paying quantities, then so long thereafter as oil and/or gas in paying quantities is produced and sold from said land, but subject to the termination or partial termination provisions contained herein. If, after the expiration of the primary term, production and sale of oil and/or gas in paying quantities on a particular proration unit that has not previously terminated should cease for any cause, this lease as to that proration unit shall remain in force as long as drilling or reworking operations are commenced within sixty (60) days after such cessation and are thereafter diligently prosecuted with no cessation of more than a total of sixty (60) days, and if said reworking operations result in the production and sale of oil and/or gas in paying quantities, so long thereafter as oil and/or gas in paying quantities is produced and sold from said proration unit.

5(b) Notwithstanding anything contained herein to the contrary, if at the end of the primary term, oil and/or gas is being produced and sold, or if this said lease is being maintained in force and effect under other provisions hereof, this lease will remain in force and effect as to all acreage so long as Lessee commences to drill an oil and/or gas well, and drills same with due diligence, every eight (8) months after the end of the primary term, and upon failure to do so, this lease shall ipso facto terminate as to all acreage except for acreage surrounding a producing well in paying quantities in the form, as nearly as possible, of a square or rectangular tract containing the number of acres permitted by the Railroad Commission of the State of Texas for a proration unit. Absent field rules establishing proration units, an oil well shall retain a 40 acre unit, a gas well shall

retain a 160 acre unit as to depths from the surface of the earth to 8,000 feet; a 320 acre unit as to depths below 8,000 feet to a depth of 12,000 feet and a 640 acre unit for a gas well completed 12,000 feet beneath the surface of the ground. Thereafter, any proration unit formed under the provisions of this paragraph 5(b) shall also ipso facto terminate sixty (60) days after cessation of production in paying quantities from the last producing well thereon, unless there are ongoing operations to drill, rework, or recomplete a well on the proration unit and said drilling, rework or recompletion operations result in production in paying quantities thereon. This lease shall also ipso facto terminate at the expiration of the primary term and/or continuous drilling program as to all depths one hundred (100') below the stratigraphic equivalent of the total depth drilled in the deepest producing well completed under the proration unit, but in no event to exceed the base of the deepest producing formation of the deepest well completed on the proration unit, whichever is lesser. Provided, however, that if a shut-in gas well(s), capable of producing in paying quantities, is located on the acreage contained herein, and if Lessee has adhered to the provisions of paragraph 3(g) hereof, this lease shall remain in full force and effect as to the proration unit around each well with the same depth limitations immediately set forth above for the period of time provided in paragraph 3(g) hereof. If a Railroad Commission permitted proration unit around a producing well is a temporary unit in the number of acres, and then later there is a designated permanent proration unit of less number of acres, the proration unit hereunder shall be the less number of acres.

6. If a well capable of producing oil, gas or other hydrocarbon in paying quantities shall be completed hereafter on land (whether or not owned by Lessor), other than the leased land, within one thousand feet (1,000') on an adjoining proration unit, established by proper regulatory authority, to the leased land, then within one hundred eighty (180) days after such well shall have been completed on such other land, (or in case of a gas or gas condensate well, within one hundred eighty (180) days after commencement of first production of gas therefrom) Lessee shall commence operations for, and shall thereafter diligently prosecute the drilling of an offset well on the proration unit on the leased land off-setting the adjoining proration unit to the depth of the producing formation. Lessee has the option to release the off-set proration unit as to the producing horizon(s) only in lieu of drilling an off-set well. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas in paying quantities from the same formation on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land.

7. This lease may NOT be assigned in whole, or in part, without written consent of Lessor, which is not to be unreasonably withheld, except to an affiliate or subsidiary business entity of Lessee, and Lessee shall remain liable and responsible for the obligations of the Lessee herein, and any attempted assignment shall be void, and if assigned with written permission, the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. Written permission to assign this Lease shall not be unreasonably withheld by Lessor. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a copy of a recorded instrument evidencing same.

8. Lessor, hereby agrees that Lessee at its option may discharge any tax, mortgage or other lien bearing upon the mineral interest of Lessor with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other payments to be paid Lessor shall be reduced proportionately.

9. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement or requirement hereof is delayed or interrupted by any law, order of the Government of the United States or of any State or other governmental body, or act of God which results in Lessee being prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, or regulation is terminated and for a period of ninety (90) days after such termination and after such act of God, each and every provision of this lease that might operate to terminate it shall be suspended. If any period of suspension occurs during the primary term, the time thereof shall be added to the primary term.

10. Lessee agrees to indemnify and hold Lessor harmless from all liability, loss, damage, expense and obligations resulting from injury to (including the death of) persons or damage to property, pollution, environment, air space, surface and subsurface, of any kind arising out of or in connection with Lessee's, its successors' or assigns', operations on the leased premises

11. Lessor does not warrant title to the mineral rights hereunder except he has not sold or leased his mineral rights to any other person as of date hereof, and to the extent of any royalties received from that portion of the land to which the mineral title shall fail or a proportionate part of said royalties in the event of failure of title to an undivided interest in said portion. Notwithstanding the fact that the Lessor has executed this lease on the above described lands, and the ownership is now, or in the future may be in separate tracts or parcels, this lease shall be treated as an entirety, except that royalties as to any producing well or shut-in gas well shall be payable to the owner or owners of the royalty in the respective tracts upon which the producing well or shut-in gas well is located

12. Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public

13. At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells

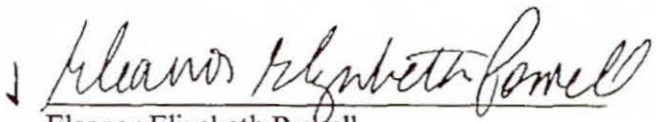
14. If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee

15. Lessee shall have the option, but not the obligation, of extending the primary term of this lease for an additional two (2) years from the expiration of the primary term by payment to Lessor on or before the expiration of the primary term, the sum of the same bonus per net mineral acre as the bonus is for the first three (3) year term herein.

This oil and gas lease agreement shall be binding upon and shall inure to be benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable)

This lease may be signed in counterparts.

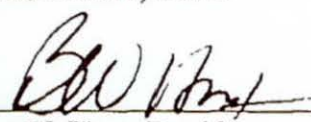
IN WITNESS WHEREOF, this instrument is executed on the date first above written.


Eleanor Elizabeth Powell

Johnnie Marie Powell Ashley

ACCEPTED.
PETRO-HUNT, L.L.C

Mica Dawn Powell

By 
Bruce W. Hunt, President

Wah
3/9/10

ACKNOWLEDGMENTS

STATE OF OREGON

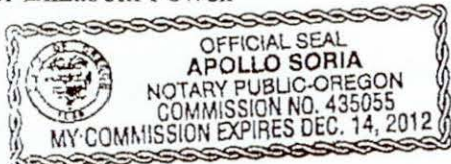
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COUNTY OF Washington

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This instrument was acknowledged to before me this the 9th day of January, 2010, by Eleanor Elizabeth Powell



[Signature]
Notary Public, State of Oregon

STATE OF TEXAS

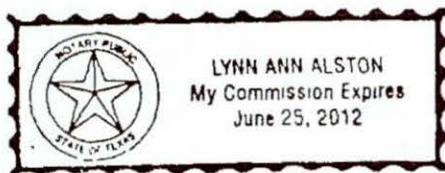
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COUNTY OF DALLAS

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The foregoing instrument was acknowledged before me this 12 day of ~~January~~ March, 2010, by Bruce W. Hunt, President of Petro-Hunt, L L C, on behalf of said corporation



[Signature]
Notary Public, State of Texas

Certificate of Record

26.00 Recording Fee

26.00 Certified Copy Fee

26.00 Total Paid

Return to

Peto - Hunt LLC

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

001089

COMPARED

FILED FOR RECORD

2010 APR -5 PM 12:41

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

[Signature] DEPUTY

THE STATE OF TEXAS, }
COUNTY OF REEVES }

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

OPR VOL 841 PAGE 31 DATE RECORDED 04/14/2001



DIANNE O FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By [Signature] Deputy

TX00953-612
68424-0070-004
1037315

OIL AND GAS LEASE

NOTICE: PRIOR TO RECORDING THIS INSTRUMENT, A NATURAL PERSON MAY REMOVE OR STRIKE HIS/HER SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER THEREFROM.

THIS AGREEMENT made this 28th day of December, 2009, to be effective January 1, 2010, between Eleanor Elizabeth Powell, 23747 S.W Red Fern Drive, Sherwood, Oregon 97140, Johnnie Marie Powell Ashley, 600 Thoreau, Allen, Texas 75002, and Mica Dawn Powell, 5135 Ridgedale, Dallas, Texas 75206, Lessor and Petro-Hunt, L L C , 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, Lessee.

WITNESSETH:

1 Lessor in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets unto Lessee for the purpose of investigating, exploring, conducting geophysical operations, prospecting, drilling and producing oil and gas, from the following described land in Reeves County, Texas, to-wit:

Tract 1: Section 14, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

Tract 2 Section 16, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

and containing 1,280 acres, more or less. Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provisions hereof.

No water from any source from said land shall be used for any purpose without written consent of Lessor, which shall not be unreasonably withheld

2 Subject to the other provisions herein contained, the lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced and sold in paying quantities from said land hereunder.

3 The Royalties to be paid Lessor are:

3(a) On oil (including condensate and other liquid hydrocarbons) 1/4th of the value of oil that flows from a well on said land. Lessee shall pay Lessor the market value thereof at the well purchased by a non-affiliated third party. Non-affiliated third party is one in which Lessee owns no interest and has no agreement with, except for the purchase of oil. If oil is purchased by an affiliated third party, then the value of the oil is that of the highest market price in the area of like gravity or the amount received by Lessee, which ever is greater

3(b) On gas, including casinghead gas or other gaseous substances that flow from a well on said land, the value at the well head of 1/4th of the gas, or at Lessor's option 1/4th of the proceeds of the sale of gas by Lessee, whichever yields the higher value, where gas from said land is processed in a plant for the purpose of extracting products therefrom, Lessor shall receive as royalty 1/4th of the amount realized by Lessee at the plant of the products so extracted and 1/4th of the value of the residue gas remaining after extractions of said products.

3(c) If gas is gathered by, or sold to an affiliated third party of Lessee, then Lessee will pay Lessor's cost of making the gas market ready, which includes compressing, dehydrating, treating and transporting gas to the trunk pipeline. Affiliated third party means any person or entity in which there is any ownership or shared beneficial interest with Lessee

3(d) Notwithstanding the provisions of (b) above, Lessor may elect one (1) time only, to take in kind its royalty share of gas and gaseous substances produced. Once the election is made, all of Lessor's gas shall be marketed by Lessor, and delivered to Lessor, free of production costs, by Lessee at the wellhead.

3(e) Whenever Lessor takes its royalty share of oil or gas in kind, it shall construct or cause to be constructed, such facilities as may be necessary in connection with such taking in kind at or near Lessee's facilities, at Lessor's sole cost and expense.

3(f) In addition to Lessor's royalty or share of the oil and gas provided above, Lessee agrees to pay Lessor $1/4^{\text{th}}$ of the total value or money received, whichever is the greater (free of cost to Lessor), of any contract, agreement, exchange or other bargain that Lessee may enter into that in anywise pertains to any of the oil or gas under the land, whether produced or not, and of the total of any other benefit Lessee may receive under any incident of ownership of this lease. Such payment to Lessor shall be at the same time Lessee receives the value or money. Such payment or obligation of payment shall not extend the term of this lease or diminish any other obligation of Lessee under this lease agreement. This paragraph 3(f) is not applicable to any value or payment received by Lessee for a bona fide sale of any of Lessee's interest in this lease to another party or entity.

3(g) After expiration of the primary term, if there is a gas well on said land capable of producing gas in paying quantities, and if gas is not being sold for a period in excess of ninety (90) days, and this lease is not then being maintained in force and effect under the other provisions hereof, this lease shall automatically terminate unless Lessee shall pay as royalty on or before ninety (90) days from the date production of gas ceases, a sum (herein called "shut-in royalty") of Five Dollars (\$5.00) for each acre of land subject to this lease on the date of payment, and upon such payment this lease shall remain in force as to the acreage for which such payment is made for a period of one (1) year from the date of such payment, this lease shall automatically terminate at the expiration of each period of one (1) year for which payment of shut-in royalty has been made unless on or before the expiration of such period of one (1) year, Lessee shall pay a shut-in royalty computed as hereinabove provided, and upon each such payment, this lease shall remain in force as to the acreage for which such payment is made for an additional period of one (1) year; provided, however, that payment of shut-in royalty shall not maintain this lease in force or effect to any extent for a total period in excess of two (2) consecutive years after the date of the expiration of the primary term of this lease, and no such payment shall be treated or considered as advance royalty payment on any gas produced from the land.

4. This is a paid-up oil and gas lease for a primary term of three (3) years

5 (a) If oil or gas is not being produced and sold from said land in paying quantities at the expiration of the primary term hereof, then this lease shall ipso facto terminate as to both parties unless Lessee is engaged in actual drilling of an oil and/or gas well thereon or reworking operations thereon, then this lease shall remain in force as long as said drilling and reworking operations are diligently prosecuted with no cessation of more than a total of sixty (60) days, and if the drilling or reworking operations result in the production and sale of oil and/or gas in paying quantities, then so long thereafter as oil and/or gas in paying quantities is produced and sold from said land, but subject to the termination or partial termination provisions contained herein. If, after the expiration of the primary term, production and sale of oil and/or gas in paying quantities on a particular proration unit that has not previously terminated should cease for any cause, this lease as to that proration unit shall remain in force as long as drilling or reworking operations are commenced within sixty (60) days after such cessation and are thereafter diligently prosecuted with no cessation of more than a total of sixty (60) days, and if said reworking operations result in the production and sale of oil and/or gas in paying quantities, so long thereafter as oil and/or gas in paying quantities is produced and sold from said proration unit.

5(b) Notwithstanding anything contained herein to the contrary, if at the end of the primary term, oil and/or gas is being produced and sold, or if this said lease is being maintained in force and effect under other provisions hereof, this lease will remain in force and effect as to all acreage so long as Lessee commences to drill an oil and/or gas well, and drills same with due diligence, every eight (8) months after the end of the primary term, and upon failure to do so, this lease shall ipso facto terminate as to all acreage except for acreage surrounding a producing well in paying quantities in the form, as nearly as possible, of a square or rectangular tract containing the number of acres permitted by the Railroad Commission of the State of Texas for a proration unit. Absent field rules establishing proration units, an oil well shall retain a 40 acre unit; a gas well shall

retain a 160 acre unit as to depths from the surface of the earth to 8,000 feet; a 320 acre unit as to depths below 8,000 feet to a depth of 12,000 feet and a 640 acre unit for a gas well completed 12,000 feet beneath the surface of the ground. Thereafter, any proration unit formed under the provisions of this paragraph 5(b) shall also ipso facto terminate sixty (60) days after cessation of production in paying quantities from the last producing well thereon, unless there are ongoing operations to drill, rework, or recomple a well on the proration unit and said drilling, rework or recomple operations result in production in paying quantities thereon. This lease shall also ipso facto terminate at the expiration of the primary term and/or continuous drilling program as to all depths one hundred (100') below the stratigraphic equivalent of the total depth drilled in the deepest producing well completed under the proration unit, but in no event to exceed the base of the deepest producing formation of the deepest well completed on the proration unit, whichever is lesser. Provided, however, that if a shut-in gas well(s), capable of producing in paying quantities, is located on the acreage contained herein, and if Lessee has adhered to the provisions of paragraph 3(g) hereof, this lease shall remain in full force and effect as to the proration unit around each well with the same depth limitations immediately set forth above for the period of time provided in paragraph 3(g) hereof. If a Railroad Commission permitted proration unit around a producing well is a temporary unit in the number of acres, and then later there is a designated permanent proration unit of less number of acres, the proration unit hereunder shall be the less number of acres.

6. If a well capable of producing oil, gas or other hydrocarbon in paying quantities shall be completed hereafter on land (whether or not owned by Lessor), other than the leased land, within one thousand feet (1,000') on an adjoining proration unit, established by proper regulatory authority, to the leased land, then within one hundred eighty (180) days after such well shall have been completed on such other land, (or in case of a gas or gas condensate well, within one hundred eighty (180) days after commencement of first production of gas therefrom) Lessee shall commence operations for, and shall thereafter diligently prosecute the drilling of an offset well on the proration unit on the leased land off-setting the adjoining proration unit to the depth of the producing formation. Lessee has the option to release the off-set proration unit as to the producing horizon(s) only in lieu of drilling an off-set well. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas in paying quantities from the same formation on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land.

7. This lease may NOT be assigned in whole, or in part, without written consent of Lessor, which is not to be unreasonably withheld, except to an affiliate or subsidiary business entity of Lessee, and Lessee shall remain liable and responsible for the obligations of the Lessee herein, and any attempted assignment shall be void, and if assigned with written permission, the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. Written permission to assign this Lease shall not be unreasonably withheld by Lessor. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a copy of a recorded instrument evidencing same.

8. Lessor, hereby agrees that Lessee at its option may discharge any tax, mortgage or other lien bearing upon the mineral interest of Lessor with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other payments to be paid Lessor shall be reduced proportionately.

9. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement or requirement hereof is delayed or interrupted by any law, order of the Government of the United States or of any State or other governmental body, or act of God which results in Lessee being prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, or regulation is terminated and for a period of ninety (90) days after such termination and after such act of God, each and every provision of this lease that might operate to terminate it shall be suspended. If any period of suspension occurs during the primary term, the time thereof shall be added to the primary term.

10 Lessee agrees to indemnify and hold Lessor harmless from all liability, loss, damage, expense and obligations resulting from injury to (including the death of) persons or damage to property, pollution, environment, air space, surface and subsurface, of any kind arising out of or in connection with Lessee's, its successors' or assigns', operations on the leased premises

11 Lessor does not warrant title to the mineral rights hereunder except he has not sold or leased his mineral rights to any other person as of date hereof, and to the extent of any royalties received from that portion of the land to which the mineral title shall fail or a proportionate part of said royalties in the event of failure of title to an undivided interest in said portion. Notwithstanding the fact that the Lessor has executed this lease on the above described lands, and the ownership is now, or in the future may be in separate tracts or parcels, this lease shall be treated as an entirety, except that royalties as to any producing well or shut-in gas well shall be payable to the owner or owners of the royalty in the respective tracts upon which the producing well or shut-in gas well is located

12 Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public

13 At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells

14 If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee.

15. Lessee shall have the option, but not the obligation, of extending the primary term of this lease for an additional two (2) years from the expiration of the primary term by payment to Lessor on or before the expiration of the primary term, the sum of the same bonus per net mineral acre as the bonus is for the first three (3) year term herein.

This oil and gas lease agreement shall be binding upon and shall inure to be benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable)

This lease may be signed in counterparts

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

Eleanor Elizabeth Powell

Johnnie Marie Powell Ashley

✓ Mica Dawn Powell
Mica Dawn Powell

ACCEPTED
PETRO-HUNT, L.L.C

By BW Hunt
Bruce W. Hunt, President

WTH
2/9/10



STATE OF TEXAS

COUNTY OF Dallas

§
§
§

This instrument was acknowledged to before me this the 11th day of January, 2010, by Mica Dawn Powell

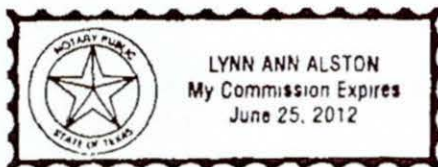
Janet Beard
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF DALLAS

§
§
§

The foregoing instrument was acknowledged before me this 12 day of March, 2010, by Bruce W Hunt, President of Petro-Hunt, L.L C , on behalf of said corporation



Lynn Ann Alston
Notary Public, State of Texas

Certificate of Record

26.00

Recording Fee

Certified Copy Fee

26.00

Total Paid

Return to

Petro-hunt LLC

001087

COMPARED

FILED FOR RECORD

2010 APR -5 PM 12:41

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

By D. Florez DEPUTY

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

THE STATE OF TEXAS, }
COUNTY OF REEVES }

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

OPR VOL 841 PAGE 20 DATE RECORDED 04/14/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By D. Florez, Deputy

2

File No. 114156

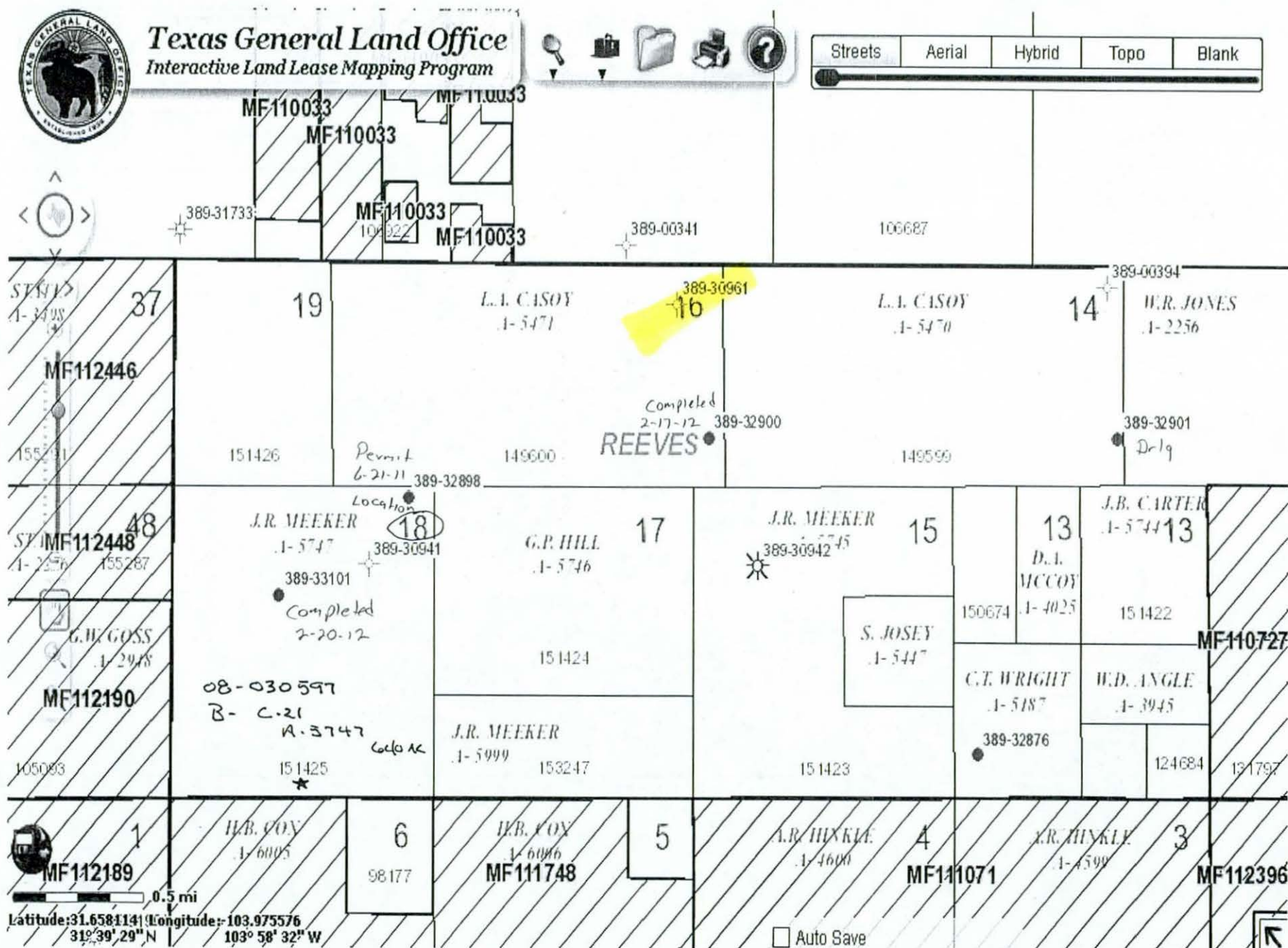
Private oil/gas leases

Date Filed: _____

Jerry E. Patterson, Commissioner

By Git

2.11



3

File No. 114156

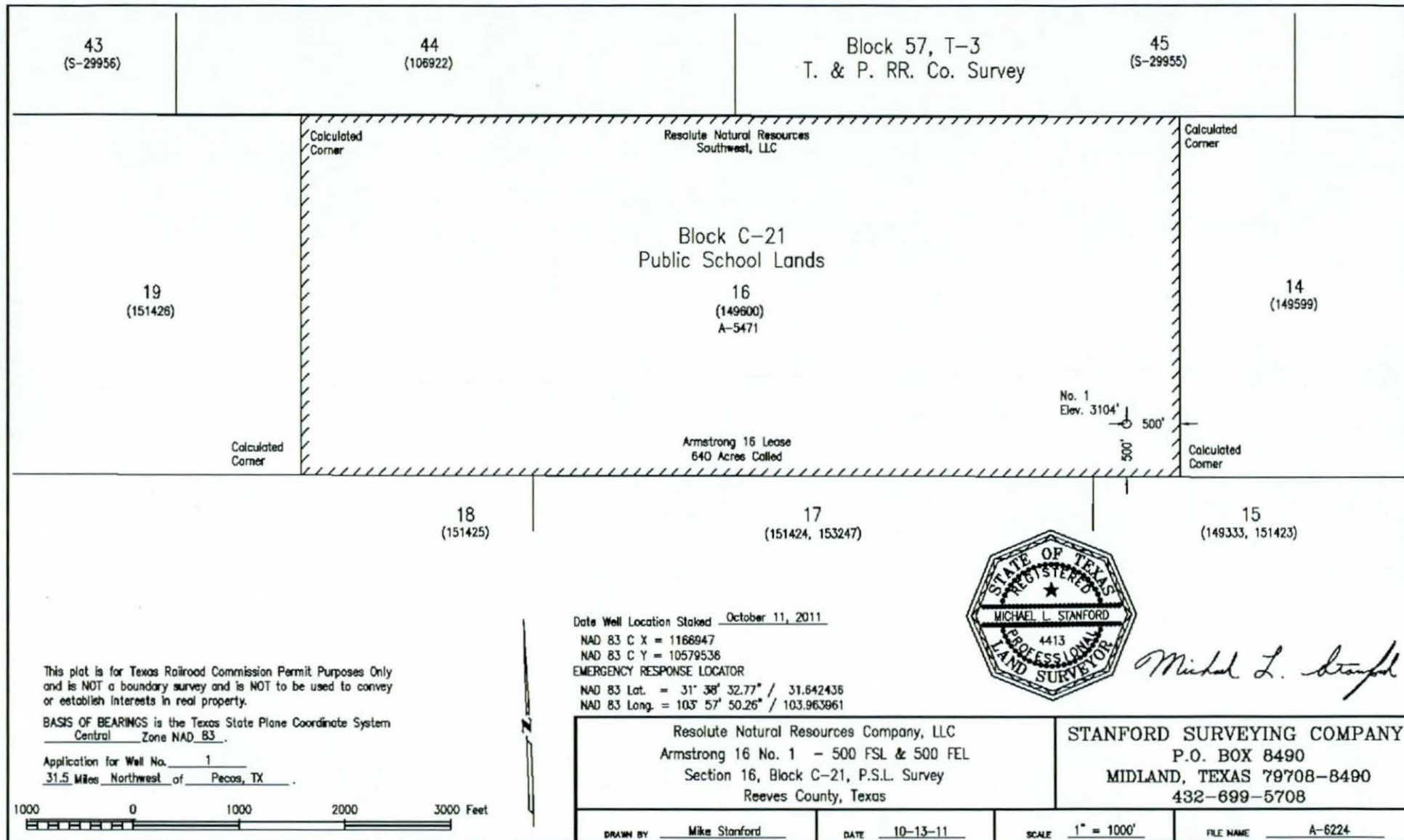
Plat

Date Filed: _____

Jerry E. Patterson, Commissioner

By GLT

API No. <u>42-389-32900</u> Drilling Permit # <u>718699</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Approved		
1. RRC Operator No. <u>703352</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>RESOLUTE NATURAL RES. CO., LLC</u>		3. Operator Address (include street, city, state, zip):			
4. Lease Name <u>ARMSTRONG 16</u>		5. Well No. <u>1</u>					
GENERAL INFORMATION							
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☒ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)							
7. Wellbore Profile (mark ALL appropriate boxes): ☒ Vertical ☐ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack							
8. Total Depth <u>13500</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore			
14. This well is to be located <u>31</u> miles in a <u>NW</u> direction from <u>PECOS</u> which is the nearest town in the county of the well site.							
15. Section <u>16</u>		16. Block <u>C21</u>		17. Survey <u>PSL / CASEY, L A</u>			
		18. Abstract No. <u>A-5471</u>		19. Distance to nearest lease line: <u>500</u> ft.			
				20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>640</u>			
21. Lease Perpendiculars: <u>500</u> ft from the <u>S</u> line and <u>500</u> ft from the <u>EAST</u> line.							
22. Survey Perpendiculars: <u>500</u> ft from the <u>S</u> line and <u>500</u> ft from the <u>EAST</u> line.							
23. Is this a pooled unit? ☐ Yes ☒ No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No			
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.							
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	98359800	WOLFBONE (TREND AREA)		Oil or Gas Well	13500	0.00	1
08	00018001	WILDCAT		Oil or Gas Well	13500	0.00	1
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS							
Remarks [FILER Oct 13, 2011 2:36 PM]: Permit Number 718699 amended to move the surface location to 500 FSL and 500 FEL; [RRC STAFF Oct 17, 2011 12:22 PM]: Moved SHL per filing.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Patrick Flynn, VP, Governmental Affairs</u> <u>Oct 13, 2011</u> Name of filer Date submitted <u>(303)5344600, x1145</u> <u>pflynn@resoluteenergy.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: Oct 18, 2011 11:04 AM('As Approved' Version)							



RAILROAD COMMISSION OF TEXAS

Tracking No.: 42611

Oil and Gas Division

Status: Submitted

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

API No. 42- 389-32900

7. RRC District No.

08

8. RRC Lease No.

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

1. FIELD NAME (as per RRC Records or Wildcat) WOLFBONE (TREND AREA)		2. LEASE NAME ARMSTRONG 16		9. Well No. 1
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) RESOLUTE NATURAL RES. CO., LLC		RRC Operator No. 703352		10. County of well site REEVES
4. ADDRESS 1675 BROADWAY SUITE 1950 DENVER, CO 80202-0000				11. Purpose of filing Initial Potential ☐ Retest ☐ Reclass ☐ Well record only (Explain in remarks) ☒
5. If Operator has changed within last 60 days, name former operator				
6a. Location (Section, Block, and Survey) 16 , C21 , PSL / CASEY, L A , A-5471		6b. Distance and direction to nearest town in this county. 31 MILES NW FROM PECOS		
12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR		GAS ID or OIL LEASE #	Oil-0 Gas-G	Well #
N/A				
13. Type of electric or other log run Combo of Induction/Neutron/Density/Sonic		14. Completion or recompletion date 03/10/2012		

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

15. Date of test	16. No. of hours tested	17. Production method (Flowing, Gas Lift, Jetting, Pumping- Size & Type of pump)			18. Choke size
19. Production during Test Period	Oil - BBLs	Gas - MCF	Water - BBLs	Gas - Oil Ratio	Flowing Tubing Pressure PSI
				0	
20. Calculated 24-Hour Rate	Oil - BBLs	Gas - MCF	Water - BBLs	Oil Gravity-API-60 °	Casing Pressure PSI
21. Was swab used during this test? Yes ☐ No ☒		22. Oil produced prior to test (New & Reworked wells)		23. Injection Gas-Oil Ratio	
REMARKS: N/A					

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

WELL TESTERS CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature: Well Tester

Name of Company

RRC Representative

OPERATOR'S CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct and complete, to the best of my knowledge.

RESOLUTE NATURAL RES. CO., LLC

Type or printed name of operator's representative

(303) 534-4600 EXT 1580

04/19/2012

Telephone: Area Code

Number

Month Day Year

sglass@resoluteenergy.com

Title of Person

Sherry Glass

Signature

SECTION III										DATA ON WELL COMPLETION AND LOG (Not Required on Retest)									
24. Type of Completion New Well ☒ Deepening ☐ Plug Back ☐ Other ☐										25. Permit to Drill, Plug Back or Deepen DATE 10/18/2011 PERMIT NO. 718699 Rule 37 Exception CASE NO.									
26. Notice of Intention to Drill this well was filed in Name of RESOLUTE NATURAL RES. CO., LLC										Water Injection Permit PERMIT NO.									
27. Number of producing wells on this lease in this field (reservoir) including this well 1					28. Total number of acres in this lease 640.0					Salt Water Disposal Permit PERMIT NO.									
29. Date Plug Back, Deepening, Workover or Drilling Operations: Commenced 01/03/2012 Completed 02/17/2012					30. Distance to nearest well, Same Lease & Reservoir 0.0					Other PERMIT NO.									
31. Location of well, relative to nearest lease boundaries 500.0 Feet From South Line and 500.0 Feet from East										Line of the ARMSTRONG 16 Lease									
32. Elevation (DF, RKB, RT, GR ETC.) 3104 GL										33. Was directional survey made other than inclination (Form W-12)? ☐ Yes ☒ No									
34. Top of Pay 9514		35. Total Depth 11173		36. P. B. Depth 10946		37. Surface Casing Determined by Field Rules ☐		Recommendation of T.D.W.R. ☒ Railroad Commission (Special) ☐		Dt. of Letter 06/23/2011		Dt. of Letter							
38. Is well multiple completion? ☐ Yes ☒ No																			
39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR N/A										GAS ID or OIL LEASE #		Oil-G Gas-G		Well #					
40. Intervals Drilled by: Rotary Tools ☒ Cable Tools		41. Name of Drilling Contractor SANDIA										42. Is Cementing Affidavit Attached? ☒ Yes ☐ No							
43. CASING RECORD (Report All Strings Set in Well)																			
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.												
13 3/8	54.0	1228		ECONOCEM 1410	17 1/2	SURFACE	2361.0												
8 5/8	32.0	3193		ECONOCEM 700	11	SURFACE	1421.0												
5 1/2	17.0	11173		CLASS H 1340	7 7/8	2350	2686.0												
44. LINER RECORD																			
Size	Top	Bottom	Sacks Cement	Screen															
N/A																			
45. TUBING RECORD																			
Size	Depth Set	Packer Set	From L1 9514	To 10996															
N/A			From	To															
			From	To															
			From	To															
46. PRODUCING INTERVAL (this completion) Indicate depth of perforation or open hole																			
47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.																			
Depth Interval				Amount and Kind of Material Used															
10912.0		10996.0		3101 SLURRY BBLs 20# X-LINK GEL, 101170# 30/50 ECONOPROP CERAMIC SAND															
10715.0		10826.0		3659 SLURRY BBLs 20# X-LINK GEL, 126087# 30/50 ECONOPROP CERAMIC SAND															
10478.0		10625.0		3882 SLURRY BBLs 20# X-LINK GEL, 138510# 30/50 ECONOPROP CERAMIC SAND															
10264.0		10399.0		3857 SLURRY BBLs 20# X-LINK GEL, 137078 # 30/50 ECONOPROP CERAMIC SAND															
10095.0		10192.0		4248 SLURRY BBLs 20# X-LINK GEL, 160925# 30/50 ECONOPROP CERAMIC SAND															
9846.0		9991.0		4208 SLURRY BBLs 20# X-LINK GEL, 158429# 30/50 ECONOPROP CERAMIC SAND															
9650.0		9766.0		3755 SLURRY BBLs 20# X-LINK GEL, 129387# 30/50 ECONOPROP CERAMIC SAND															
9514.0		9559.0		3591 SLURRY BBLs 20# X-LINK GEL, 126592# 30/50 ECONOPROP CERAMIC SAND															

48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
BONE SPRING LIME	6619.0	THIRD BONE SPRING CARBONATE	8588.0
FIRST BONE SPRING SAND	7555.0	THIRD BONE SPRING SAND	9319.0
SECOND BONE SPRING CARBONATE	7841.0	WOLFCAMP	9627.0
SECOND BONE SPRING SAND	8238.0	UPPER CARBONATE	9835.0
REMARKS: WELL IS STILL FLOW-TESTING, NOT ALL PERFORATIONS DRILLED OUT.			

(4)

File No. 14156

RRCW-1

Date Filed: _____

Jerry E. Patterson, Commissioner

By GH

EXERCISE OPTION TO EXTEND PRIMARY TERM MEMORANDUM

STATE OF TEXAS)
COUNTY OF REEVES)

WHEREAS, on December 28, 2009, effective January 1, 2010, JOHNNIE MARIE POWELL ASHLEY, ELEANOR ELIZABETH POWELL and MICA DAWN POWELL ("Lessor"), executed an Oil, Gas and Mineral Lease (the "Lease") in favor of PETRO-HUNT LLC, ("Lessee"), with an address of 1601 Elm St, Suite 3400, Thanksgiving Tower, Dallas TX 75201-72041, as recorded in Volume 841, Page 53 of the Official Public Records of Real Property of Reeves County, Texas, covering 1,280.00 gross acres, described as

Tract 1 Section 14, Block C-21, Public School Land Survey, containing 640 acres, more or less
Tract 2 Section 16, Block C-21, Public School Land Survey, containing 640 acres, more or less

WHEREAS, on April 11, 2011, Petro-Hunt LLC as Assignor, assigned said lands to Colt Unconventional Resources LLC as Assignee, as recorded in Volume 883, Page 686 of the Official Public Records of Real Property of Reeves County, Texas, and on May 6, 2011, Colt Unconventional Resources LLC as Assignor, assigned said lands to Resolute Natural Resources Southwest, LLC, as Assignee, as recorded in Volume 885, Page 200 of the Official Public Records of Real Property of Reeves County, Texas,

WHEREAS, three wells were drilled during the primary term and the following lands are held by production pursuant to the terms of the Lease. Said wells and lands are:

Armstrong 14-03, Permit #738912, SW/4 of Section 14, containing 160 acres
Armstrong 14-01, Permit #718700, SE/4 of Section 14, containing 160 acres
Armstrong 16-01, Permit #718699, SE/4 of Section 16, containing 160 acres

WHEREAS, the Lease contains an option to extend the Lease for a two-year period, as set forth below:

Paragraph 15. Lessee shall have the option, but not the obligation, of extending the primary term of this lease for an additional two (2) years from the expiration of the primary term by payment to Lessor on or before the expiration of the primary term, the sum of the same bonus per net mineral acre as the bonus is for the first three (3) year term herein.

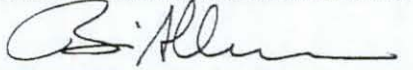
NOW, THEREFORE, pursuant to the terms and conditions of paragraph 15, it is the desire of Resolute Natural Resources Southwest, LLC to extend the primary term of the Lease, from Three (3) years to Five (5) years, for the following lands:

Tract 1 Section 14, Block C-21, Public School Land Surv, N/2, containing 320 acres, more or less
Tract 2 Section 16, Block C-21, Public School Land Surv, N/2 & SW/4, containing 480 acres, more or less

NOW, THEREFORE, be it known that pursuant to the terms of the Lease, Resolute Natural Resources Southwest LLC has paid to Lessor a sum of the bonus described in paragraph 15 of the Lease to effectuate the extension of the primary term from three (3) years to five (5) years from the date of said Lease and that this instrument shall evidence such extension. This extension shall apply to all of the oil, gas and minerals owned by the Lessor in the 320-acre Tract 1 and the 480-acre Tract 2 described above. Except as herein changed, the provisions of said Lease and any recorded instrument effecting said lease shall remain in full force and effect.

IN WITNESS WHEREOF this instrument is made effective on the first (1st) day of January, 2013.

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, Lessee


Bill Alleman, Vice President - Land

ACKNOWLEDGEMENT

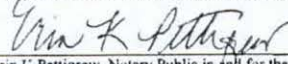
STATE OF COLORADO)
CITY & COUNTY OF DENVER)

On this 7th day of December, 2012, before me personally appeared BILL ALLEMAN, to me known to be the VICE PRESIDENT - LAND of Resolute Natural Resources Southwest, LLC the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

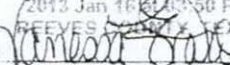
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires April 30, 2015

TX00953 010, 011, 012


Erin K. Pettigrew, Notary Public in and for the State of Colorado

ERIN K PETTIGREW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19904002951
MY COMMISSION EXPIRES 04/30/2015

Inst No. 13-00348
DIANNE O. FLOREZ
COUNTY CLERK
2013 Jan 16 03:50 PM
REEVES COUNTY, TEXAS
By:  DEPUTY

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

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AMENDMENT OF EXERCISE OPTION TO EXTEND PRIMARY TERM

STATE OF TEXAS)
COUNTY OF REEVES)

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WHEREAS, on December 28, 2009, effective January 1, 2010, ELEANOR ELIZABETH POWELL, JOHNNIE MARIE POWELL ASHLEY, and MICA DAWN POWELL, ("Lessor"), each executed an Oil and Gas Lease (collectively the "Leases") in favor of PETRO-HUNT, L L C, ("Lessee"), recorded 4-14-10, in Volume 841, at Page 31, in Volume 841, at Page 42 and in Volume 841, at Page 20, respectively, of the Official Public Records of Real Property of Reeves County, Texas, covering 1,280.00 acres, described as:

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Tract 1 Section 14, Block C-21, Public School Land Survey, containing 640 acres, more or less

Tract 2 Section 16, Block C-21, Public School Land Survey, containing 640 acres, more or less; and

WHEREAS, by that certain Assignment and Conveyance dated effective April 11, 2011, recorded 6-14-11 in Volume 883, at Page 686 of the Official Public Records of Real Property of Reeves County, Texas, Petro-Hunt, L.L.C., as Assignor, assigned said Leases and lands to Colt Unconventional Resources, LLC, as Assignee; and

WHEREAS, by that certain Assignment dated effective May 6, 2011, recorded 6-29-11 in Volume 885, at Page 200 of the Official Public Records of Real Property of Reeves County, Texas, Colt Unconventional Resources, LLC, as Assignor, assigned an undivided interest in said Leases and lands to Resolute Natural Resources Southwest, LLC ("Resolute"), as Assignee; and

WHEREAS, by that certain Exercise Option to Extend Primary Term Memorandum (the "Extension"), dated effective January 1, 2013, recorded 1-16-13 in Volume 981, at Page 206 of the Official Public Records of Real Property of Reeves County, Texas, Resolute extended the primary term of the Leases from three (3) years to five (5) years, for the following lands:

Tract 1 Section 14, Block C-21, Public School Land Survey, N/2, containing 320 acres, more or less

Tract 2 Section 16, Block C-21, Public School Land Survey, N/2 & SW/4, containing 480 acres, more or less; and

WHEREAS, it is the desire of parties hereto to amend the Extension to include additional lands described as the SE/4 of Section 14, Block C-21, Public School Land Survey, Reeves County, Texas, containing 160 acres, more or less.

NOW, THEREFORE, for and in consideration of the premises and the sum of One Hundred Dollars (\$100) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor, their successors and assigns, does hereby ratify and confirm their respective Lease, as previously extended, and Lessor, their successors and assigns, and Resolute do hereby amend the Extension to cover the following lands (the "Lands"):

00953010
00953011
00953.012

Tract 1 Section 14, Block C-21, Public School Land Survey, N/2 & SE/4, containing 480 acres, more or less

Tract 2 Section 16, Block C-21, Public School Land Survey, N/2 & SW/4, containing 480 acres, more or less.

Furthermore, Lessor, their successors and assigns, for and in consideration of the mutual covenants and conditions contained herein, does hereby GRANT, LEASE and LET unto Resolute, its successors and assigns, the Lands described above in accordance with the terms and provisions of their respective Lease and Lessor, their successors and assigns, does hereby CONFIRM, RATIFY and ADOPT the same as if incorporated in their respective Lease, the Extension and this Amendment to the Extension. Therefore, the primary term of the Leases, as to the Lands described herein, shall expire on January 1, 2015. Except as herein changed, the provisions of said Leases and any recorded instrument effecting said Leases shall remain in full force and effect.

This document may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed an original and all of which together shall constitute the same document.

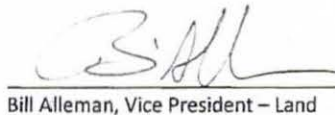
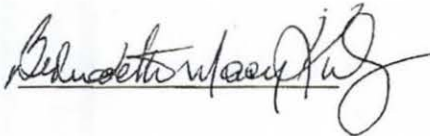
IN WITNESS WHEREOF, this instrument is effective on the 1st day of January 2013.

LESSOR:

LESSEE:

BERNADETTE MARY KIELY, Independent
Administratrix With Will Annexed of the
Estate of Eleanor Elizabeth Powell

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC


Bill Alleman, Vice President - Land

JOHNNIE MARIE POWELL ASHLEY

MICA DAWN POWELL HOPKINS (formerly
known as Mica Dawn Powell)

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Tract 1 Section 14, Block C-21, Public School Land Survey, N/2 & SE/4, containing 480 acres, more or less

Tract 2 Section 16, Block C-21, Public School Land Survey, N/2 & SW/4, containing 480 acres, more or less.

Furthermore, Lessor, their successors and assigns, for and in consideration of the mutual covenants and conditions contained herein, does hereby GRANT, LEASE and LET unto Resolute, its successors and assigns, the Lands described above in accordance with the terms and provisions of their respective Lease and Lessor, their successors and assigns, does hereby CONFIRM, RATIFY and ADOPT the same as if incorporated in their respective Lease, the Extension and this Amendment to the Extension. Therefore, the primary term of the Leases, as to the Lands described herein, shall expire on January 1, 2015. Except as herein changed, the provisions of said Leases and any recorded instrument effecting said Leases shall remain in full force and effect.

This document may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed an original and all of which together shall constitute the same document.

IN WITNESS WHEREOF, this instrument is effective on the 1st day of January 2013.

LESSOR:

LESSEE:

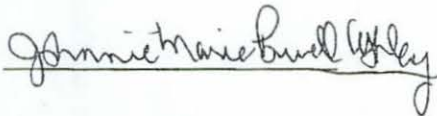
BERNADETTE MARY KIELY, Independent
Administratrix With Will Annexed of the
Estate of Eleanor Elizabeth Powell

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC



Bill Alleman, Vice President - Land

JOHNNIE MARIE POWELL ASHLEY



MICA DAWN POWELL HOPKINS (formerly
known as Mica Dawn Powell)

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Tract 1 Section 14, Block C-21, Public School Land Survey, N/2 & SE/4, containing 480 acres, more or less

Tract 2 Section 16, Block C-21, Public School Land Survey, N/2 & SW/4, containing 480 acres, more or less.

Furthermore, Lessor, their successors and assigns, for and in consideration of the mutual covenants and conditions contained herein, does hereby GRANT, LEASE and LET unto Resolute, its successors and assigns, the Lands described above in accordance with the terms and provisions of their respective Lease and Lessor, their successors and assigns, does hereby CONFIRM, RATIFY and ADOPT the same as if incorporated in their respective Lease, the Extension and this Amendment to the Extension. Therefore, the primary term of the Leases, as to the Lands described herein, shall expire on January 1, 2015. Except as herein changed, the provisions of said Leases and any recorded instrument effecting said Leases shall remain in full force and effect.

This document may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed an original and all of which together shall constitute the same document.

IN WITNESS WHEREOF, this instrument is effective on the 1st day of January 2013.

LESSOR:

LESSEE:

BERNADETTE MARY KIELY, Independent
Administratrix With Will Annexed of the
Estate of Eleanor Elizabeth Powell

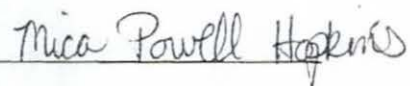
RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC



Bill Alleman, Vice President – Land *BA*

JOHNNIE MARIE POWELL ASHLEY

MPH
MICA ~~DAWN~~ POWELL HOPKINS (formerly
known as Mica Dawn Powell)



Mica Powell Hopkins

ACKNOWLEDGEMENTS

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STATE OF COLORADO)
CITY & COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 5th day of MARCH 2014, by BILL ALLEMAN, VICE PRESIDENT – LAND of Resolute Natural Resources Southwest, LLC, a Delaware limited liability company, on behalf of the company.

My commission Expires: April 30, 2015



Erin K. Pettigrew
Erin K. Pettigrew, Notary Public and for the State of Colorado

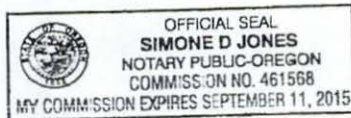
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STATE OF Oregon)
COUNTY OF Washington)

The foregoing instrument was acknowledged before me this 18th day of MAR, 2014, by BERNADETTE MARY KIELY, Independent Administratrix With Will Annexed of the Estate of Eleanor Elizabeth Powell.

My commission expires: 9/11/15



Simone D. Jones
Notary Public, State of Oregon

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by JOHNNIE MARIE POWELL ASHLEY.

My commission expires: _____

Notary Public, State of _____

ACKNOWLEDGEMENTS

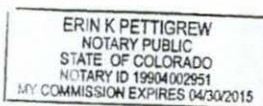
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STATE OF COLORADO)
CITY & COUNTY OF DENVER)

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The foregoing instrument was acknowledged before me this 5th day of MARCH, 2014, by BILL ALLEMAN, VICE PRESIDENT – LAND of Resolute Natural Resources Southwest, LLC, a Delaware limited liability company, on behalf of the company.

My commission Expires: April 30, 2015



Erin K. Pettigrew
Erin K. Pettigrew, Notary Public in and for the State of Colorado

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STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by BERNADETTE MARY KIELY, Independent Administratrix With Will Annexed of the Estate of Eleanor Elizabeth Powell.

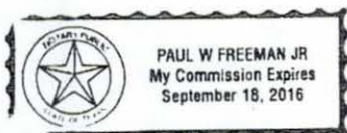
My commission expires:

Notary Public, State of _____

STATE OF Texas)
COUNTY OF Collin)

The foregoing instrument was acknowledged before me this 13 day of March, 2014, by JOHNNIE MARIE POWELL ASHLEY.

My commission expires: September 18, 2016



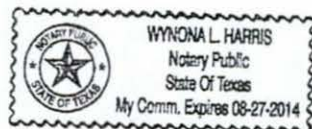
Paul W. Freeman Jr.
Notary Public, State of Texas

STATE OF TEXAS)
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 11 day of MAR, 2014, by
MICA ~~DAVEN~~ POWELL HOPKINS.

My commission expires: 08/27/2014

Wynona L. Harris
Notary Public, State of TEXAS



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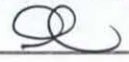
Inst No. 14-02651
DIANNE O. FLOREZ
COUNTY CLERK
2014 Mar 26 at 04:05 PM
REEVES COUNTY, TEXAS
By: AC Aurora Colancho DEPUTY

File No. 114156

Exercise Option to Extend Term

Date Filed: 05/02/14

Jerry E. Patterson, Commissioner

By 

Petro-Colt
TXC001
883-686

ASSIGNMENT AND CONVEYANCE

STATE OF TEXAS §
 §
COUNTY OF REEVES §
COUNTY OF LOVING

For Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged **PETRO-HUNT, L.L.C.**, a Delaware limited liability company, whose mailing address is 1601 Elm Street, Suite 3400, Dallas, Texas 75201 ("**Assignor**"), does hereby sell, transfer, assign and convey to **COLT UNCONVENTIONAL RESOURCES, LLC** of 2101 Cedar Springs, Suite 1230, Dallas, Texas 75201 ("**Assignee**") (each a "**Party**" and sometimes collectively called the "**Parties**" herein), all of Assignor's right, title and interest in and to the oil, gas and other mineral leases, leasehold estates, related royalty interests, and/or overriding royalty interests, if any, covering the lease and/or lands, further referred herein to as the "**Assigned Premises**" and more fully described on Exhibit "A", attached hereto and made a part hereof for all purposes.

The sale, transfer, assignment and conveyance hereby made is effective as of 12:00 a.m. central standard time on April 11, 2011 (the "**Effective Time**"); and, it is executed in concert with and subject to that certain **Purchase and Sale Letter Agreement** (the "**PSA**") regarding the Assigned Premises dated February 24, 2011.

TO HAVE AND TO HOLD such property, together with all and singular the rights and privileges in any way pertaining thereto, unto Assignee and the heirs, successors, and assigns of Assignee, forever. Assignor makes no representations or warranties regarding title except by, through, and under Assignor, but no further.

This Assignment and Conveyance is further subject to the following terms and conditions:

Assignee will indemnify, hold harmless, release and defend Assignor from and against all damages, losses, claims, demands, causes of action, judgments and other costs (including, but not limited to, any civil fines, penalties, costs of assessment, clean-up, removal of pollution or contamination, and expenses for the modification, repair or replacement of facilities on the lands) brought by any and all persons and any agency or other body of federal, state or local government, on account of any personal injury, illness or death, any damage to, destruction or loss of property, and any contamination or pollution of natural resources (including soil, air, surface water or groundwater) to the extent any of the foregoing directly or indirectly is caused by or otherwise involves any environmental condition of the assigned premises, caused or arising after the Effective Time, including, but not limited to, the presence, disposal or release or any material (whether hazardous, extremely hazardous, toxic or otherwise) of any kind in, on or under the Assigned Premises.

Assignee's indemnification obligations hereunder extend to and include, but are not limited to (i) the negligence or other fault of Assignor, Assignee, and third parties, whether such

negligence is active or passive, joint, sole or concurrent, (ii) Assignee's strict liability and (iii) Assignee's liabilities or obligations under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §§9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§9601 et seq.), The Clean Water Act (33 U.S.C. §§466 et seq.), the Safe Drinking Water Act (14 U.S.C. §§1401-1450), the Hazardous Materials Transportation Act (49 U.S.C. §§1801 et seq.), the Toxic Substances Control Act (15 U.S.C. §§2601-2629), the Clean Air Act (42 U.S.C. §7401 et seq.) as amended, the Clean Air Act amendments of 1990 and all applicable state and local laws and any applicable replacement or successor legislation or regulation thereto, and further extend to or include claims arising in whole or in part from the gross negligence or willful misconduct of Assignee. The indemnification provisions herein are in addition to and cumulative with any other indemnity provisions contained in this Assignment and Conveyance or in the PSA, and the terms of the above laws shall control over any conflicting or contradicting terms or provisions contained in this Assignment and Conveyance.

Assignee agrees to fully comply with the applicable rules and regulations of the appropriate state or federal regulatory agency or agencies having jurisdiction applicable to the Assigned Premises, and Assignee will indemnify and hold Assignor harmless from and against all losses, costs, claims and expenses arising out of or in any way connected with Assignee's failure to so fully comply with said applicable rules and regulations insofar as same relate to Assignee's ownership of or operations on the Assigned Premises.

Assignee is liable for and must bear all sales and use taxes, conveyance, transfer and recording fees and real estate transfer stamps or taxes, if any, imposes on any transfer of property pursuant to the Assignment and Conveyance. Assignee will also bear and discharge all ad valorem taxes assessable on the Assigned Premises after Effective Time; provided, however, that to the extent any such taxes may have been incurred prior to the Effective Time, Assignor has discharged its pro-rata share thereof.

This Assignment and Conveyance binds and inures to the benefit of the heirs, successors and assigns of the Parties.

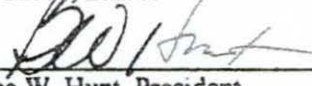
IN WITNESS WHEREOF, this Assignment and Conveyance is executed this 8th day of April, 2011.

ATTEST:


R. Fred Hosey, Secretary

ASSIGNOR:

PETRO-HUNT, L.L.C.

By: 
Bruce W. Hunt, President

ATTEST:

ASSIGNEE:

COLT UNCONVENTIONAL RESOURCES, LLC

By: Chuck Ray

Title: Board Member

STATE OF TEXAS

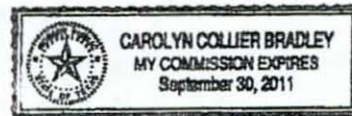
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COUNTY OF DALLAS

This instrument was acknowledged before me on the 11th day of April, 2011, by Chuck Ray, Board Member of Colt Unconventional Resources, LLC, on behalf of said limited liability company.

Carolyn Collier Bradley
Notary Public, State of Texas

My Commission Expires: Sept 30, 2011



STATE OF TEXAS

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COUNTY OF DALLAS

This instrument was acknowledged before me on the 7th day of April, 2011, by Bruce W. Hunt, President of Petro-Hunt, L.L.C., on behalf of said limited liability company.

Helen P. White
Notary Public, State of Texas

My Commission Expires: 02/29/2012



EXHIBIT "A"

Attached to and made a part of that certain Assignment and Conveyance dated effective April 11, 2011 by and between Petro-Hunt L.L.C. and Colt Unconventional Resources, LLC. Exhibit "A" being 6 pages total.

Lease No.	Sub	Lessor	Lessee	Legal	Lease Date	Recording Info.
68424-0008	001	Steve F. Armstrong and wife, Barbara R. Armstrong	Petro-Hunt, L.L.C.	Block 56, T-2, T&P Ry. Co. Survey Sec 25: All Reeves & Loving County, TX Limited to only the above described property	08/11/08	Reeves: Vol 806 Page 178 Loving: Vol 80 Page 101
68424-0009	001	Kevin Louis Roberson	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less Limited to only the above described property	08/28/08	Reeves Vol 806 Page 189
68424-0009	002	Kimberly Roberson Reynolds	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less Limited to only the above described property	08/28/08	Reeves Vol 806 Page 186
68424-0009	003	Tera Burkholder King	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less Limited to only the above described property	08/28/08	Reeves Vol 806 Page 183
68424-0009	004	Tiffani Burkholder	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less Limited to only the above described property	08/28/08	Reeves Vol 806 Page 180
68424-0009	006	Dela Minerals, Inc., by Gary N. Covington, President	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less	12/17/08	Reeves Vol 816 Page 56
68424-0009	007	Douglas Earl Bell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less	8/31/10 effective 9/23/10	Reeves Vol 851 Page 222
68424-0012		Texas Pythian Home, Inc., by Barry Carter, Chairman of the Board	Petro-Hunt, L.L.C.	Block 55, T-3, T&P Ry. Co. Survey Sec 6: SW/4, containing 160.0 acres Block 57, T-3, T&P Ry. Co. Survey Sec 48: N/2, containing 320.0 acres	09/15/08	Reeves Vol 810 Page 263
68424-0013	001	Julian Wade Meeker & Lawrence Hill Meeker, as Co-Trustees under the Will of J.R. Meeker for the lifetime benefit of L.H. Meeker	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 5: S/3, containing 213.34 acres Sec 17: S/3, containing 213.34 acres Sec 18: All, containing 640.0 acres Limited to only the above described property	09/12/08	Reeves Vol 810 Page 259
68424-0013	002	AWP 1983 Trust, by Windi Grimes, Sole Trustee	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 5: S/3, containing 213.34 acres Sec 17: S/3, containing 213.34 acres Sec 18: All, containing 640.0 acres Limited to only the above described property	09/22/08	Reeves Vol 812 Page 74
68424-0013	003	Meeker Investments, Inc., by J.J. Meeker, Manager	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 5: S/3, containing 213.34 acres Sec 17: S/3, containing 213.34 acres Sec 18: All, containing 640.0 acres Limited to only the above described property	09/22/08	Reeves Vol 812 Page 70

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Conveyance dated effective April 11, 2011 by and between Petro-Hunt L.L.C. and Colt Unconventional Resources, LLC. Exhibit "A" being 6 pages total.

Lease No.	Sub	Lessor	Lessee	Legal	Lease Date	Recording Info.
68424-0013	004	Charles R. Meeker Trust U/A, Bank of America, N.A., Trustee	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 5: S/3, containing 213.34 acres Sec 17: S/3, containing 213.34 acres Sec 18: All, containing 640.0 acres Limited to only the above described property	02/06/09	Reeves Vol 821 Page 427
68424-0015	002	Spindletop Exploration Company, Inc., by Joseph V. Hughes, Jr., as President	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: SW/4 Limited to only the above described property	10/01/08	Reeves Vol 812 Page 40
68424-0017		W.W. Oatman, et al	Petro-Hunt, L.L.C.	Block 54, T-5, T&P Ry. Co. Survey Sec 8: All	09/24/08	Reeves Vol 804 Page 382
68424-0018	001	Williamson Enterprises, a Nominee Partnership	Petro-Hunt, L.L.C.	Block 54, T-5, T&P Ry. Co. Survey Sec 4: E/2, W/2 of SW/4	11/11/08	Reeves Reeves Vol 812 Page 48
68424-0018	002	Tom E. Johnson, LP	Petro-Hunt, L.L.C.	Block 54, T-5, T&P Ry. Co. Survey Sec 4: E/2, W/2 of SW/4	11/17/08	Reeves Vol 812 Page 67
68424-0018	003	Robert F. Duke, Executor of the Estate of William Wayne Gilt, Deceased	Petro-Hunt, L.L.C.	Block 54, T-5, T&P Ry. Co. Survey Sec 4: E/2, W/2 of SW/4	11/14/08	Reeves Vol 814 Page 204
68424-0018	004	Robert F. Duke and Judy A. Duke, Husband & Wife	Petro-Hunt, L.L.C.	Block 54, T-5, T&P Ry. Co. Survey Sec 4: E/2, W/2 of SW/4	11/14/08	Reeves Vol 814 Page 208
68424-0019	012	Gwendolyn B. Gelfmayer	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: N/2 SE/4 containing 80.0 acres more or less Reeves County, Texas Limited to only the above described property	03/21/09	Reeves Vol 821 Page 236
68424-0019	013	Sharon B. St Clair	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: N/2 SE/4 containing 80.0 acres more or less Reeves County, Texas Limited to only the above described property	03/21/09	Reeves Vol 821 Page 245
68424-0028		John D. Camp	Petro-Hunt, L.L.C.	Block 56, T-2, T&P Ry. Co. Survey Sec 8: All Reeves and Loving County, TX	10/03/08	Reeves: Vol 813 Page 505 Loving: Vol 83 Page 352
68424-0029	001	Martin E. Auerbach, Trustee of The John C. Tatum III 1989 Trust and The Thomas Lewis Tatum 1990 Trust	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: All	08/06/08	Reeves Vol 744 Page 314
68424-0029	002	Anne Lewis David, William H. Gibbons, Joan P. David, Lewis N. Gibbons, and Betty Gibbons	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: All	05/31/08	Reeves Vol 739 Page 663
68424-0029	003	John S. Young, Jr.	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: All	06/13/08	Reeves Vol 737 Page 387
68424-0029	004	Susan Levanas	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: All	05/31/08	Reeves Vol 735 Page 784
68424-0029	005	Anne Young	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: All	05/31/08	Reeves Vol 734 Page 514

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Conveyance dated effective April 11, 2011 by and between Petro-Hunt L.L.C. and Colt Unconventional Resources, LLC. Exhibit "A" being 6 pages total.

Lease No.	Sub	Lessor	Lessee	Legal	Lease Date	Recording Info.
68424-0029	007	Lee Daniel Newbury	Hack Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: All	08/04/08	Reeves Vol 804 Page 52
68424-0029	008	Betty Newbury Tumbull	Hack Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: All	08/29/08	Reeves Vol 804 Page 46
68424-0029	009	Willie Ann Lansing	Hack Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: All	08/04/08	Reeves Vol 804 Page 43
68424-0029	010	Maynard L. Sowell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 4: All	04/09/09	Reeves Vol 821 Page 201
68424-0029	011	Billie Sue McCray	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 4: All	04/09/09	Reeves Vol 821 Page 198
68424-0029	012	Betty Jo Colburn Corley and Horace Aubrey Corley	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 4: All	05/04/09	Reeves Vol 821 Page 470
68424-0030	001	Collins Family Associates, LLC	Petro-Hunt, L.L.C.	Block 57, T-3, T&P Ry. Co. Survey Sec 28: S/2 Reeves County, TX	12/19/08	Reeves Vol 814 Page 619
68424-0030	002	J. Robert Baur, Jr.	Petro-Hunt, L.L.C.	Block 57, T-3, T&P Ry. Co. Survey Sec 28: S/2 Reeves County, TX	12/08/08	Reeves Vol 814 Page 611
68424-0030	003	William E. Russ	Petro-Hunt, L.L.C.	Block 57, T-3, T&P Ry. Co. Survey Sec 28: S/2 Reeves County, TX	12/08/08	Reeves Vol 814 Page 604
68424-0030	004	Richard C. Jenner	Petro-Hunt, L.L.C.	Block 57, T-3, T&P Ry. Co. Survey Sec 28: S/2 Reeves County, TX	12/08/08	Reeves Vol 814 Page 597
68424-0030	005	Neil Hause Kaufmann	Petro-Hunt, L.L.C.	Block 57, T-3, T&P Ry. Co. Survey Sec 28: S/2 Reeves County, TX	02/10/09	Reeves Vol 816 Page 668
68424-0030	006	Laura Nelson and Doris Nelson, Co-Executors of the Estate of Wilma W. Nelson, deceased.	Petro-Hunt, L.L.C.	Block 57, T-3, T&P Ry. Co. Survey Sec 28: S/2 Reeves County, TX	01/12/09	Reeves Vol 821 Page 412
68424-0031		H. L. Hawkins, Jr., Inc.	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 5: North 2/3, containing 426.67 acres, more or less Limited to only the above described property	12/18/08	Reeves Vol 814 Page 641
68424-0032	001	Tom E. Johnson, LP	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 1: E/2 of SE/4 of SE/4	01/05/09	Reeves Vol 816 Page 48
68424-0032	002	Blake Oil & Gas Corporation	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 1: E/2 of SE/4 of SE/4 Limited to only the above described property	11/11/08	Reeves Vol 816 Page 22
68424-0036	001	Blake Oil & Gas Corporation	Petro-Hunt, L.L.C.	Block 57, T-3, T&P Ry. Co. Survey Sec 44: 10 acres, being All of Lots 1 and 2 in Tract 12, as described in that certain Plat filed in Vol 1, Page 30 of the Plat Records of Reeves County, TX. Block 57, T-3, T&P Ry. Co. Survey Sec 44: 530.0 acres, being All of Lots 1 through 8 in each of Tracts 1 through 8, Lots 1 and 2 in Tract 9, Lots 1 and 2 in Tract 10, Lot 8 in Tract 11, Lots 3 through 7 in Tract 12, Lots 2 through 6 in Tract 13, Lots 1 through 3 in Tract 14, Lots 1 and 2 in Tract 15, and Lot 1 in Tract 16, as described in that certain Plat filed in Vol 1, Page 30 of the Plat Records of Reeves County, TX	11/11/08	Reeves Vol 816 Page 01

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Conveyance dated effective April 11, 2011 by and between Petro-Hunt L.L.C. and Colt Unconventional Resources, LLC. Exhibit "A" being 6 pages total.

Lease No.	Sub	Lessor	Lessee	Legal	Lease Date	Recording Info.
68424-0038		Eugene Marcus Johnson	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 15: All of the middle 1/3rd of the East 3/7ths, containing 91.43 acres, more or less	02/16/09	Reeves Vol 816 Page 682
68424-0043	001	Collins Partners, LTD., a Texas Limited Partnership	Petro-Hunt, L.L.C.	Block 55, T-5, T&P Ry. Co. Survey Sec 14: N/2 of the NE/4 and the SW/4 of the NE/4	02/05/09	Reeves Vol 817 Page 689
68424-0043	002	Paul Davis, Ltd., a Texas Limited Partnership	Petro-Hunt, L.L.C.	Block 55, T-5, T&P Ry. Co. Survey Sec 14: N/2 of the NE/4 and the SW/4 of the NE/4	02/05/09	Reeves Vol 819 Page 819
68424-0043	003	Davis Partners, a Texas General Partnership	Petro-Hunt, L.L.C.	Block 55, T-5, T&P Ry. Co. Survey Sec 14: N/2 of the NE/4 and the SW/4 of the NE/4	02/05/09	Reeves Vol 819 Page 811
68424-0043	004	Donald G. Haden and Dorothy T. Haden	Petro-Hunt, L.L.C.	Block 55, T-5, T&P Ry. Co. Survey Sec 14: N/2 of the NE/4 and the SW/4 of the NE/4	02/05/09	Reeves Vol 819 Page 815
68424-0045	001	Allan L. Newsom, individually and as A/I/F for Eva Powell Linn, John Jay Doles, Vance Wayne Farrell, James Martin Farrell, and Donna K. Moore	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 12: All	02/06/09	Reeves Vol 817 Page 696
68424-0045	002	Karen D. Funk	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 12: All	05/25/10	Reeves Vol 859 Page 76
68424-0046	001	Cheesman Family Oil and Gas Venture, by Dale C. Cheesman, III, Manager.	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: NE/4, being 160.0 acres more or less Sec 19: All, being 239.0 acres more or less Block 56, T-3, T&P Ry. Co. Survey Sec 28: NW/4, being 160.0 acres more or less	10/15/08	Reeves Vol 817 Page 707
68424-0046	002	John Mason Carter	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: NE/4, being 160.0 acres more or less Sec 19: All, being 239.0 acres more or less Block 56, T-3, T&P Ry. Co. Survey Sec 28: NW/4, being 160.0 acres more or less	03/13/09	Reeves Vol 821 Page 193
68424-0046	003	Catherine Carter Malone	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: NE/4, being 160.0 acres more or less Sec 19: All, being 239.0 acres more or less Block 56, T-3, T&P Ry. Co. Survey Sec 28: NW/4, being 160.0 acres more or less	03/13/09	Reeves Vol 821 Page 188
68424-0047		John Ward Williams, Individually; The Maynette Moffett Williams Estate Trust, by John Ward Williams, Trustee; and The Herbert Edward Williams Estate Trust, by John Ward Williams, Trustee.	Petro-Hunt, L.L.C.	Block 54, T-5, T&P Ry. Co. Survey Sec 4: NW/4	01/21/09	Reeves Vol 819 Page 801
68424-0052	001	312 Corporation Inc	Petro-Hunt, L.L.C.	Block 6, H&GN Ry. Co. Survey Sec 6: South 480 0 acres being the same lands more fully described in that certain patent filed in Vol 5, Page 565 of the patent records of Reeves Co., TX containing 480 0 acres more or less Block 6 H&GN Ry. Co. Survey Sec 7: containing 637.27 acres more or less.	03/15/09	Reeves Vol 821 Page 154

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Conveyance dated effective April 11, 2011 by and between Petro-Hunt L.L.C. and Colt Unconventional Resources, LLC. Exhibit "A" being 6 pages total.

Lease No.	Sub	Lessor	Lessee	Legal	Lease Date	Recording Info.
68424-0052	002	Jean Burkholder Family Limited Partnership, by Billie Jean Burkholder, General Partner	Petro-Hunt, L.L.C.	Block 6, H&GN Ry. Co. Survey Sec 7: containing 637.27 acres more or less.	03/24/09	Reeves Vol 821 Page 166
68424-0052	003	Blake Oil & Gas Corporation	Petro-Hunt, L.L.C.	Block 6, H&GN Ry. Co. Survey Sec 6: 290.166 acre tract, being the same lands more fully described in that certain Mineral Deed filed in Vol 438, Page 734 of the Deed Records of Reeves Co., TX containing 290.166 acres more or less. Block 6, H&GN Ry. Co. Survey Sec 6: South 480.0 acres being the same lands more fully described in that certain patent filed in Vol 5, Page 565 of the patent records of Reeves Co., TX containing 480.0 acres more or less. Block 6, H&GN Ry. Co. Survey Sec 7: containing 637.27 acres more or less. Block C-21, Public School Land Survey Sec 13: E/2 NW/4 containing 80.0 acres more or less. Limited to only the above described 4 properties Block 6, H&GN Ry. Co. Survey Sec 9: All, L&E an 80.0 acre proration unit surrounding the Beckham 9-1, and being more fully described in that certain Oil and Gas Lease filed in Vol 487, Page 638 of the Deed Records of Reeves Co., TX, containing 559.0 acres more or less Sec 9: An 80.0 acre proration unit surrounding the Beckham 9-1, and being more fully described in that certain Oil and Gas Lease filed in Vol 487, Page 638 of the Deed Records of Reeves Co., TX, containing 80.0 acres more or less Below 7,000 ft only Limited to only the above described property	03/15/09	Reeves Vol 821 Page 473
68424-0060		Blake Oil & Gas Corporation	Petro-Hunt, L.L.C.	Block 57, T-2, T&P Ry. Co. Survey Sec 20: SE/4 NW/4 NW/4, W/2 NE/4 SW/4 containing 30.0 acres more or less	03/15/09	Reeves Vol 821 Page 86
68424-0068		Billy Bob and Georgia R. Stewart	Petro-Hunt, L.L.C.	Block 56, T-3, T&P Ry. Co. Survey Sec 28: SW/4 SW/4 containing 40.0 acres more or less	04/20/09	Reeves Vol 823 Page 61
68424-0067	001	Preston J. and Janice E. Tillery	Petro-Hunt, L.L.C.	All of the D. A. Gathings Survey 1, Block 6, Scrap File Number 7395, being fully described in that certain Patent recorded in Volume 6, Page 88 of the Patent Records of Reeves County, Texas.	05/07/09	Reeves Vol 823 Page 77
68424-0067	002	Christine A. Thomson	Petro-Hunt, L.L.C.	All of the D. A. Gathings Survey 1, Block 6, Scrap File Number 7395, being fully described in that certain Patent recorded in Volume 6, Page 88 of the Patent Records of Reeves County, Texas	05/07/09	Reeves Vol 823 Page 82
68424-0068	001	Martha Corley and W Newton Barnes	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 11: NE/4 containing 180.0 acres more or less	05/04/09	Reeves Vol 823 Page 87
68424-0070	001	Barbara H. Prewitt	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less	12/28/2009 effective 01/01/2010	Reeves Vol 841 Page 53

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Conveyance dated effective April 11, 2011 by and between Petro-Hunt L.L.C. and Colt Unconventional Resources, LLC. Exhibit "A" being 6 pages total.

Lease No.	Sub	Lessor	Lessee	Legal	Lease Date	Recording Info.
68424-0070	002	Johnnie Marie Powell Ashley	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less	12/28/2009 effective 01/01/2010	Reeves Vol 841 Page 42
68424-0070	003	Eleanor Elizabeth Powell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less	12/28/2009 effective 01/01/2010	Reeves Vol 841 Page 31
68424-0070	004	Mica Dawn Powell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 14: All, containing 640 acres, more or less Sec 16: All, containing 640 acres, more or less	12/28/2009 effective 01/01/2010	Reeves Vol 841 Page 20
68424-0071	001	Barbara H. Prewitt	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less	12/28/2009 effective 01/01/2010	Reeves Vol 841 Page 47
68424-0071	002	Johnnie Marie Powell Ashley	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less	12/28/2009 effective 01/01/2010	Reeves Vol 841 Page 36
68424-0071	003	Eleanor Elizabeth Powell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less	12/28/2009 effective 01/01/2010	Reeves Vol 841 Page 25
68424-0071	004	Mica Dawn Powell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, containing 640 acres, more or less	12/28/2009 effective 01/01/2010	Reeves Vol 841 Page 14

Certificate of Record

51.00

Recording Fee

Certified Copy Fee

51.00

Total Paid

Encl

003704

Return to:

Resolute Natural Resources
1675 Broadway St 1950
Denver CO 80202

COMPARED

[Signature]

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

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

OPR VOL. 883 PAGE 686 DATE RECORDED 06/14/2011



DIANNE C. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: *[Signature]* Deputy

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ASSIGNMENT AND BILL OF SALE OF LEASEHOLD RIGHTS

STATE OF TEXAS)
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COUNTY OF REEVES)

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KNOW ALL MEN BY THESE PRESENTS that COLT UNCONVENTIONAL RESOURCES, LLC, a Texas limited liability company, whose address is 2101 Cedar Springs Road, Suite 1230, Dallas, TX 75201, hereinafter referred to as "Assignor" for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the dates indicated on the attached Exhibit "A" under the heading Effective Date of Assignment, has granted, sold, conveyed and delivered and does hereby grant, sell, convey and deliver unto RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, a Delaware limited liability company, whose address is 1675 Broadway, Suite 1950, Denver, CO 80202, hereinafter referred to as "Assignee", all of Assignor's right title and interests in the following properties (real, personal or mixed) and rights (contractual or otherwise) unless expressly reserved or excluded herein, the following being referred to herein collectively as the "Leasehold Rights":

(a) The oil and gas leases described on Exhibit "A" and the lands described on Exhibit "A-1" attached hereto, limited to (a) the lands described under the heading Legal and (b) the depths described under the heading Depths Assigned on Exhibit "A" and, in the case of the Boucher 2 #2 well, as further described by metes and bounds on Exhibit "A-1" attached hereto, (the "Leases");

(b) The rights and interests in, to and under, or derived from, all of the presently existing and valid unitization and pooling agreements and units (including all units formed by voluntary agreement and those formed under the rules, regulations, orders or other official acts of any governmental entity having jurisdiction) to the extent they relate to any of the Leases;

(c) The right and interests to and under, or derived from, all of the presently existing and valid joint operating agreements, oil sales contracts, casinghead gas sales contracts, gas sales contracts, processing contracts, gathering contracts, transportation contracts, easements, rights-of-way, servitudes, surface leases and other contracts to the extent the same are used or obtained in connection with any of the Leases;

(d) The rights and interests in and to all personal property and improvements, including without limitation, tanks, buildings, fixtures, machinery, equipment, pipelines, utility lines, power lines, telephone lines, roads and other appurtenances, to the extent the same are situated upon and/or used or held for use by Assignor and/or Assignee in connection with the ownership, operation, maintenance and repair of the Leases; and

(e) The rights and interests in and to all personal property and improvements, including without limitation, tanks, buildings, fixtures, machinery, equipment, pipelines, utility lines, power lines, telephone lines, roads and other appurtenances, to the extent the same are situated upon and/or used or held for use by Assignor and/or Assignee in connection with the ownership, operation, maintenance and repair of the following wells located in Reeves County, Texas:

The State Oatman Number 5: located at Section 8, Township 5, Block 54,
2,140 FNL and 2,140 FEL; and
The Newbury Number 2: located at Section 4, Block C-21,
500' FNL & 2140' FEL; and
The Boucher 2 Number 2: located at Section 2, Block C-21,
500' FNL & 500' FWL; and

(f) The rights and interests in all permits and licenses of any nature owned, held or operated in connection with operations for the exploration and production of oil, gas, or other minerals to the extent the same are used or obtained in connection with any of the Leases;

TO HAVE AND TO HOLD the Leasehold Rights, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Assignee, its successors and assigns, forever, subject to the following terms and conditions:

1. Special Warranty of Title: Assignor represents and warrants the Leasehold Rights are free and clear of all liens, encumbrances, security interests or other adverse claims arising by, through or under Assignor, but not otherwise. Assignor shall warrant and defend the title to the Leasehold Rights conveyed to Assignee against every person whomsoever lawfully claims the Leasehold Rights or any part thereof by, through and under Assignor, but not otherwise.

2. Successors and Assigns: The terms, covenants and conditions contained in this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and such terms, covenants and conditions shall be covenants running with the land and with each subsequent transfer or assignment of the Leasehold Rights, or any part thereof.

3. Joint Operating Agreement: This Assignment is made in accordance with and is subject to the terms of that certain Joint Operating Agreement dated April 29, 2011 by and between Assignor and Assignee ("JOA"), however, Assignee shall take title to the property hereby assigned free and clear of the terms of the JOA from the Effective Date of Assignment as provided in the attached Exhibit "A" and Exhibit "A-1" and after.

4. Reservation: Save and except for the Leasehold Rights herein above expressly assigned, all rights, title, and interests of Assignor in, to and under the oil and gas leases described on Exhibit "A" and all lands and depths covered thereby expressly are retained by and reserved unto Assignor and not herein assigned to Assignee.

5. Further Assurances: Assignor and Assignee agree to take all such further actions and to execute, acknowledge and deliver all such documents that are necessary or useful in carrying out the purpose of this Assignment.

6. Counterparts: This Assignment is being executed in multiple counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute one instrument.

ASSIGNOR:

COLT UNCONVENTIONAL RESOURCES, LLC

By: [Signature]
Name: Chris Kay
Title: President
Dated: 1-24-13

ASSIGNEE:

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC

By: [Signature]
Name: Bill Alleman
Title: Vice President-Land
Dated: 1-23-13

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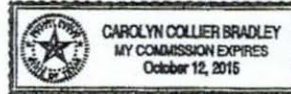
STATE OF TEXAS)
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 24th day of January, 2013, by Chuck Ray as resident of COLT UNCONVENTIONAL RESOURCES, LLC.

Witness my hand and seal.

My Commission Expires: 10/12/15

Carolyn Collier Bradley
Notary Public



STATE OF COLORADO)
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 23rd day of JANUARY, 2013, by BILL ALLEMAN, as Vice President-Land of RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC.

Witness my hand and seal.

My Commission Expires: 04.30.15

Erin K. Pettigrew
Notary Public



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EXHIBIT "A"

Attached to and made a part of that certain Assignment and Bill Of Sale of Leasehold Rights Between Colt Unconventional Resources, LLC as Assignor, and Resolute Natural Resources Southwest, LLC as Assignee dated January 23, 2013 but made effective as herein provided.

<u>Lessor</u>	<u>Legal</u>	<u>County</u>	<u>State</u>	<u>Lease Date</u>	<u>Recording Info</u>	<u>Effective Date of Assignment</u>	<u>Depths Assigned</u>
Kevin Louis Roberson	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	8/28/2008	Vol 806 Page 189	11/25/2012	Surface to Base of the Wolfcamp Formation
Kimberly Roberson Reynolds	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	8/28/2008	Vol 806 Page 186	11/25/2012	Surface to Base of the Wolfcamp Formation
Tera Burkholder King	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	8/28/2008	Vol 806 Page 183	11/25/2012	Surface to Base of the Wolfcamp Formation
Tiffani Burkholder	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	8/28/2008	Vol 806 Page 180	11/25/2012	Surface to Base of the Wolfcamp Formation
Dela Minerals, Inc., by Gary N. Covington, President	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	12/17/2008	Vol 816 Page 56	11/25/2012	Surface to Base of the Wolfcamp Formation
Douglas Earl Bell	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	9/23/2010	Vol 851 Page 222	11/25/2012	Surface to Base of the Wolfcamp Formation
Johnnie Marie Powell Ashley	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	12/28/2009 effective 1/01/2010	Vol 841 Page 36	11/25/2012	Surface to Base of the Wolfcamp Formation
Eleanor Elizabeth Powell	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	12/28/2009 effective 1/01/2010	Vol 841 Page 25	11/25/2012	Surface to Base of the Wolfcamp Formation

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Bill Of Sale of Leasehold Rights Between Colt Unconventional Resources, LLC as Assignor, and Resolute Natural Resources Southwest, LLC as Assignee dated January 23, 2013 but made effective as herein provided.

<u>Lessor</u>	<u>Legal</u>	<u>County</u>	<u>State</u>	<u>Lease Date</u>	<u>Recording Info</u>	<u>Effective Date of Assignment</u>	<u>Depths Assigned</u>
Mica Dawn Powell	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	12/28/2009 effective 1/01/2010	Vol 841 Page 14	11/25/2012	Surface to Base of the Wolfcamp Formation
Barbara H. Prewitt	Spacing Unit for the Boucher 2 #2 well, Permit #744483 Block C-21, Public School Land Survey Sec 2 - more fully described on the attached Exhibit A-1, comprising 160 acres, more or less - MF-114154	Reeves	TX	12/28/2009 effective 1/01/2010	Vol 841 Page 47	11/25/2012	Surface to Base of the Wolfcamp Formation
W.W. Oatman, et al	Spacing Unit for the State Oatman 5 well, Permit #726120 Block 54, T-5, T&P Ry. Co. Survey Sec 8: NE/4 - MF-109915 comprised of 160.00 acres more or less	Reeves	TX	9/24/2008	Vol 804 Page 382	11/10/2012	Surface to Base of the Wolfcamp Formation
Martin E. Auerbach, Trustee of The John C. Tatum III 1989 Trust and The Thomas Lewis Tatum 1990 Trust	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	9/6/2006	Vol 744 Page 314	11/16/2012	Surface to Base of the Wolfcamp Formation
Anne Lewis David, William H. Gibbons, Joan P. David, Lewis N. Gibbons, and Betty Gibbons	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	5/31/2006	Vol 739 Page 663	11/16/2012	Surface to Base of the Wolfcamp Formation
John S. Young, Jr.	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	6/13/2006	Vol 737 Page 387	11/16/2012	Surface to Base of the Wolfcamp Formation
Susan Levanas	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	5/31/2006	Vol 735 Page 784	11/16/2012	Surface to Base of the Wolfcamp Formation
Anne Young	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	5/31/2006	Vol 734 Page 514	11/16/2012	Surface to Base of the Wolfcamp Formation

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Bill Of Sale of Leasehold Rights Between Colt Unconventional Resources, LLC as Assignor, and Resolute Natural Resources Southwest, LLC as Assignee dated January 23, 2013 but made effective as herein provided.

<u>Lessor</u>	<u>Legal</u>	<u>County</u>	<u>State</u>	<u>Lease Date</u>	<u>Recording Info</u>	<u>Effective Date of Assignment</u>	<u>Depths Assigned</u>
Lee Daniel Newbury	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	8/4/2008	Vol 804 Page 52	11/16/2012	Surface to Base of the Wolfcamp Formation
Betty Newbury Turnbull	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	8/29/2008	Vol 804 Page 46	11/16/2012	Surface to Base of the Wolfcamp Formation
Willie Ann Lansing	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	8/4/2008	Vol 804 Page 43	11/16/2012	Surface to Base of the Wolfcamp Formation
Maynard L. Sowell	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	4/9/2009	Vol 821 Page 201	11/16/2012	Surface to Base of the Wolfcamp Formation
Billie Sue McGray	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	4/9/2009	Vol 821 Page 198	11/16/2012	Surface to Base of the Wolfcamp Formation
Petty Jo Collum Corley and Horace Aubrey Corley	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	5/4/2009	Vol 821 Page 470	11/16/2012	Surface to Base of the Wolfcamp Formation
Lee Usnick	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	5/13/2011	Vol 885 Page 729	11/16/2012	Surface to Base of the Wolfcamp Formation
Brynn Jordan	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	5/13/2011	Vol 885 Page 733	11/16/2012	Surface to Base of the Wolfcamp Formation

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Bill Of Sale of Leasehold Rights Between Colt Unconventional Resources, LLC as Assignor, and Resolute Natural Resources Southwest, LLC as Assignee dated January 23, 2013 but made effective as herein provided.

<u>Lessor</u>	<u>Legal</u>	<u>County</u>	<u>State</u>	<u>Lease Date</u>	<u>Recording Info</u>	<u>Effective Date of Assignment</u>	<u>Depth Assigned</u>
Thomas Buckley	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	6/1/2011	Vol 885 Page 739	11/16/2012	Surface to Base of the Wolfcamp Formation
James J Buckley	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	6/1/2011	Vol 885 Page 739	11/16/2012	Surface to Base of the Wolfcamp Formation
Christine C Buckley	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	6/1/2011	Vol 885 Page 739	11/16/2012	Surface to Base of the Wolfcamp Formation
Norma Williams Trust Agrmt	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	8/15/2011	Vol 889 Page 99	11/16/2012	Surface to Base of the Wolfcamp Formation
Martin Curran	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	5/20/2011	Vol 928 Page 699	11/16/2012	Surface to Base of the Wolfcamp Formation
Eric Rodney Nunley Management Trust	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	5/15/2011	Vol 942 Page 692	11/16/2012	Surface to Base of the Wolfcamp Formation
Rebecca Butler, Ind & Exec James Maurice Butler	Spacing Unit for the Newbury 2 well, Permit #719468 Block C-21, Public School Land Survey Sec 4: SW/4 comprising 160.00 acres more or less	Reeves	TX	4/26/2011	Vol 945 Page 603	11/16/2012	Surface to Base of the Wolfcamp Formation

Exhibit "A-1"

Attached to and made a part of that certain Assignment and Bill Of Sale of Leasehold Rights Between Colt Unconventional Resources, LLC as Assignor, and Resolute Natural Resources Southwest, LLC as Assignee dated January 23, 2013 but made effective as herein provided.

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Boucher No. 02-02

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METES AND BOUNDS DESCRIPTION of a 160.00 Acre Tract of land located in Section 2, (GLO File Number 149597), Block C-21, Public School Land Survey, Reeves County, Texas.

COMMENCING at a 4 inch iron pipe in scattered stone mound (X=1215908.4 & Y=10581031.8), the northeast corner of Section 2, Block C-21, P.S.L. Survey;

THENCE, along the north line of Section 2, Block C-21, Public School Land Survey and south line of Section 39, Block 56, Township 3, T. & P. RR. Co. Survey, N 88°26'24" W a distance of 3909.0 feet to a point, the northeast corner and the POINT OF BEGINNING of this tract;

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THENCE, along the north line of said Section 2 and said Section 39, N 88°26'24" W at a distance of 1374.7 feet pass the southwest corner of Section 39 and the southeast corner of Section 38, Block 56, Township 3, T. & P. RR. Co. Survey, continuing along the north line of Section 2 and the south line of Section 38 a total distance of 1990.6 feet to a point for the northwest corner of Section 2 and the northwest corner of this tract;

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THENCE S 01°38'55" W, along the west line of Section 2 and the east line of Section 3, Block C-21, Public School Land Survey, a distance of 3180.2 feet to a point for the southwest corner of Section 2 and the southeast corner of Section 3 and the southwest corner of this tract;

THENCE, along the south line of Section 2 and the north line of Section 1, Block C-21, Public School Land Survey, S 88°22'25" E a distance of 2390.7 feet to the south most east corner of this tract;

THENCE N 01°38'55" E a distance of 1591.5 feet to the north most east corner of this tract;

THENCE N 88°24'25" W a distance 400.1 feet to an interior corner of this tract;

THENCE N 01°38'55" E a distance of 1591.3 feet to the POINT OF BEGINNING.

BASIS OF BEARINGS is the Texas State Plane Coordinate System Central Zone NAD 83.
All distances shown are surface values.

Inst No. 13-01778
DIANNE O. FLOREZ
COUNTY CLERK
2013 Mar 13 at 10:53 AM
REEVES COUNTY, TEXAS
By: AC Aurora Calanche, DEPUTY

6
File No. 114156

Assignment

Date Filed: 05/02/14

Jerry E. Patterson, Commissioner

By 



RR8

FR

MF114156

Owner: COMMISSIONER OF THE TEXAS

Date: 08/14/2012

Description: ARMSTRONG 16-01

Effective Date:

04/01/2012

Complete Property Description Listed Below

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

Owner Name and Address

COMMISSIONER OF THE TEXAS
GENERAL LAND OFFICE
P O BOX 12873
AUSTIN, TX 78711-2873
Phone Number:

Owner Number: 06076
Type Interest: State Royalty Interest
Decimal Interest: 0.06250000
FAX Number:

Property Description

Property: 1830.01 ARMSTRONG 16-01
Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US Block: C-21 Section: 16 Qtr/Qtr: SWSW Surv. Ft/Dir: 0 Surv. Ft/Dir: 0
PSL/CASEY, L A, A-5471

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

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

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

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

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

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____



8.20.12

August 14, 2012

TO: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE
P O BOX 12873
AUSTIN, TX 78711-2873

RE: ARMSTRONG 16-01
SWSW - BLOCK C-21, PSL/CASEY, L A, A-5471, Sec: 16
REEVES COUNTY, TEXAS

To Whom It May Concern:

Enclosed please find the Division Order for the referenced well. Both copies are for your records.

If you have any questions, feel free to contact the undersigned either by telephone at 303-573-4886 x1595, or by email at SGrummon@ResoluteEnergy.com.

Sincerely,

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC
By its Manager, Resolute Natural Resources Company, LLC

A handwritten signature in blue ink, appearing to read "S. Grummon", written over a horizontal line.

Sam Grummon
Division Order Analyst

/sg
enclosures

File No. MF114156DIVISION ORDERDate Filed: 8.20.12

Jerry E. Patterson, Commissioner

By  _____

Resolute

January 20, 2015

Commissioner of the Texas
General Land Office
P O Box 12873
Austin, TX 78711-2873
Attn: Drew Reid

Re: Documents for your files
Amendments MF-114155, MF-114156

Dear Mr. Reid,

Enclosed please find certified copies from the Reeves County Clerk of Amendment of Oil and Gas Lease that pertain to leases covering lands in Block C-21, PSL Survey, Section 14, MF-114155, and Section 16, MF-114156 in Reeves County, Texas. Also enclosed is a certified copy of Assignment, Stipulation of Interest and Cross Conveyance signed by FireWheel and Resolute.

I have also enclosed our check number 1000094513 in the amount of \$125.00 to cover the filing fees for the certified copies.

Thank you for your assistance and if you have any questions, please feel free to contact me at 303)573-4886 x1280, or by email LAhlfenger@ResoluteEnergy.com.

Sincerely yours,



Lynn Ahlfenger
Lease Analyst

/la
Enclosures

TX00953.009 – TX00953.012, TXC0101

15706890

RESOLUTE NATURAL RESOURCES

1700 Lincoln Street
Suite 2800
Denver CO 80203

U S BANK TREASURY DIVISION

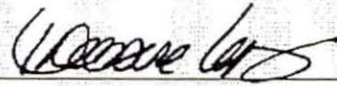
23-2
1020

Check No	Check Date	Check Amount
1000094513	01/15/2015	*****\$125.00

PAY *One Hundred Twenty Five Dollars and Zero Cents*

Void After 120 Days

TO COMMISSIONER OF THE TEXAS
THE GENERAL LAND OFFICE
ORDER P O BOX 12873
OF AUSTIN TX 78711-2873



⑈ 1000094513 ⑈

PLEASE DETACH AT PERFORATION ABOVE

RESOLUTE NATURAL RESOURCES

1700 Lincoln Street
Suite 2800
Denver CO 80203

PLEASE DETACH AT PERFORATION ABOVE

Resolute

Check Number 1000094513

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
06076-011315-CHKREQ	01/13/2015	DOCUMENT FEES	125.00	0.00	125.00

121

15706890

06076

Owner

Check Date: 01/15/2015

Check Amount

125.00

File No. 114158

County

Ltr + fees

Date Filed: 01/20/15

George P. Bush, Commissioner

By [Signature]

AMENDMENT OF OIL AND GAS LEASE

STATE OF TEXAS)
)
COUNTY OF REEVES)

WHEREAS, on December 28, 2009, effective January 1, 2010, BARBARA H PREWIT ("Lessor"), executed an Oil, Gas and Mineral Lease (the "Lease") in favor of Petro-Hunt LLC ("Lessee"), as recorded in Volume 841, Page 53, of the Official Public Records of Real Property of Reeves County, Texas, covering 1,280.00 gross acres, more or less, described as:

Tract 1: Section 14, Block C-21, PSL Survey, containing 640 acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, containing 640 acres, more or less

WHEREAS, by that certain Assignment and Conveyance dated effective April 11, 2011, recorded in Volume 833, Page 686, of the Official Records of Real Property of Reeves County, Texas, Petro-Hunt, L.L.C., as Assignor, assigned said lands to Colt Unconventional Resources, LLC, as Assignee; and by that certain Assignment dated effective May 6, 2011, recorded in Volume 885, Page 200 of the Official Records of Real Property of Reeves County, Texas, Colt Unconventional Resources, LLC, as Assignor, assigned an undivided interest in said lands to Resolute Natural Resources Southwest, LLC ("Resolute"), as Assignee; and

WHEREAS, effective January 1, 2013, Resolute extended the primary term of the Lease from Three (3) years to Five (5) years by that certain Exercise Option to Extend Primary Term Memorandum ("Extension"), recorded in Volume 981, Page 207 of the Official Records of Real Property of Reeves County, Texas, as amended by that certain Amendment of Exercise Option to Extend Primary Term dated effective January 1, 2013, recorded in Volume 1053, Page 749, of the Official Records of Real Property of Reeves County, Texas ("Amendment") for the following lands only:

Tract 1: Section 14, Block C-21, PSL Survey, N/2 and the E/2 ^{of B&O} 2 (a/k/a SE/4), containing 480 acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, N/2 and SW/4, containing 480 acres, more or less

WHEREAS, Resolute Natural Resources Southwest, LLC and Firewheel Energy, LLC (current Lessees) desire to extend the primary term of the lease for an additional eighteen (18) months for only the lands described below:

Tract 1: Section 14, Block C-21, PSL Survey, the most Easterly 18.63 acres of the most Westerly 338.63 acres, containing 18.63 gross acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, W/2, containing 320 gross acres, more or less

WHEREAS, the Lessor and Lessees have agreed to strike the following language in Paragraph 1 of the original Lease:

"Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provision hereof."

NOW, THEREFORE, for and in consideration of the premises and the sum of One Hundred Dollars (\$100) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant Lessees an extension of the primary term an additional eighteen (18) months, from January 1, 2015 to July 1, 2016 for only the following lands

Tract 1: Section 14, Block C-21, PSL Survey, the most Easterly 18.63 acres of the most Westerly 338.63 acres, containing 18.63 gross acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, W/2, containing 320 gross acres, more or less

NOW, THEREFORE, Lessor and Lessees further agree that the following language is hereby stricken in the Lease:

"Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provision hereof."

Except as expressly amended herein, the Lease shall continue in force as originally written and Lessor agrees to ratify, confirm and adopt the Lease, as amended hereby, and does further grant, lease, let and demise unto Resolute Natural Resources Southwest LLC and Firewheel Energy, LLC, their successors and assigns, all the land described in the Lease, together with all rights thereunder, under the same terms and conditions contained in the Lease, except as amended herein.

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



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

IN WITNESS WHEREOF this instrument is executed and effective as of the acknowledgement dates.

LESSOR:

LESSEES:

Barbara H. Prewit
Barbara H. Prewit

RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC

Bill Alleman
Bill Alleman, Vice President - Land

FIREWHEEL ENERGY, LLC

Alan J. Brown
Alan J. Brown, Senior Vice President

ACKNOWLEDGEMENTS

STATE OF COLORADO)
CITY & COUNTY OF DENVER)

On this 17th day of July, 2014, before me personally appeared **BILL ALLEMAN**, to me known to be the VICE PRESIDENT - LAND of Resolute Natural Resources Southwest, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: April 30, 2015

Erin K. Pettigrew
Erin K Pettigrew, Notary Public in and for the State of Colorado

ERIN K PETTIGREW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19904002951
MY COMMISSION EXPIRES 04/30/2015

STATE OF TEXAS)
COUNTY OF MIDLAND)

On this 6th day of October, 2014, before me personally appeared **ALAN J. BROWN**, to me known to be the SENIOR VICE PRESIDENT of Firewheel Energy, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: June 14, 2016

Ben R. Ryburn
Notary Public in and for the State of Texas

BENJAMIN R. RYBURN
Notary Public, State of Texas
My Commission Expires
JUNE 14, 2016

STATE OF ARKANSAS)
COUNTY OF WASHINGTON)

On this 11 day of AUGUST, 2014, before me personally appeared **BARBARA H. PREWIT**, who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: 11/06/2023

Marda R. Hatcher
Notary Public in and for the State of ARKANSAS

OFFICIAL SEAL
MARDA R. HATCHER
NOTARY PUBLIC, ARKANSAS
WASHINGTON COUNTY
COMMISSION No. 12396627
COMMISSION EXP. 11/06/2023

Inst No. 14-10176
DIANNE O. FLOREZ
COUNTY CLERK
2014 Oct 30 at 09:25 AM
REEVES COUNTY, TEXAS
By: VG Maria Garcia, DEPUTY



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

AMENDMENT OF OIL AND GAS LEASE

STATE OF TEXAS)
)
COUNTY OF REEVES)

WHEREAS, on December 28, 2009, effective January 1, 2010, ELEANOR ELIZABETH POWELL, JOHNNIE MARIE POWELL ASHLEY, and MICA DAWN POWELL ("Lessors"), executed an Oil, Gas and Mineral Lease (the "Lease") in favor of Petro-Hunt LLC ("Lessee"), as recorded in Volume 841, Page 42, of the Official Public Records of Real Property of Reeves County, Texas, covering 1,280.00 gross acres, more or less, described as:

Tract 1: Section 14, Block C-21, PSL Survey, containing 640 acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, containing 640 acres, more or less

WHEREAS, by that certain Assignment and Conveyance dated effective April 11, 2011, recorded in Volume 833, Page 686, of the Official Records of Real Property of Reeves County, Texas, Petro-Hunt, L.L.C., as Assignor, assigned said lands to Colt Unconventional Resources, LLC, as Assignee; and by that certain Assignment dated effective May 6, 2011, recorded in Volume 885, Page 200 of the Official Records of Real Property of Reeves County, Texas, Colt Unconventional Resources, LLC, as Assignor, assigned an undivided interest in said lands to Resolute Natural Resources Southwest, LLC ("Resolute"), as Assignee; and

WHEREAS, effective January 1, 2013, Resolute extended the primary term of the Lease from Three (3) years to Five (5) years by that certain Exercise Option to Extend Primary Term Memorandum ("Extension"), recorded in Volume 981, Page 206 of the Official Records of Real Property of Reeves County, Texas, as amended by that certain Amendment of Exercise Option to Extend Primary Term dated effective January 1, 2013, recorded in Volume 1064, Page 95, of the Official Records of Real Property of Reeves County, Texas ("Amendment") for the following lands only:

Tract 1: Section 14, Block C-21, PSL Survey, N/2 and SE/4, containing 480 acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, N/2 and SW/4, containing 480 acres, more or less

WHEREAS, Resolute Natural Resources Southwest, LLC and Firewheel Energy, LLC (current Lessees) desire to extend the primary term of the lease for an additional eighteen (18) months for only the lands described below:

Tract 1: Section 14, Block C-21, PSL Survey, the most Easterly 18.63 acres of the most Westerly 338.63 acres, containing 18.63 gross acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, W/2, containing 320 gross acres, more or less

WHEREAS, the Lessor and Lessees have agreed to strike the following language in Paragraph 1 of the original Lease:

"Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provision hereof."

NOW, THEREFORE, for and in consideration of the premises and the sum of One Hundred Dollars (\$100) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant Lessees an extension of the primary term an additional eighteen (18) months, from January 1, 2015 to July 1, 2016 for only the following lands

Tract 1: Section 14, Block C-21, PSL Survey, the most Easterly 18.63 acres of the most Westerly 338.63 acres, containing 18.63 gross acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, W/2, containing 320 gross acres, more or less

NOW, THEREFORE, Lessor and Lessees further agree that the following language is hereby stricken in the Lease:

"Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provision hereof."

Except as expressly amended herein, the Lease shall continue in force as originally written and Lessor agrees to ratify, confirm and adopt the Lease, as amended hereby, and does further grant, lease, let and demise unto Resolute Natural Resources Southwest LLC and Firewheel Energy, LLC, their successors and assigns, all the land described in the Lease, together with all rights thereunder, under the same terms and conditions contained in the Lease, except as amended herein.

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

This document may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed an original and all of which together shall constitute the same document.



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

IN WITNESS WHEREOF this instrument is executed and effective as of the acknowledgement dates.

LESSORS:

LESSEES:

BERNADETTE MARY KIELY, successor in interest to
ELEANOR ELIZABETH POWELL

RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC



Bill Alleman, Vice President - Land

JOHNNIE MARIE POWELL ASHLEY

FIREWHEEL ENERGY, LLC


MICA POWELL HOPKINS (fka Mica Dawn Powell)

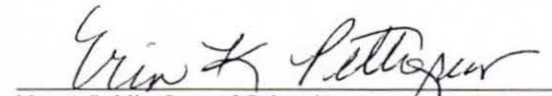

Alan J. Brown, Senior Vice President

ACKNOWLEDGEMENTS

STATE OF COLORADO)
CITY & COUNTY OF DENVER)

The foregoing instrument was acknowledged before me on 17th day of JULY, 2014, by Bill Alleman as Vice President - Land for RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC on behalf of said limited liability company.

My Commission expires: 04/30/2015


Notary Public, State of Colorado

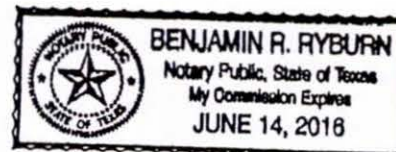


STATE OF TEXAS)
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me on 6th day of October, 2014, by Alan J. Brown as Senior Vice President for FIREWHEEL ENERGY, LLC on behalf of said limited liability company.

My Commission expires: June 14, 2016


Notary Public, State of Texas



STATE OF OREGON)
COUNTY OF _____)

On this _____ day of _____, 2014, before me personally appeared BERNADETTE MARY KIELY, who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: _____

Notary Public in and for the State of Oregon

STATE OF TEXAS)
COUNTY OF _____)

On this _____ day of _____, 2014, before me personally appeared JOHNNIE MARIE POWELL ASHLEY, who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: _____

Notary Public in and for the State of Texas



STATE OF TEXAS

COUNTY OF

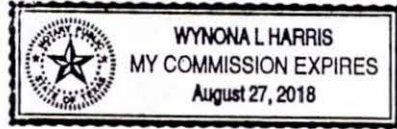
Dallas

On this 5 day of AUGUST, 2014, before me personally appeared MICA POWELL HOPKINS, who executed the within and foregoing instrument of writing and acknowledged to me that ~~he~~/she/~~they~~ did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: 08/27/2018

Wynona L. Harris
Notary Public in and for the State of Texas



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Inst No. 14-10177
DIANNE O. FLOREZ
COUNTY CLERK
2014 Oct 30 at 09:25 AM
REEVES COUNTY, TEXAS

By: VG [Signature] DEPUTY



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

AMENDMENT OF OIL AND GAS LEASE

STATE OF TEXAS)
)
COUNTY OF REEVES)

WHEREAS, on December 28, 2009, effective January 1, 2010, ELEANOR ELIZABETH POWELL, JOHNNIE MARIE POWELL ASHLEY, and MICA DAWN POWELL ("Lessors"), executed an Oil, Gas and Mineral Lease (the "Lease") in favor of Petro-Hunt LLC ("Lessee"), as recorded in Volume 841, Page 42, of the Official Public Records of Real Property of Reeves County, Texas, covering 1,280.00 gross acres, more or less, described as:

Tract 1: Section 14, Block C-21, PSL Survey, containing 640 acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, containing 640 acres, more or less

WHEREAS, by that certain Assignment and Conveyance dated effective April 11, 2011, recorded in Volume 833, Page 686, of the Official Records of Real Property of Reeves County, Texas, Petro-Hunt, L.L.C., as Assignor, assigned said lands to Colt Unconventional Resources, LLC, as Assignee; and by that certain Assignment dated effective May 6, 2011, recorded in Volume 885, Page 200 of the Official Records of Real Property of Reeves County, Texas, Colt Unconventional Resources, LLC, as Assignor, assigned an undivided interest in said lands to Resolute Natural Resources Southwest, LLC ("Resolute"), as Assignee; and

WHEREAS, effective January 1, 2013, Resolute extended the primary term of the Lease from Three (3) years to Five (5) years by that certain Exercise Option to Extend Primary Term Memorandum ("Extension"), recorded in Volume 981, Page 206 of the Official Records of Real Property of Reeves County, Texas, as amended by that certain Amendment of Exercise Option to Extend Primary Term dated effective January 1, 2013, recorded in Volume 1064, Page 95, of the Official Records of Real Property of Reeves County, Texas ("Amendment") for the following lands only:

Tract 1: Section 14, Block C-21, PSL Survey, N/2 and SE/4, containing 480 acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, N/2 and SW/4, containing 480 acres, more or less

WHEREAS, Resolute Natural Resources Southwest, LLC and Firewheel Energy, LLC (current Lessees) desire to extend the primary term of the lease for an additional eighteen (18) months for only the lands described below:

Tract 1: Section 14, Block C-21, PSL Survey, the most Easterly 18.63 acres of the most Westerly 338.63 acres, containing 18.63 gross acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, W/2, containing 320 gross acres, more or less

WHEREAS, the Lessor and Lessees have agreed to strike the following language in Paragraph 1 of the original Lease:

"Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provision hereof."

NOW, THEREFORE, for and in consideration of the premises and the sum of One Hundred Dollars (\$100) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant Lessees an extension of the primary term an additional eighteen (18) months, from January 1, 2015 to July 1, 2016 for only the following lands

Tract 1: Section 14, Block C-21, PSL Survey, the most Easterly 18.63 acres of the most Westerly 338.63 acres, containing 18.63 gross acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, W/2, containing 320 gross acres, more or less

NOW, THEREFORE, Lessor and Lessees further agree that the following language is hereby stricken in the Lease:

"Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provision hereof."

Except as expressly amended herein, the Lease shall continue in force as originally written and Lessor agrees to ratify, confirm and adopt the Lease, as amended hereby, and does further grant, lease, let and demise unto Resolute Natural Resources Southwest LLC and Firewheel Energy, LLC, their successors and assigns, all the land described in the Lease, together with all rights thereunder, under the same terms and conditions contained in the Lease, except as amended herein.

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

This document may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed an original and all of which together shall constitute the same document.



IN WITNESS WHEREOF this instrument is executed and effective as of the acknowledgement dates.

LESSORS:

LESSEES:

RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC

BERNADETTE MARY KIELY, successor in interest to
ELEANOR ELIZABETH POWELL

Bill Alleman, Vice President - Land

JOHNNIE MARIE POWELL ASHLEY

FIREWHEEL ENERGY, LLC

MICA POWELL HOPKINS (fka Mica Dawn Powell)

Alan J. Brown, Senior Vice President

ACKNOWLEDGEMENTS

STATE OF COLORADO)
CITY & COUNTY OF DENVER)

The foregoing instrument was acknowledged before me on 17th day of JULY, 2014, by Bill Alleman as Vice President - Land for RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC on behalf of said limited liability company.

My Commission expires: 04/30/2015

Notary Public, State of Colorado

Erin K. Pettigrew

ERIN K. PETTIGREW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19904002951
MY COMMISSION EXPIRES 04/30/2015

STATE OF TEXAS)
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me on 6th day of October, 2014, by Alan J. Brown as Senior Vice President for FIREWHEEL ENERGY, LLC on behalf of said limited liability company.

My Commission expires: June 14, 2016

Notary Public, State of Texas

Benjamin R. Ryburn

BENJAMIN R. RYBURN
Notary Public, State of Texas
My Commission Expires
JUNE 14, 2016

STATE OF OREGON)
COUNTY OF)

On this _____ day of _____, 2014, before me personally appeared BERNADETTE MARY KIELY, who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: _____

Notary Public in and for the State of Oregon

STATE OF TEXAS)
COUNTY OF Collin)

On this 5th day of August, 2014, before me personally appeared JOHNNIE MARIE POWELL ASHLEY, who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: 2-10-2018

Notary Public in and for the State of Texas

Terri T. Thomas

TERRI T. THOMAS
My Commission Expires
February 10, 2018



True and Correct
copy of
Original filed in
Roewe County
Clerk's Office

STATE OF TEXAS)
)
COUNTY OF)

On this _____ day of _____, 2014, before me personally appeared MICA POWELL HOPKINS, who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: _____

Notary Public in and for the State of Texas

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Inst No. 14-10178
DIANNE O. FLOREZ
COUNTY CLERK
2014 Oct 30 at 09:25 AM
REEVES COUNTY, TEXAS

By: VG

DEPUTY



True and Correct
copy of
Original filed in
Reeves County
Clerk's Office

AMENDMENT OF OIL AND GAS LEASE

STATE OF TEXAS)
)
COUNTY OF REEVES)

WHEREAS, on December 28, 2009, effective January 1, 2010, ELEANOR ELIZABETH POWELL, JOHNNIE MARIE POWELL ASHLEY, and MICA DAWN POWELL ("Lessors"), executed an Oil, Gas and Mineral Lease (the "Lease") in favor of Petro-Hunt LLC ("Lessee"), as recorded in Volume 841, Page 42, of the Official Public Records of Real Property of Reeves County, Texas, covering 1,280.00 gross acres, more or less, described as:

Tract 1: Section 14, Block C-21, PSL Survey, containing 640 acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, containing 640 acres, more or less

WHEREAS, by that certain Assignment and Conveyance dated effective April 11, 2011, recorded in Volume 833, Page 686, of the Official Records of Real Property of Reeves County, Texas, Petro-Hunt, L.L.C., as Assignor, assigned said lands to Colt Unconventional Resources, LLC, as Assignee; and by that certain Assignment dated effective May 6, 2011, recorded in Volume 885, Page 200 of the Official Records of Real Property of Reeves County, Texas, Colt Unconventional Resources, LLC, as Assignor, assigned an undivided interest in said lands to Resolute Natural Resources Southwest, LLC ("Resolute"), as Assignee; and

WHEREAS, effective January 1, 2013, Resolute extended the primary term of the Lease from Three (3) years to Five (5) years by that certain Exercise Option to Extend Primary Term Memorandum ("Extension"), recorded in Volume 981, Page 206 of the Official Records of Real Property of Reeves County, Texas, as amended by that certain Amendment of Exercise Option to Extend Primary Term dated effective January 1, 2013, recorded in Volume 1064, Page 95, of the Official Records of Real Property of Reeves County, Texas ("Amendment") for the following lands only:

Tract 1: Section 14, Block C-21, PSL Survey, N/2 and SE/4, containing 480 acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, N/2 and SW/4, containing 480 acres, more or less

WHEREAS, Resolute Natural Resources Southwest, LLC and Firewheel Energy, LLC (current Lessees) desire to extend the primary term of the lease for an additional eighteen (18) months for only the lands described below:

Tract 1: Section 14, Block C-21, PSL Survey, the most Easterly 18.63 acres of the most Westerly 338.63 acres, containing 18.63 gross acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, W/2, containing 320 gross acres, more or less

WHEREAS, the Lessor and Lessees have agreed to strike the following language in Paragraph 1 of the original Lease:

"Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provision hereof."

NOW, THEREFORE, for and in consideration of the premises and the sum of One Hundred Dollars (\$100) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant Lessees an extension of the primary term an additional eighteen (18) months, from January 1, 2015 to July 1, 2016 for only the following lands

Tract 1: Section 14, Block C-21, PSL Survey, the most Easterly 18.63 acres of the most Westerly 338.63 acres, containing 18.63 gross acres, more or less
Tract 2: Section 16, Block C-21, PSL Survey, W/2, containing 320 gross acres, more or less

NOW, THEREFORE, Lessor and Lessees further agree that the following language is hereby stricken in the Lease:

"Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provision hereof."

Except as expressly amended herein, the Lease shall continue in force as originally written and Lessor agrees to ratify, confirm and adopt the Lease, as amended hereby, and does further grant, lease, let and demise unto Resolute Natural Resources Southwest LLC and Firewheel Energy, LLC, their successors and assigns, all the land described in the Lease, together with all rights thereunder, under the same terms and conditions contained in the Lease, except as amended herein.

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

This document may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed an original and all of which together shall constitute the same document.



IN WITNESS WHEREOF this instrument is executed and effective as of the acknowledgement dates.

LESSORS:

Bernadette Mary Kiely
BERNADETTE MARY KIELY, successor in interest to
ELEANOR ELIZABETH POWELL

LESSEES:

RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC

Bill Alleman
Bill Alleman, Vice President - Land

JOHNNIE MARIE POWELL ASHLEY

FIREWHEEL ENERGY, LLC

MICA POWELL HOPKINS (fka Mica Dawn Powell)

Alan J. Brown
Alan J. Brown, Senior Vice President

ACKNOWLEDGEMENTS

STATE OF COLORADO)
CITY & COUNTY OF DENVER)

The foregoing instrument was acknowledged before me on 17th day of July, 2014, by Bill Alleman as Vice President - Land for RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC on behalf of said limited liability company.

My Commission expires: 04/30/2015

Erin K Pettigrew
Notary Public, State of Colorado

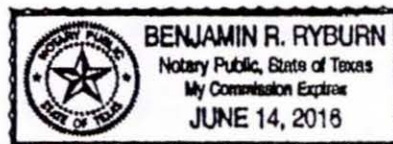
ERIN K PETTIGREW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19904002951
MY COMMISSION EXPIRES 04/30/2015

STATE OF TEXAS)
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me on 6th day of October, 2014, by Alan J. Brown as Senior Vice President for FIREWHEEL ENERGY, LLC on behalf of said limited liability company.

My Commission expires: June 14, 2016

Ben R R
Notary Public, State of Texas



STATE OF OREGON)
COUNTY OF Washington)

On this 7th day of August, 2014, before me personally appeared BERNADETTE MARY KIELY, who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: 04/07/2018

Lydia Davis
Notary Public in and for the State of Oregon

STATE OF TEXAS)
COUNTY OF _____)

On this _____ day of _____, 2014, before me personally appeared JOHNNIE MARIE POWELL ASHLEY, who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: _____

Notary Public in and for the State of Texas



STATE OF TEXAS)
COUNTY OF _____)

On this _____ day of _____, 2014, before me personally appeared MICA POWELL HOPKINS, who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: _____

Notary Public in and for the State of Texas

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Inst No. 14-10179

DIANNE O. FLOREZ

COUNTY CLERK

2014 Oct 30 at 09:25 AM

REEVES COUNTY TEXAS

By: VG

DEPUTY

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Reeves County

Clerks Office



File No. 114156

_____ County

Amendment

Date Filed: 01/20/15

George P. Bush, Commissioner

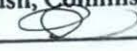
By 

Exhibit "A"

<i>GLO ID</i>	<i>County</i>	<i>Lease</i>
9322	Reeves	MF114155
9322	Reeves	MF114156

Tuesday, April 28, 2015

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

ASSIGNMENT, STIPULATION OF INTEREST AND CROSS CONVEYANCE

WHEREAS, effective April 29, 2011, Resolute Natural Resources Southwest, LLC ("Resolute") and Colt Unconventional Resources, LLC ("Colt"), entered into that certain Exploration and Development Agreement ("E&DA"); and

WHEREAS, by that certain Conveyance dated effective March 1, 2014, recorded in Volume 1060, at Page 698 of the Official Public Records of Real Property of Reeves County, Texas, Colt conveyed to FireWheel Energy, LLC ("FireWheel") all of its undivided right, title and interest in and to the E&DA and the Leases and Lands subject to the E&DA; and

WHEREAS, Resolute and FireWheel desire to accurately reflect their respective ownership interests in and to the Leases and Lands set forth on Exhibit A, attached hereto and made a part hereof, including any and all amendments and options thereto;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned do hereby stipulate and agree, and do hereby grant, bargain, sell, quitclaim, and convey, each unto the other, any interest they may own in and to the oil, gas and other minerals underlying the Leases and Lands described on Exhibit A, attached hereto and made a part hereof, so as to effectuate ownership in said Leases and Lands, as follows:

Resolute Natural Resources Southwest, LLC	51.00%
FireWheel Energy, LLC	49.00%

This Assignment, Stipulation of Interest and Cross Conveyance ("Assignment") shall be binding upon the parties hereto, their respective heirs, devisees, personal representatives, successors and assigns.

This Assignment may be executed in any number of counterparts and each such counterpart shall be effective as to each party that executes the same whether or not all of parties execute the same counterpart. If counterparts of this Assignment are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Assignment, but each counterpart shall be considered an original.

Each of the parties hereby executes this Assignment on the date(s) set forth below; however, this Assignment is effective for all purposes as of **March 1, 2014** ("Effective Date").

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC

By: 
Bill Alleman, Vice President - Land

FIREWHEEL ENERGY, LLC

By: 
Kyle M. Hammond, Chief Executive Officer



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Clarks Office

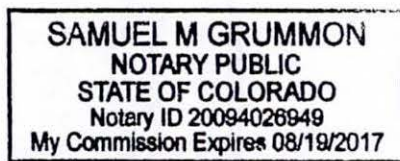
ACKNOWLEDGEMENTS

STATE OF COLORADO)
CITY & COUNTY OF DENVER)

This instrument was acknowledged before me on this 8th day of October, 2014 by Bill Alleman, Vice President – Land, Resolute Natural Resources Southwest, LLC, a Delaware limited liability company, on behalf of said limited liability company.

WITNESS my hand and official seal.

My Commission expires: 8/19/2017



[Signature]
Notary Public in and for the State of Colorado

STATE OF TEXAS)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on this 14th day of October, 2014 by Kyle M. Hammond, as Chief Executive Officer of FireWheel Energy, LLC, a Delaware limited liability company, on behalf of said limited liability company.

WITNESS my hand and official seal.

My Commission expires:



[Signature]
Notary Public in and for the State of Texas



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Exhibit A
to that certain Correction Assignment and Bill of Sale effective March 1, 2014
between Colt Unconventional Resources, LLC, as Grantor, and
Firewheel Energy, LLC, as Grantee

RSW Lease No.	Lessor	Lessee	Legal Description	Lease Date	Recording Info L = Lease M = Memorandum O = Option A = Amendment
TX00953.001	Kevin Louis Roberson	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto Sec 14: All MF-114155 Sec 16: All MF-114156	08/28/08	L - Vol 806 / Pg 189 A - Vol 991 / Pg 449
TX00953.002	Kimberly Roberson Reynolds	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto Sec 14: All Sec 16: All	08/28/08	L - Vol 806 / Pg 186 A - Vol 991 / Pg 451
TX00953.003	Tera Burkholder King	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto Sec 14: All Sec 16: All	08/28/08	L - Vol 806 / Pg 183 A - Vol 993 / Pg 92
TX00953.004	Tiffani Burkholder	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto Sec 14: All Sec 16: All	08/28/08	Lease Vol 806 / Pg 180 A - Vol 993 / Pg 94
TX00953.005	Dela Minerals Inc	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto Sec 14: All Sec 16: All	12/17/08	L - Vol 816 / Pg 56 A - Vol 988 / Pg 357



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TX00953.006	Douglas Earl Bell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto Sec 14: All Sec 16: All	09/23/10	L - Vol 851 / Pg 222 O - Vol 1021 / Pg 548
TX00953.009	Barbara H Prewit	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 14: All Sec 16: All	01/01/10	L - Vol 841 / Pg 53 O - Vol 981 / Pg 207
TX00953.010	Johnnie Marie Powell Ashley	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 14: All Sec 16: All	01/01/10	L - Vol 841 / Pg 42 O - Vol 981 / Pg 206
TX00953.011	Eleanor Elizabeth Powell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 14: All Sec 16: All	01/01/10	L - Vol 841 / Pg 31 O - Vol 981 / Pg 206
TX00953.012	Mica Dawn Powell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 14: All Sec 16: All	01/01/10	L - Vol 841 / Pg 20 O - Vol 981 / Pg 206
TX00953.013	Barbara H Prewit	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey MF-114154 Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto	01/01/10	L - Vol 841 / Pg 47 O - Vol 981 / Pg 214
TX00953.014	Johnnie Marie Powell Ashley	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto	01/01/10	L - Vol 841 / Pg 36 O - Vol 981 / Pg 208
TX00953.015	Eleanor Elizabeth Powell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto	01/01/10	L - Vol 841 / Pg 25 O - Vol 981 / Pg 208
TX00953.016	Mica Dawn Powell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 2: All, LESS AND EXCEPT the lands and depths described on Exhibit A-1 attached hereto	01/01/10	L - Vol 841 / Pg 14 O - Vol 981 / Pg 208



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TX00954.000	Texas Pythian Home, Inc., by Barry Carter, Chairman of the Board	Petro-Hunt, L.L.C.	Block 55, T-3, T&P Ry Co Survey Sec 6: SW, MF-114164 Block 57, T-3, T&P Ry Co Survey Sec 48: N2, MF-114163 STATE OF TX 1/16th FREE ROYALTY LANDS	09/15/08	L - Vol 810 / Pg 263
TX00955.001	Julian Wade Meeker & Lawrence Hill Meeker, as Co-Trustees under the Will of J.R. Meeker for the lifetime benefit of L.H. Meeker	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 5: E2S3 MF-114158 Sec 17: S3 MF-114159 Sec 18: All MF-114157 STATE OF TX 1/16th FREE ROYALTY LANDS	09/12/08	L - Vol 810 / Pg 259 O - Vol 893 / Pg 830
TX00955.002	AWP 1983 Trust, by Windi Grimes, Sole Trustee	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 5: E2S3 Sec 17: S3 Sec 18: All STATE OF TX 1/16th FREE ROYALTY LANDS	09/22/08	L - Vol 812 / Pg 74 O - Vol 893 / Pg 832
TX00955.003	Meeker Investments, Inc., by J.J. Meeker, Manager	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 5: E2S3 Sec 17: S3 Sec 18: All STATE OF TX 1/16th FREE ROYALTY LANDS	09/22/08	L - Vol 812 / Pg 70 O - Vol 893 / Pg 834
TX00955.004	Charles R Meeker Trust BOA Trustee	Resolute Natural Resources Southwest LLC	Block C-21, Public School Land Survey Sec 18: W2 MF-114157	02/06/09	L - Vol 821 / Pg 427
TX00955.005	Charles R Meeker Trust BOA Trustee	Resolute Natural Resources Southwest LLC	Block C-21, Public School Land Survey Sec 5: E2S3 MF-114158	12/06/12	L - Vol 991 / Pg 453



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TX00956.000	Spindletop Exploration Company, Inc., by Joseph V. Hughes, Jr., as President	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: SW	10/01/08	L - Vol 812 / Pg 40
TX00957.000	W.W. Oatman, et al	Petro-Hunt, L.L.C.	Block 54, T-5, T&P Ry Co Survey Sec 8: W2, SE <i>MF-109915</i>	09/24/08	L - Vol 804 / Pg 382
TX00958.005	Lomoco, Inc.	Capital Land Services Inc	Block 54, T-5, T&P Ry Co Survey Sec 4: E2, W2SW	11/17/11	L - Vol 924 / Pg 279
TX00958.006	Lewis N White Jr	Capital Land Services Inc	Block 54, T-5, T&P Ry Co Survey Sec 4: E2, W2SW	10/17/11	M - Vol 910 / Pg 641
TX00958.007	JP Morgan Chase Bank NA, Agent of the John H Duncan Jr Separate Property Agency & JP Morgan Chase Bank NA, Agent of the Jeaneane Duncan 1988 Grantor Trust Agency	Resolute Natural Resources Southwest LLC	Block 54, T-5, T&P Ry Co Survey Sec 4: E2, W2SW	04/04/12	M - Vol 940 / Pg 525
TX00958.009	Charles W Duncan III 1979 Trust, Charles W Duncan III & Robert J Faust Trustees & Mary Anne Duncan 1979 Trust, Charles W Duncan III & Robert J Faust Trustees	Resolute Natural Resources Southwest LLC	Block 54, T-5, T&P Ry Co Survey Sec 4: E2, W2SW	02/22/12	M - Vol 981 / Pg 220
TX00959.001	Gwendolyn B Geltemeyer	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: N2SE	03/21/09	L - Vol 821 / Pg 236 O - Vol 933 / Pg 534
TX00959.002	Sharon B St Clair	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: N2SE	03/21/09	L - Vol 821 / Pg 245 O - Vol 933 / Pg 536
TX00961.001	Martin E. Auerbach, Trustee of The John C. Tatum III 1989 Trust and The Thomas Lewis Tatum 1990 Trust	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: W2, SE	09/06/06	L - Vol 744 / Pg 314



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TX00961.002	Anne Lewis David, William H. Gibbons, Joan P. David, Lewis N. Gibbons, and Betty Gibbons	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: W2, SE	05/31/06	L - Vol 739 / Pg 663
TX00961.003	John S. Young, Jr.	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: W2, SE	06/13/06	L - Vol 737 / Pg 387
TX00961.004	Susan Levanas	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: W2, SE	05/31/06	L - Vol 735 / Pg 784
TX00961.005	Anne Young	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: W2, SE	05/31/06	L - Vol 734 / Pg 514
TX00961.006	Lee Daniel Newbury	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: W2, SE	08/04/08	L - Vol 804 / Pg 52
TX00961.007	Betty Newbury Turnbull	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: W2, SE	08/29/08	L - Vol 804 / Pg 46
TX00961.008	Willie Ann Lansing	Heck Exploration Company, Inc.	Block C-21, Public School Land Survey Sec 4: W2, SE	08/04/08	L - Vol 804 / Pg 43
TX00961.009	Maynard L. Sowell	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 4: W2, SE	04/09/09	L - Vol 821 / Pg 201



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TX00961.010	Billie Sue McCray	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 4: W2, SE	04/09/09	L - Vol 821 / Pg 198
TX00961.011	Betty Jo Collum Corley and Horace Aubrey Corley	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 4: W2, SE	05/04/09	L - Vol 821 / Pg 470
TX00961.012	Lee Usnick	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 4: W2, SE	05/13/11	L - Vol 885 / Pg 729
TX00961.013	Bryan Jordan	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 4: W2, SE	05/13/11	L - Vol 885 / Pg 733
TX00961.014	Thomas Buckley	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 4: W2, SE	06/01/11	L - Vol 885 / Pg 739
TX00961.015	James J Buckley	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 4: W2, SE	06/01/11	L - Vol 885 / Pg 736
TX00961.016	Christine C Buckley	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 4: W2, SE	06/01/11	L - Vol 899 / Pg 196
TX00961.017	Norma Williams Trust Agrmt	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 4: W2, SE	08/15/11	L - Vol 899 / Pg 199



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TX00961.018	Martin Curran	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 4: W2, SE	05/20/11	L - Vol 928 / Pg 699
TX00961.019	Eric Rodney Nunley Management Trust	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 4: W2, SE	05/15/11	L - Vol 942 / Pg 692
TX00961.020	Rebecca Butler, Ind & Exec James Maurice Butler Estate	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 4: W2, SE	05/15/11	L - Vol 945 / Pg 603
TX00963.000	H. L. Hawkins, Jr., Inc.	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 5: N2, N3SE MF-114491	12/18/08	L - Vol 814 / Pg 641 O - Vol 1005 / Pg 602
TX00966.000	Eugene Marcus Johnson	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 15: All of middle 1/3rd of E 3/7ths	02/16/09	L - Vol 816 / Pg 682
TX00968.001	Allan L Newsom et al	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 12: All	02/06/09	L - Vol 817 / Pg 696 O - Vol 933 / Pg 528
TX00968.002	Karen D. Funk	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 12: All	05/25/10	L - Vol 859 / Pg 76
TX00969.001	Cheesman Family Oil and Gas Venture, by Dale C. Cheesman, III, Manager.	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: NE MF-114494 Sec 19: All MF-114493 Block 56, T-3, T&P Ry Co Survey Sec 28: NW MF-114492	10/15/08	L - Vol 817 / Pg 707 O - Vol 898 / Pg 721



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TX00969.002	John Mason Carter	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: NE Sec 19: All Block 56, T-3, T&P Ry Co Survey Sec 28: NW	03/13/09	L - Vol 821 / Pg 193 O - Vol 920/ Pg 675
TX00969.003	Catherine Carter Malone	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 13: NE Sec 19: All Block 56, T-3, T&P Ry Co Survey Sec 28: NW	03/13/09	L - Vol 821 / Pg 188 O - Vol 920 / Pg 677
TX00971.001	312 Corporation Inc	Petro-Hunt, L.L.C.	Block 6, H&GN Ry Co Survey Sec 6: S 480 acs Sec 7: All	03/15/09	L - Vol 821 / Pg 154 O - Vol 933 / Pg 557
TX00971.003	Blake Oil & Gas Corporation	Petro-Hunt, L.L.C.	Block 6, H&GN Ry Co Survey Sec 6: 290.166 acre tract, being the same lands more fully described in that certain Mineral Deed filed in Vol 438, Page 734 of the Deed Records of Reeves Co, TX	03/15/09	L - Vol 821 / Pg 473
TX00971.003	Blake Oil & Gas Corporation	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey, Sec 13: E2NW Block 6, H&GN Ry Co Survey, Sec 6: S 480 acres Block 6, H&GN Ry Co Survey, Sec 7: All Block 6, H&GN Ry Co Survey, Sec 6: All 290.166 acres Block 6, H&GN Ry Co Survey, Sec 9: All, L&E 80 acre Proration Unit (BELOW 7,000 FEET ONLY) Block 6, H&GN Ry Co Survey, Sec 9: 80 acre Proration Unit (BELOW 7,000 FEET ONLY)	03/15/09	L - Vol 821 / Pg 473 O - Vol 933 / Pg 559
TX00971.004	Amon G Carter Foundation	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 681
TX00971.005	Barbara Thomas	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 675



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Reeves County
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TX00971.006	Bart Thomas	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 678
TX00971.007	Beverly Ridgeway	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	01/10/12	L - Vol 928 / Pg 684
TX00971.008	Gretchen Vawter Brandt	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	01/10/12	L - Vol 928 / Pg 687
TX00971.009	James Stone Thomas	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 690
TX00971.010	Joe H Coody, Sr.	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 693
TX00971.011	John St. John, II	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 696
TX00971.012	Mary L Smith	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	12/06/11	L - Vol 928 / Pg 702
TX00971.013	Mary Lynne Zurawel	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 705
TX00971.014	Meredith Thomas Ellis	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 708
TX00971.015	Nicole L Cheek	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	12/21/11	L - Vol 928 / Pg 711
TX00971.016	Ronald D Coody	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 714
TX00971.017	Tanna M Thompson	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	12/29/11	L - Vol 928 / Pg 672



Original filed in
Roanoke County
Clerk's Office

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TX00971.018	Barrett Vawter	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	01/10/12	L - Vol 928 / Pg 717
TX00971.019	William S Spradling Trust	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	10/27/11	L - Vol 928 / Pg 720
TX00971.020	Ziv Oil & Gas, Inc.	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	12/19/11	L - Vol 928 / Pg 723
TX00971.021	Jean Burkholder Family Limited Partnership, by Billie Jean Burkholder, General Partner	Permian Basin Land Associates Inc	Block 6, H&GN Ry Co Survey Sec 7: All	03/16/12	L - Vol 948 / Pg 6
TX00973.000	Billy Bob and Georgia R. Stewart	Petro-Hunt, L.L.C.	Block 56, T-3, T&P Ry Co Survey Sec 28: SWSW	04/20/09	L - Vol 823 / Pg 61
TX00974.001	Preston J. and Janice E. Tillery	Petro-Hunt, L.L.C.	All of the D A Gathings Survey 1, Block 6, Scrap File Number 7395, being fully described in that certain Patent recorded in Volume 6, Page 88 of the Patent Records of Reeves County, Texas.	05/07/09	L - Vol 823 / Pg 77
TX00974.002	Christine A. Thomson	Petro-Hunt, L.L.C.	All of the D A Gathings Survey 1, Block 6, Scrap File Number 7395, being fully described in that certain Patent recorded in Volume 6, Page 88 of the Patent Records of Reeves County, Texas.	05/07/09	L - Vol 823 / Pg 82
TX00975.001	Martha Corley Barnes and husband W Newton Barnes (aka Newton Barnes)	Petro-Hunt, L.L.C.	Block C-21, Public School Land Survey Sec 11: NE	05/04/09	L - Vol 823 / Pg 87 O - Vol 934 / Pg 603
TX00999.000	John C Harris III, Mary C Grimaldo, Angela Caughlin	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey, A-5528 Sec 3: S2E4	01/10/12	L - Vol 928 / Pg 726
TX01003.001	Robert W Hanagan	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 11: SE	08/05/11	L - Vol 901 / Pg 93
TX01003.002	Debra A Hill Revoc Trust	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 11: SE	08/05/11	L - Vol 901 / Pg 89



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Reeves County

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TX01003.003	Betty L Hanagan Res Trust	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 11: SE	08/05/11	L - Vol 901 / Pg 91
TX01003.004	Matthew N Sorenson	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 11: SE	07/28/11	L - Vol 901 / Pg 95
TX01003.005	Christine V Merchant	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 11: SE	07/28/11	L - Vol 904 / Pg 239
TX01003.006	David T Sorenson	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 11: SE	07/28/11	L - Vol 901 / Pg 103
TX01003.007	Kellie M Kross	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 11: SE	07/28/11	L - Vol 901 / Pg 99
TX01004.001	Scott Witter Marital Trust	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 13: W2NW	07/08/11	L - Vol 901 / Pg 107
TX01004.002	June W Gillman	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 13: W2NW	07/08/11	L - Vol 901 / Pg 112
TX01005.001	Quentin Cole Armstrong, Sr	Resolute Natural Resources Southwest LLC	Tr 1: Block 56, T-3, T&P Ry Co Survey Sec 30: All; Sec 38: All Tr 2: Block 56, T-3, T&P Ry Co Survey Sec 32: All; Sec 36: All Tr 3: Block C-21, Public School Land Survey Sec 6: All; Sec 7: All Tr 4: Block C-21, Public School Land Survey Sec 8: All; Sec 9: All; Sec 10: All	09/21/11	L - Vol 902 / Pg 576
TX01005.002	Quentin Cole Armstrong, Jr	Resolute Natural Resources Southwest LLC	Tr 1: Block 56, T-3, T&P Ry Co Survey Sec 30: All; Sec 38: All Tr 2: Block 56, T-3, T&P Ry Co Survey Sec 32: All; Sec 36: All Tr 3: Block C-21, Public School Land Survey Sec 6: All; Sec 7: All Tr 4: Block C-21, Public School Land Survey Sec 8: All; Sec 9: All; Sec 10: All	09/21/11	L - Vol 902 / Pg 582
TX01029.000	State of Texas M-114061	Permian Basin Land Associates Inc	Block C-21, Public School Land Survey Sec 3: N2E4	04/03/12	L - Vol 940 / Pg 371



True and Correct
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Original Filed in
Brewer County

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Exhibit A-1

Attached to and made a part of that certain Assignment, Stipulation of Interest and Cross Conveyance dated Effective March 1, 2014, by and between RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC and FIREWHEEL ENERGY, LLC

The following lands and all depths are excluded from this Assignment:

METES AND BOUNDS DESCRIPTION of a 160.00 Acre Tract of land located in Section 2, (GLO File Number 149597), Block C-21, Public School Land Survey, Reeves County, Texas.

COMMENCING at a 4 inch iron pipe in scattered stone mound (X= 1215908.4 & Y= 10581031.8), the northeast corner of Section 2, Block C-21, P.S.L. Survey;

THENCE, along the north line of Section 2, Block C-21, Public School Land Survey and south line of Section 39, Block 56, Township 3, T. & P. RR. Co. Survey, N 88°26'24" W a distance of 3909.0 feet to a point, the northeast corner and the POINT OF BEGINNING of this tract;

THENCE, along the north line of said Section 2 and said Section 39, N 88°26'24" W at a distance of 1374.7 feet pass the southwest corner of Section 39 and southeast corner of Section 38, Block 56, Township 3, T. & P. RR. Co. Survey, continuing along the north line of Section 2 and the south line of Section 38 a total distance of 1990.6 feet to a point for the northwest corner of Section 2 and the northwest corner of this tract;

THENCE, S 01°38'55" W, along the west line of Section 2 and the east line of Section 3, Block C-21, Public School Land Survey, a distance of 3180.2 feet to a point for the southwest corner of Section 2 and the southeast corner of Section 3 and the southwest corner of this tract;

THENCE, along the south line of Section 2 and the north line of Section 1, Block C-21, Public School Land Survey, S 88°22'25" E a distance of 2390.7 feet to the south most east corner of this tract;

THENCE, N 01°38'55" E a distance of 1591.5 feet to the north most east corner of this tract;

THENCE, N 88°24'25" W a distance 400.1 feet to an interior corner of this tract;

THENCE, N 01°38'55" E a distance of 1591.3 feet to the POINT OF BEGINNING.

BASIS OF BEARING is the Texas State Plane Coordinate System Central Zone NAD 83.

All distances shown are surface values.

Inst No. 14-10180
DIANNE O. FLOREZ
COUNTY CLERK
2014 Oct 30 at 09:25 AM
REEVES COUNTY, TEXAS
By: VG *[Signature]* DEPUTY



True and Correct
copy of
Original filed in
Reeves County

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File No. MF 114156

Assignment #9322 ~~Resolute~~ ^{Abolition} ~~County~~

& Colt Unconventioned to Firewheel

Date Filled: 4-28-15

George R. Bush, Commissioner

By: RC



April 26, 2017

VIA OVERNIGHT DELIVERY

Commissioner of the Texas General Land Office
ATTN: Joy McCauley, Landman
1700 N. Congress Avenue, Room #840
Austin, TX 78701
(512) 463-4704

Re: Breckenridge Horizontal Unit Pooling Agreement
Portion of Section's 18, 19, & 16, Block C-21, PLS, Reeves County, Texas

Dear Joy:

Resolute Natural Resources Southwest, LLC (Resolute) is the holder of all of the undivided leasehold interest under a lease in which you are a mineral/royalty owner of covering a portion of the above referenced lands.

Resolute is hereby proposing to form a pooled unit for the purpose of drilling one or more horizontal wells in the Phantom (Wolfcamp) Field in an effort to prevent the drilling of unnecessary wells and to increase the ultimate recovery of oil and gas from your lease with us.

Enclosed is our proposed Pooling Agreement for Horizontal Wells in the Breckenridge Unit for your review and execution. The Unit will cover approximately 526.88 gross acres as described in more detail in Exhibits A, B and C of the enclosed Pooling Agreement. Although your oil and gas lease may already provide for the pooling of this Unit, we are forwarding this to all owners so you are at least aware of this Unit and upcoming Well....the Resolute: Breckenridge L06H Well. We do request you evidence your agreement to the pooling by signing the enclosed Pooling Agreement, having your signature notarized, and mailing back your signature and notary page (only) in the enclosed, self-addressed, pre-paid, overnight envelope.

We would greatly appreciate your attention to this matter, as our current plans are to spud the first horizontal well in the Breckenridge Horizontal Unit next month.

We look forward to continuing our exploration and development efforts with you in Reeves County, Texas, and we appreciate your attention to this matter.

Please feel free to call me at 303-573-4886 x 1300 or email me at rrobinson@resoluteenergy.com with any questions or concerns you might have. Thank you.

Sincerely,

J. Russell ("Rusty") Robinson
Senior Landman

RR/MC/enclosures

Resolute Natural Resources Southwest, LLC
1700 Lincoln Street, Suite 2800, Denver, CO 80203
Voice: 303.534.4600 Fax: 303.623.3628

File No. M-114156

County

Ltr. From Resolute

Date Filed: 5/16/17

George P. Bush, Commissioner

By [Signature]

303



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 18, 2017

Mr. J. Russell Robinson
Resolute Natural Resources Southwest, LLC
1700 Lincoln Street, Suite 2800
Denver, Colorado 80203

Re: Pooling Agreement
Breckenridge Horizontal Unit
GLO Unit No. 8490
Reeves County, Texas

Dear Mr. Robinson:

On May 16, 2017, the School Land Board approved your application to pool 526.88 acres of the State's free royalty interest into the referenced Unit. Enclosed is the original of the Pooling Agreement that has been executed by George P. Bush, Commissioner of the Texas General Land Office ("GLO"). We have retained a copy of the Pooling Agreement for our files. Please refer to the referenced GLO Unit No. when filing Royalty Reports with the GLO.

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

Sincerely,

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

Enclosure

File No. M-114156

Ltr. to Resolve County

Date Filed: 5/18/17

George P. Bush, Commissioner
By [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA179525

Unit Number 8490
Operator Name Resolute Natural Resources Southwest, LLC
Customer ID C000051892
Unit Name Breckenridge Horizontal Unit
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Permanent
State Net Revenue Interest Oil 0.06250000
State Part in Unit 1.00000000
Unit Depth Specified Depths **Well**
From Depth Surface **Formation**
To Depth 100' below the strat. equiv. deepest depth drilled
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
MF114493	1	34.330000	526.880000	0.06515715	O/G	0.06250000	0.00407232	No
MF114156	2	172.670000	526.880000	0.32772168	O/G	0.06250000	0.02048261	No
MF114157	3	319.880000	526.880000	0.60712117	O/G	0.06250000	0.03794507	No

API Number

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

05/16/2017

05/16/2017

5/17/17

05/22/2017

05/16/2017

Pooling Committee Report

To: School Land Board

UPA179525

Date of Board Meeting: 05/16/2017

Unit Number: 8490

Effective Date: 04/25/2017

Unit Expiration Date:

Applicant: Resolute Natural Resources Southwest, LLC

Attorney Rep:

Operator: Resolute Natural Resources Southwest, LLC

Unit Name: Breckenridge Horizontal Unit

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF114156	0.06250000	09/23/2015	5 years	640.000000	172.670000	0.02048261
FR	MF114157	0.06250000	09/22/2011	3 years	640.000000	319.880000	0.03794507
FR	MF114493	0.06250000	03/13/2012	3 years	239.000000	34.330000	0.00407232

Private Acres:	0.000000
State Acres:	526.880000
Total Unit Acres:	526.880000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	6.25%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	704 acres for a 7,700 foot lateral (FTP to LTP).

Working File Number: **UPA179525**

REMARKS:

- Resolute Natural Resources Southwest, LLC is requesting School Land Board ratification of their 526.88 acre Breckenridge Horizontal Unit which is completely made up of Free Royalty tracts.
- The applicant plans to spud the unit well on May 21, 2017 with a proposed total depth of 9,706 feet TVD. A 7,700 foot lateral is expected to be drilled.
- With Board ratification of the unit the State's unit royalty participation will be 6.25%.
- The State will participate on a unitized basis from the date of first production.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board ratification of the 526.88 acre Breckenridge Horizontal Unit under the above-stated provisions.



Mary Smith - Office of the Attorney General



Date



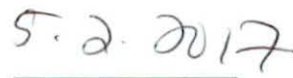
Robert Hatter - General Land Office



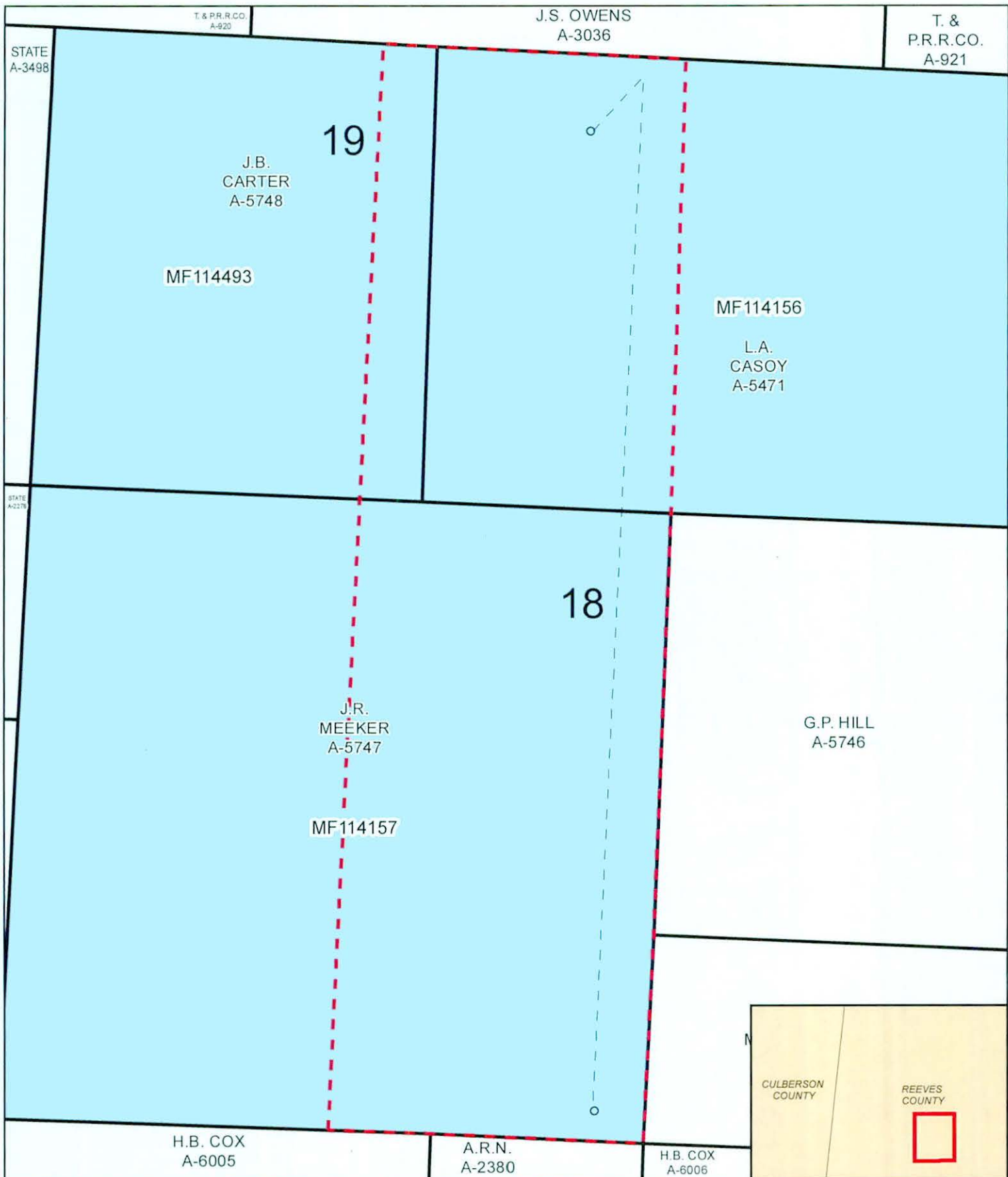
Date



Diane Morris - Office of the Governor



Date



Unit #8490
Resolute Natural Resources Southwest, LLC.
Breckenridge Horizontal Unit
Phantom (Wolfcamp) Field
Reeves County, 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
Enterprise Technology Solutions/GIS
May 2017

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**POOLING AGREEMENT
FOR HORIZONTAL WELLS
BRECKENRIDGE HORIZONTAL UNIT**

REEVES COUNTY, TEXAS

Reference is made to those certain oil, gas and mineral leases, and any amendments thereto, described in Exhibit A, attached hereto and made a part hereof ("Leases"). The undersigned parties ("Interest Owners") are the owners of all or a portion of the interest of the Lessor in the Leases, or of a non-participating royalty interest or overriding royalty interest or working interest in and under one or more of the Leases. Resolute Natural Resources Southwest, LLC ("RNR") is the owner of all or a portion of the interest as the Lessee or Assignee of the Leases.

The Interest Owners are seeking to encourage further development of the Leases through the drilling of horizontal wells to prevent the drilling of unnecessary wells and to increase the ultimate recovery of hydrocarbons from the Leases. RNR has requested, and the Interest Owners have agreed to grant, authority to pool the Leases insofar as they cover the lands described in Exhibit B, attached hereto and made a part hereof and as further depicted on Exhibit C, attached hereto and made a part hereof, ("Unit Lands") for the purposes of drilling horizontal wells as set forth in this Pooling Agreement for Horizontal Wells Breckenridge Horizontal Unit ("Agreement"). As used in this Agreement, a "horizontal well" shall have the same meaning as "horizontal drainhole well" as currently defined by Texas Railroad Commission ("TRRC"), which is any well with one or more horizontal drainholes having a horizontal drainhole displacement of at least 100 feet within the "correlative interval" (also as currently defined by the TRRC) in which the well is completed ("Horizontal Unit Well").

NOW THEREFORE, the Interest Owners, for the mutual consideration set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby grant to RNR the authority, but not the obligation, to pool all of the interests of the undersigned Interest Owners in and under the Leases and lands covered by the Leases for the purposes of exploring, drilling, developing and producing oil and/or gas from horizontal wells within the Unit Lands subject to the following terms and conditions:

1. The pooled unit shall be limited to and consist only of the Unit Lands described in Exhibits B and C and shall be known as the Breckenridge Horizontal Unit (herein "Horizontal Unit").

2. The authority contained in this Agreement is limited to Horizontal Unit Wells located within the Horizontal Unit and is not applicable to vertical wells or to production from vertical wells currently located on the lands covered by the Leases or which may be drilled on the lands covered by the Leases in the future. In the event a Horizontal Unit Well is plugged back or recompleted in a manner that such well no longer meets the TRRC definition of a horizontal well, such well shall no longer be considered to be a Horizontal Unit Well and this Agreement shall terminate as to that Horizontal Unit Well.

3. In order to make the Horizontal Unit effective, RNR shall file for record, in the Official Public Records of Real Property of Reeves County, Texas, an instrument describing and designating the Unit Lands to be included within the Horizontal Unit. Such instrument shall set forth the effective date of the Horizontal Unit, which date shall be April 25, 2017 or the date in which operations for drilling a Horizontal Unit Well have begun, whichever is earlier. RNR may assign or delegate the authority to execute and file such instrument designating the

Horizontal Unit, or any instrument revising such Horizontal Unit, to the party appointed by RNR as the operator of the Horizontal Unit.

4. Production from, or drilling or reworking operations on a Horizontal Unit Well, or on any tract of land within the Horizontal Unit, in an effort to obtain or restore production from an existing or proposed Horizontal Unit Well, shall be considered to be production from, or drilling or reworking operations on all Unit Lands and on each of the Leases and shall maintain each of the Leases in effect as to all of the Unit Land, and shall serve to perpetuate the oil and gas lease(s) from the surface of the earth to the base of the Field Interval (defined as the correlative geologic depth interval which has been defined or recognized by the Railroad Commission of Texas as the correlative depth interval for the field in which a Horizontal Drainhole Well has been completed) underlying the Horizontal Unit, and any contrary provisions in the oil and gas lease(s) shall not be applicable to the acreage and depths within the Horizontal Unit; provided further that, notwithstanding that a Lease may provide for an amount of acreage to be retained for a well after partial termination of the Lease which is less than the amount of acreage within the Unit Lands, such production or operations within the Horizontal Unit shall maintain each of the Leases in effect as to all of the Unit Lands. The continuous drilling or continuous development provisions of each of the Leases, if any, shall be satisfied by the timely commencement of operations to drill a Horizontal Unit Well. A Horizontal Unit Well that is a shut-in gas well shall be considered to be a shut-in gas well on all Unit Lands and on each of the Leases within the Horizontal Unit. RNR shall have the right of reasonable use of the surface of Unit Lands for the purpose of exploring, drilling, developing and producing oil and/or gas from Horizontal Unit Wells.

5. For the purpose of calculating royalty to be paid under each of the Leases, production shall be allocated on an acreage basis such that there shall be allocated to each separate tract of land within the Horizontal Unit that portion of the total production of oil and/or gas from Horizontal Unit Wells which the amount of surface acreage covered by such tract bears to the total gross surface acreage in the entire Horizontal Unit, as set forth in Exhibit A. The production so allocated to each such separate tract shall be further allocated and proceeds distributed in the same manner as if produced from a well located on that tract. Pooling shall not create a cross conveyance of any interests.

6. The provisions of the various Leases and other agreements covering or affecting the Leases are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions of this Agreement, but not otherwise. The grant of pooling authority contained herein shall not in any way limit the existing pooling authority contained in any of the Leases and is intended only as an expansion of any such existing pooling authority. The lack of authority to pool or the failure to properly pool any interest with the Horizontal Unit shall not affect the Horizontal Unit as to those interests which have been properly pooled.

7. Interest Owners agree to cooperate with RNR and/or RNR's appointed operator of the Horizontal Unit in obtaining any regulatory approvals necessary for the drilling of and production from Horizontal Unit Wells, including the prompt execution and return of written waivers to support such regulatory approvals.

~~8. Each of the undersigned Interest Owners, who is the current owner of the interest of the Lessee~~
or of a non-participating royalty interest, or overriding royalty interest, or working interest under one or more of the Leases, does hereby ratify, adopt, and confirm said Lease or Leases and does hereby grant, lease, and let unto the current owner of the interest of the Lessee of such Lease or Leases, all of said Interest Owner's interest in the Leases and lands within the Horizontal Unit covered by the respective Lease or Leases, subject to the same terms and conditions provided for in such Lease or Leases, as same may have been heretofore amended, and subject to the terms of this Agreement. 6/16

Any person or entity may become a party to this Agreement by signing an original of this Agreement, a counterpart or ratification thereof, of which each such instrument shall be given the same effect as if all parties had signed the original of this Agreement. Failure of any of the Interest Owners to execute an instrument agreeing to be a party to this Agreement shall not render this Agreement ineffective as to any other party who does execute such an instrument, but shall be binding upon each executing party and that party's heirs, legal representatives, successors, and assigns. In the event of execution of counterparts, the executed counterparts may be combined into one or more instruments for recordation by combining the signature pages and acknowledgements, and the executing parties

agree that such instrument shall be treated and given effect for all purposes as a single instrument. RNR may assign its rights and obligations under this Agreement.

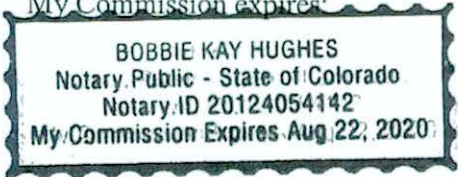
Executed by each of the undersigned on the date of the acknowledgment as shown below.

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC


By: Bill Alleman, Vice President – Land 

STATE OF COLORADO)
)
CITY & COUNTY OF DENVER)

The foregoing instrument was acknowledged before me on this 26th day of April, 2017 by Bill Alleman as Vice President – Land for RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC on behalf of said limited liability company.

My Commission expires:



Notary Public, State of Colorado

By: Catherine Carter Malone

COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017 by _____, on behalf of CCM Interests, LLC.

My Commission expires:

Notary Public, State of _____

COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017 by John Mason Carter.

My Commission expires:

Notary Public, State of _____

COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017 by Gary N. Covington.

My Commission expires:

Notary Public, State of _____

Renee J. Brunson

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by Renee J. Brunson.

My Commission expires:

Notary Public, State of _____

Earmark Enterprises, LLC
By:

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by _____, on behalf of Earmark Enterprises, LLC.

My Commission expires:

Notary Public, State of _____

The Catalpa Trust
Kyle Covington & Shelia Covington, Co-Trustees

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by Kyle Covington and Shelia Covington on behalf of The Catalpa Trust.

My Commission expires:

Notary Public, State of _____

STATE OF _____)

COUNTY OF _____)

My Commission expires:

Notary Public, State of _____

By: _____

STATE OF _____)

COUNTY OF _____)

My Commission expires:

Notary Public, State of _____

STATE OF _____)

COUNTY OF _____)

My Commission expires:

Notary Public, State of _____

Bernadette Mary Kiely

STATE OF _____)
_____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by Bernadette Mary Kiely.

My Commission expires:

Notary Public, State of _____

JWM Minerals, LLC

By:

STATE OF _____)
_____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by _____ as _____ of JWM
Minerals, LLC, a limited liability company.

My Commission expires:

Notary Public, State of _____

Callaghan 320 Trust

By:

STATE OF _____)
_____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by _____ as _____ of the
Callaghan 320 Trust.

My Commission expires:

Notary Public, State of _____

Meeker Investments, Inc.

By: _____
It's: _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017 by _____, as _____ of Meeker Investments, Inc. on behalf of said company.

My Commission expires:

Notary Public, State of _____

Charles R. Meeker Trust U/A
Bank of America, NA, Trustee

By: _____
It's: _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by _____ as _____ of Bank of
America, NA, as Trustee of Charles R. Meeker Trust.

My Commission expires:

Notary Public, State of _____

KMF Land, LLC

By: _____

It's: _____

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by _____, as _____ on behalf of KMF Land, LLC

My Commission expires:

Notary Public, State of _____

Kevin Louis Roberson

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by Kevin Louis Roberson.

My Commission expires:

Notary Public, State of _____

Kimberly Roberson Reynolds

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017
by Kimberly Roberson Reynolds.

My Commission expires:

Notary Public, State of _____

Tera Burkholder King

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017 by Tera Burkholder King.

My Commission expires:

Notary Public, State of _____

Douglas Earl Bell

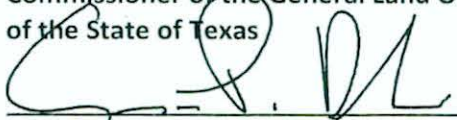
STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2017 by Douglas Earl Bell.

My Commission expires:

Notary Public, State of _____

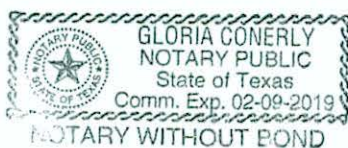
Commissioner of the General Land Office
of the State of Texas


By: George P. Bush

STATE OF TEXAS)
COUNTY OF TRAVIS)

The foregoing instrument was acknowledged before me on this 17 day of May, 2017 by George P. Bush as Commissioner of the General Land Office of the State of Texas.

My Commission expires: 2-9-19



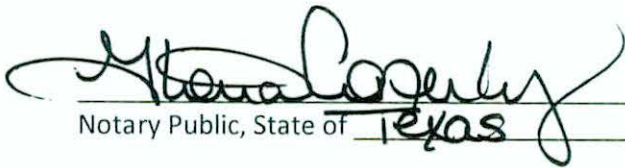

Notary Public, State of Texas

Exhibit A

Attached to and made a part of that certain Pooling Agreement for Horizontal Wells Breckenridge Unit

			Gross Surface Acres In Tract	Proportion of Tract acres to total Unit acres
Tract 1: Most easterly 34.33 acres in Section 19 , Block C-21, PSL Survey			34.33	6.5157%
Tract 2: Most westerly 172.67 acres Section 16 , Block C-21, PSL Survey			172.67	32.7722%
Tract 3: E/2 of Section 18 , Block C-21, PSL Survey			319.88	60.7121%
TOTAL GROSS SURFACE ACRES IN UNIT:			526.88	100.0000%
TRACT 1: Comprising 6.5157% of said Unit and containing the following lands:				
34.33 acres, more or less, out of the most easterly portion of of Section 19, Block C-21, PSL Survey, Reeves County, Texas				
Lease #	Lessor Full Name	Lessee	Lease Date	Recorded Book-Page
TX00969.003	Catherine Carter Malone, now CCM Interests, LLC State of Texas - MF-114493 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	03/13/2009	821-188, as amended
TX00969.002	John Mason Carter State of Texas - MF-114493 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	03/13/2009	821-193, as amended
TX00969.001	Cheesman Family O&G Venture, now Resolute Natural Resources Southwest, LLC State of Texas - MF-114493 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	10/15/2008	817-707, as amended
TRACT 2: Comprising 32.7722% of said Unit and containing the following lands:				
172.67 acres, more or less, out of the most westerly portion of Section 16, Block C-21, PSL Survey, Reeves County, Texas				
Lease #	Lessor Full Name	Lessee	Lease Date	Recorded Book-Page
TX00953.001	Kevin Louis Roberson State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	08/28/2008	806-189, as amended
TX00953.002	Kimberly Roberson Reynolds State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	08/28/2008	806-186, as amended
TX00953.003	Tera Burkholder King State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	08/28/2008	806-183, as amended
TX00953.004	Tiffani Burkholder, now owned by: Tera Burkholder King State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	08/28/2008	806-180, as amended
TX00953.005	Dela Minerals, Inc., now owned by: Gary N. Covington Kirk Covington The Catalpa Trust Earmark Enterprises, LLC Renee J. Brunson State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	12/17/2008	816-56, as amended
TX00953.006	Douglas Earl Bell State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	09/23/2010	851-222, as amended
TX00953.009	Barbara H. Prewit, now owned by: Prewit Land & Minerals, Ltd. John Collins Prewit Stephen Neil Prewit State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	01/01/2010	841--53, as amended
TX00953.010	Johnnie Marie Powell Ashley State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	01/01/2010	841-42, as amended
TX00953.011	Eleanor Elizabeth Powell, deceased, now owned by: Bernadette Mary Kiely State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	01/01/2010	841-31, as amended
TX00953.012	Mica Dawn Powell State of Texas - MF-114156 1/16th Free Royalty Lands	Petro-Hunt LLC, now Resolute Natural Resources Southwest, LLC	01/01/2010	841-20, as amended

Attached to and made a part of that certain Pooling Agreement for Horizontal Wells Breckenridge Unit

Breckenridge Horizontal Unit - Exhibit A

Exhibit B
Breckenridge Horizontal Unit

526.88 Acre Unit in Sections 16, 18, & 19, Block C-21, Public School Land, Reeves County, Texas.

Tract 1

Metes and Bounds Description for a 34.33 Acre Tract in Section 19, Block C-21, Public School Land, Reeves County, Texas.

Boundary being more fully described as follows:

Beginning at (N: 10582690.2', E: 1159246.4') a point in the south line of Section 44, Block 57, Township 3 at the northeast corner of said Section 19 and the northwest corner of Section 16, said Block C-21, being the northeast corner of this tract;

Thence South 01°38'55" West with the east line of said Section 19 and the west line of said Section 16, a distance of 3418.0 feet to a point in the north line of Section 18, said Block C-21 at the southeast corner of said Section 19 and the southwest corner of said Section 16, being the southeast corner of this tract;

Thence North 88°15'11" West with the south line of said Section 19 and the north line of said Section 18, a distance of 441.0 feet to a point for the southwest corner of this tract;

Thence North 01°46'20" East, a distance of 3419.1 feet to a point in the north line of said Section 19 and the south line of said Section 44 for the northwest corner of this tract;

Thence South 88°06'18" East with the north line of said Section 19 and the south line of said Section 44, a distance of 433.6 feet to the Point of Beginning.

Containing 34.33 surface acres of land. Bearings, distances and coordinates are relative to the Texas Coordinate System, NAD 83, Central Zone.

Tract 2

Metes and Bounds Description for a 172.67 Acre Tract in Section 16, Block C-21, Public School Land, Reeves County, Texas.

Boundary being more fully described as follows:

Beginning at (N: 10582690.2', E: 1159246.4') a point in the south line of Section 44, Block 57, Township 3 at the northwest corner of said Section 16 and the northeast corner of Section 19, said Block C-21, being the northwest corner of this tract;

Thence South 88°06'18" East with the north line of said Section 16 and the south line of said Section 44, a distance of 2205.4 feet to a point for the northeast corner of this tract;

Thence South 01°47'01" West, a distance of 3412.3 feet to a point in the south line of said Section 16 at the northeast corner of Section 18, said Block C-21, being the southeast corner of this tract;

Thence North 88°15'11" West with the south line of said Section 16 and the north line of said Section 18, a distance of 2197.4 feet to a point at the southwest corner of said Section 16 and the southeast corner of said Section 19, being the southwest corner of this tract;

Thence North 01°38'55" East with the west line of said Section 16 and the east line of said Section 19, a distance of 3418.0 feet to the Point of Beginning.

Containing 172.67 surface acres of land. Bearings, distances and coordinates are relative to the Texas Coordinate System, NAD 83, Central Zone.

Tract 3

Metes and Bounds Description for a 319.88 Acre Tract in Section 18, Block C-21, Public School Land, Reeves County, Texas.

Boundary being more fully described as follows:

Beginning at (N: 10573928.8', E: 1161180.1') a 1.5" Black Iron Pipe found at the southeast corner of said Section 18, the northeast corner of Section 6, Block 56, Public School Land and the southwest corner of Section 17, said Block C-21, being the southeast corner of this tract;

Thence North 88°14'13" West with the south line of said Section 18 and the north line of said Section 6, a distance of 2637.3 feet to a point for the southwest corner of this tract;

Thence North 01°46'20" East, a distance of 5279.6 feet to a point in the south line of Section 19, said Block C-21 for the northwest corner of this tract;

Thence South 88°15'11" East with the north line of said Section 18 and the south line of said Section 19, at a distance of 441.0 feet pass the southeast corner of said Section 19 and the southwest corner of Section 16, said Block C-21, continuing with the south line of said Section 16 for a total distance of 2638.4 feet to a point at the northeast corner of said Section 18 and the northwest corner of said Section 17, being the northeast corner of this tract;

Thence South 01°47'01" West with the east line of said Section 18 and the west line of said Section 17, a distance of 5280.4 feet to the Point of Beginning.

Containing 319.88 surface acres of land. Bearings, distances and coordinates are relative to the Texas Coordinate System, NAD 83, Central Zone.

Tracts 1, 2, & 3 containing a total of 526.88 surface acres of land, more or less.

43
(S-29956)
Block 56 Township 3

44
(106922)

Calc. at Twitchell
Record North
from Dod pipe.

37
(115820)

19
(151426)
A-5748

Calculated
Corner

Tract 1
34.33 Ac.

16
(149600)

Tract 2
172.67 Ac.

Calculated
Corner

48
(94782, 105093)

Found 1.5" BIP

18
(151425)
A-5747

Tract 3
319.88 Ac.

Surface Tract Line
East Line of the
West 193.4 Ac.s &
the West Line of
the East 446.6 Ac.s

17
(151424,
153247)

Block C-21
Public School Land
Survey

Breckenridge
526.88 Acres

1
(102098)

Found 1.5" BIP mkrd
"B 53 NE 1". Dod.

6
(153260, 98177)

Found 1.5" BIP

5
(98176, 153261)

This plat is for Agreement Purpose Only and is NOT a
boundary survey and is NOT to be used to convey or
or establish interests in real property.

BASIS OF BEARINGS is the Texas State Plane
Coordinate System Central Zone NAD 83.

EXHIBIT C
OF POOLING AGREEMENT FOR
HORIZONTAL WELLS OF
THE BRECKENRIDGE
HORIZONTAL UNIT

Resolute

1000 0 1000 2000 3000 Feet

Resolute Natural Resources Southwest, LLC
Breckenridge Unit - 526.88 Acres
Sections 16, 18, & 19, Block C-21, Public School Land Survey
Reeves County, Texas



STANFORD SURVEYING CO.
P.O. BOX 8490
MIDLAND, TEXAS 79708-8490
TBPLS Firm No. 10128400 432-699-5708

DRAWN BY Adam Welch

REV. 2-11-2017-ABW
DATE 12-22-2016

SCALE 1" = 1000'

FILE NAME A-11314b

File No. M-114156
Pooling Agrmt. Packet # 8490
Breckenridge Horiz. Unit
Date Filed: 5/18/17
George P. Bush, Commissioner
By [Signature]

✓ MF 114156, MF 114157
MF 114493
DIVISION ORDER

NADOA Model Form Division Order (Adopted 9/95)

TO: RESOLUTE NATURAL RESOURCES COMPANY
1700 Lincoln Street, Suite 2800
Denver, CO 80203

Date: November 15, 2017

Property Number: 2332.01
Property Name: BRECKENRIDGE L06H
Operator: RESOLUTE NATURAL RESOURCES COMPANY
County and State: REEVES COUNTY, TX
Property BLOCK: C-21
Description: Sec. 19 & 16 & 18

389-35589

Owner Name and Address: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE P O BOX 12873 AUSTIN, TX 78711-2873	OWNER NUMBER: 06076 Type of Interest: NPS8 Decimal Interest: 0.06250000
--	---

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by RESOLUTE NATURAL RESOURCES COMPANY.

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

RNRC is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse RNRC any amount attributable to an interest to which the undersigned is not entitled.

RNRC may accrue proceeds until the total amount equals \$100.00, or the end of each year, whichever occurs first, or as required by applicable state statute.

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

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

Owner(s) Signature(s): _____

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

Owner Daytime Telephone: _____

Owner FAX Telephone #: _____

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

Npt

KEEP THIS COPY FOR YOUR RECORDS

06076 - COMMISSIONER OF THE TEXAS

41 12 17



November 15, 2017

COMMISSIONER OF THE TEXAS (06076)
GENERAL LAND OFFICE
P O BOX 12873
AUSTIN, TX 78711-2873

RE: BRECKENRIDGE L06H (2332.01)
BLOCK C-21, SEC. 19: East 34.33 acres, PSL Survey, A-5748
BLOCK C-21, SEC. 16: West 172.67 acres, PSL Survey, A-5471
BLOCK C-21, SEC. 18: E/2, PSL Survey, A-5747
REEVES COUNTY, TEXAS containing 526.88 acres, more or less

Dear Owner:

Enclosed please find the Division Order for the referenced well. Please execute and return one copy. The second copy is for your records. Also, please execute and return Form W-9, Request for Taxpayer Identification Number. If your name or address is incorrect, please show this on Form W-9.

Please be advised that Resolute Natural Resources Company, LLC ("RNRC") will cut and mail checks to revenue owners only when the accumulated amount owed is \$100 or more, or at the end of the year.

If you have any questions, feel free to contact the undersigned either by telephone at 303-573-4886, or by email at lhicks@resoluteenergy.com.

Sincerely,

Resolute Natural Resources Company, LLC

Lorain Hicks
Division Order Analyst

/lh
enclosures

Resolute Natural Resources Company, LLC
1700 Lincoln Street, Suite 2800, Denver, CO 80203
Voice: 303.534.4600 Fax: 303.623.3628
www.resoluteenergy.com

21.12.11



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 11, 2018

Lorain Hicks
Division Order Analyst
Resolute Natural Resources Company, LLC
1700 Lincoln Street, Suite 2800
Denver, CO 80203

Re: State Lease Nos. MF114156, MF114157 and MF114493 Breckenridge L06H

Dear Mrs. Hicks:

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

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

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

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

Thank you,

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

File No. MF114156

Division Order Com.

Date Filed: 1-12-18

George P. Bush, Commissioner
By V.H.

FILE# 3043

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88, General Pd. Up-DD

OIL, GAS AND MINERAL LEASE
(Paid Up)

THIS AGREEMENT made August 31, 2010, BUT EFFECTIVE September 23, 2010, between Douglas Earl Bell, hereinafter referred to as LESSOR, whether one or more, whose address is P.O. Box 832021, Richardson, Texas 75083, and Petro-Hunt, L.L.C., whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, TX 75201-7201, hereinafter referred to as LESSEE, whether one or more,

WITNESSETH:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and sulphur and all other minerals, whether similar or dissimilar, injecting gas, waters, other fluids, and air into subsurface strata, laying pipelines, storing oil, building tanks, roadways, telephone and power lines, and other structures and things thereon to explore, produce, save, take care of, treat, process, store and transport said minerals, the following described land in Reeves County, Texas, to-wit (hereinafter called "said land" or "the leased premises"):

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

7 All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjoining the land above described and either (i) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (ii) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 1,920.0 acres, whether it actually comprises more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as full consideration for this lease and all rights and options hereunder.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of Three (3) years from the date hereof, (hereinafter called "primary term"), and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days. (Please See Paragraph #15)

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, One-Fourth (1/4) of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of One-Fourth (1/4) of the gas used, provided that on gas sold on or off the premises, the royalties shall be One-Fourth (1/4) of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing, and may be paid Directly to Lessor at Above Address, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within ninety (90) days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than eighty (80) surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than six hundred forty (640) surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 4

subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining a maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain or reestablish production of oil, gas, and/or sulphur, and the production of oil, gas, and/or sulphur, whether or not in paying quantities.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. No change or division in the ownership of said land, royalties, or other monies, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other monies, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have ninety (90) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after the service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations

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Page 2 of 4

hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (i) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (ii) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, or sulphur in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force at or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring one hundred (120) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

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

13. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, representatives, assigns, and successive assigns. The terms and conditions hereof shall inure to the benefit of and be binding upon the parties hereto, heirs, successors, representatives, assigns, and successive assigns of the parties hereto.

14. By the execution of this Lease, neither Lessor nor Lessee deny the title (but in fact recognize the title) of the present Lessee under that certain Memorandum of Oil and Gas Leases Effective September 22, 2005, recorded in Volume 702, Page 201 of the Deed Records of Reeves County, Texas, from Douglas Earl Bell, as Lessor, to Bracero Oil Company, as Lessee, (the "Effective Lease"). The primary term of the Effective Leases, as the result of current Lessee Chesapeake Exploration L.L.C. exercising an Option to Lessor, expires on September 22, 2010, and Lessor hereby covenants and agrees not to further extend, renew, amend or modify the Effective Lease. If the Effective Lease should be extended beyond its primary term by drilling operations or reworking operations or by production from the lands covered thereby (or on land with which the Effective Lease has been pooled), then this Lease shall not become effective and any obligation of Lessee set forth herein shall thereby be relieved. If the Effective Lease shall terminate at the end of its primary term, this Lease shall become effective immediately upon its termination. Lessor states that at the present time there are no other leases or top leases which cover all or any portion of the leased premises, and agrees that no other top leases covering all or any part of the leased premises will be executed by Lessor.

15. Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation, to extend the primary term of this lease - as to any acreage covered hereby and not otherwise being maintained by any other provision herein - for a period of two (2) additional years by paying an additional bonus of \$750.00 per net mineral acre for any such lands. In the event this right to extend the primary term is exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof.

EXECUTED the day and year first above written.

"LESSOR"


Douglas Earl Bell

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INDIVIDUAL ACKNOWLEDGMENT

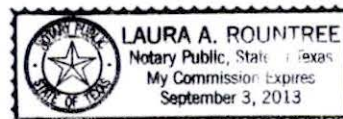
STATE OF TEXAS

COUNTY OF Denton

This instrument was acknowledged before me on August 31st, 2010, by Douglas Earl Bell.

My commission expires: September 03, 2013

Laura A. Rountree
Notary Public



FILE # 3043

FILED FOR RECORD ON THE 2ND DAY OF SEPTEMBER A.D. 2010 4:15 P.M.

DULY RECORDED ON THE 13TH DAY OF SEPTEMBER A.D. 2010 9:00 A.M.

BY: Dianne O. Florez, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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

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2017

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 851
PAGE 223 THRU 225

I hereby certified on 10 26 17



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Amanda DEPUTY

FILE # 1093

OIL AND GAS LEASE

NOTICE: PRIOR TO RECORDING THIS INSTRUMENT, A NATURAL PERSON MAY REMOVE OR STRIKE HIS/HER SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER THEREFROM.

THIS AGREEMENT made this 28th day of December, 2009, to be effective January 1, 2010, between Barbara H. Prewit, 974 East Wendy Brooke Lane, Fayetteville, Arkansas 72703, Lessor and Petro-Hunt, L.L.C., 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, Lessee.

WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets unto Lessee for the purpose of investigating, exploring, conducting geophysical operations, prospecting, drilling and producing oil and gas, from the following described land in Reeves County, Texas, to-wit:

Tract 1: Section 14, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

Tract 2: Section 16, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

and containing 1,280 acres, more or less. Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provisions hereof.

No water from any source from said land shall be used for any purpose without written consent of Lessor, which shall not be unreasonably withheld.

2. Subject to the other provisions herein contained, the lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced and sold in paying quantities from said land hereunder.

3. The Royalties to be paid Lessor are:

3(a) On oil (including condensate and other liquid hydrocarbons) 1/4th of the value of oil that flows from a well on said land. Lessee shall pay Lessor the market value thereof at the well purchased by a non-affiliated third party. Non-affiliated third party is one in which Lessee owns no interest and has no agreement with, except for the purchase of oil. If oil is purchased by an affiliated third party, then the value of the oil is that of the highest market price in the area of like gravity or the amount received by Lessee, which ever is greater.

3(b) On gas, including casinghead gas or other gaseous substances that flow from a well on said land, the value at the well head of 1/4th of the gas, or at Lessor's option 1/4th of the proceeds of the sale of gas by Lessee, whichever yields the higher value; where gas from said land is processed in a plant for the purpose of extracting products therefrom, Lessor shall receive as royalty 1/4th of the amount realized by Lessee at the plant of the products so extracted and 1/4th of the value of the residue gas remaining after extractions of said products.

3(c) If gas is gathered by, or sold to an affiliated third party of Lessee, then Lessee will pay Lessor's cost of making the gas market ready, which includes compressing, dehydrating, treating and transporting gas to the trunk pipeline. Affiliated third party means any person or entity in which there is any ownership or shared beneficial interest with Lessee.

3(d) Notwithstanding the provisions of (b) above, Lessor may elect one (1) time only, to take in kind its royalty share of gas and gaseous substances produced. Once the election is made, all of Lessor's gas shall be marketed by Lessor, and delivered to Lessor, free of production costs, by Lessee at the wellhead.

3(e) Whenever Lessor takes its royalty share of oil or gas in kind, it shall construct

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or cause to be constructed, such facilities as may be necessary in connection with such taking in kind at or near Lessee's facilities, at Lessor's sole cost and expense.

3(f) In addition to Lessor's royalty or share of the oil and gas provided above, Lessee agrees to pay Lessor $1/4^{\text{th}}$ of the total value or money received, whichever is the greater (free of cost to Lessor), of any contract, agreement, exchange or other bargain that Lessee may enter into that in anywise pertains to any of the oil or gas under the land, whether produced or not, and of the total of any other benefit Lessee may receive under any incident of ownership of this lease. Such payment to Lessor shall be at the same time Lessee receives the value or money. Such payment or obligation of payment shall not extend the term of this lease or diminish any other obligation of Lessee under this lease agreement. This paragraph 3(f) is not applicable to any value or payment received by Lessee for a bona fide sale of any of Lessee's interest in this lease to another party or entity.

3(g) After expiration of the primary term, if there is a gas well on said land capable of producing gas in paying quantities, and if gas is not being sold for a period in excess of ninety (90) days, and this lease is not then being maintained in force and effect under the other provisions hereof, this lease shall automatically terminate unless Lessee shall pay as royalty on or before ninety (90) days from the date production of gas ceases, a sum (herein called "shut-in royalty") of Five Dollars (\$5.00) for each acre of land subject to this lease on the date of payment, and upon such payment this lease shall remain in force as to the acreage for which such payment is made for a period of one (1) year from the date of such payment; this lease shall automatically terminate at the expiration of each period of one (1) year for which payment of shut-in royalty has been made unless on or before the expiration of such period of one (1) year, Lessee shall pay a shut-in royalty computed as hereinabove provided, and upon each such payment, this lease shall remain in force as to the acreage for which such payment is made for an additional period of one (1) year; provided, however, that payment of shut-in royalty shall not maintain this lease in force or effect to any extent for a total period in excess of two (2) consecutive years after the date of the expiration of the primary term of this lease, and no such payment shall be treated or considered as advance royalty payment on any gas produced from the land.

4. This is a paid-up oil and gas lease for a primary term of three (3) years.

5. (a) If oil or gas is not being produced and sold from said land in paying quantities at the expiration of the primary term hereof, then this lease shall ipso facto terminate as to both parties unless Lessee is engaged in actual drilling of an oil and/or gas well thereon or reworking operations thereon, then this lease shall remain in force as long as said drilling and reworking operations are diligently prosecuted with no cessation of more than a total of sixty (60) days, and if the drilling or reworking operations result in the production and sale of oil and/or gas in paying quantities, then so long thereafter as oil and/or gas in paying quantities is produced and sold from said land, but subject to the termination or partial termination provisions contained herein. If, after the expiration of the primary term, production and sale of oil and/or gas in paying quantities on a particular proration unit that has not previously terminated should cease for any cause, this lease as to that proration unit shall remain in force as long as drilling or reworking operations are commenced within sixty (60) days after such cessation and are thereafter diligently prosecuted with no cessation of more than a total of sixty (60) days, and if said reworking operations result in the production and sale of oil and/or gas in paying quantities, so long thereafter as oil and/or gas in paying quantities is produced and sold from said proration unit.

5(b) Notwithstanding anything contained herein to the contrary, if at the end of the primary term, oil and/or gas is being produced and sold, or if this said lease is being maintained in force and effect under other provisions hereof, this lease will remain in force and effect as to all acreage so long as Lessee commences to drill an oil and/or gas well, and drills same with due diligence, every eight (8) months after the end of the primary term, and upon failure to do so, this lease shall ipso facto terminate as to all acreage except for acreage surrounding a producing well in paying quantities in the form, as nearly as possible, of a square or rectangular tract containing the number of acres permitted by the Railroad Commission of the State of Texas for a proration unit. Absent field rules establishing proration units, an oil well shall retain a 40 acre unit; a gas well shall retain a 160 acre unit as to depths from the surface of the earth to 8,000 feet; a 320 acre unit as to

depths below 8,000 feet to a depth of 12,000 feet and a 640 acre unit for a gas well completed 12,000 feet beneath the surface of the ground. Thereafter, any proration unit formed under the provisions of this paragraph 5(b) shall also ipso facto terminate sixty (60) days after cessation of production in paying quantities from the last producing well thereon, unless there are ongoing operations to drill, rework, or recomple a well on the proration unit and said drilling, rework or recomple operations result in production in paying quantities thereon. This lease shall also ipso facto terminate at the expiration of the primary term and/or continuous drilling program as to all depths one hundred (100') below the stratigraphic equivalent of the total depth drilled in the deepest producing well completed under the proration unit, but in no event to exceed the base of the deepest producing formation of the deepest well completed on the proration unit, whichever is lesser. Provided, however, that if a shut-in gas well(s), capable of producing in paying quantities, is located on the acreage contained herein, and if Lessee has adhered to the provisions of paragraph 3(g) hereof, this lease shall remain in full force and effect as to the proration unit around each well with the same depth limitations immediately set forth above for the period of time provided in paragraph 3(g) hereof. If a Railroad Commission permitted proration unit around a producing well is a temporary unit in the number of acres, and then later there is a designated permanent proration unit of less number of acres, the proration unit hereunder shall be the less number of acres.

6. If a well capable of producing oil, gas or other hydrocarbon in paying quantities shall be completed hereafter on land (whether or not owned by Lessor), other than the leased land, within one thousand feet (1,000') on an adjoining proration unit, established by proper regulatory authority, to the leased land, then within one hundred eighty (180) days after such well shall have been completed on such other land, (or in case of a gas or gas condensate well, within one hundred eighty (180) days after commencement of first production of gas therefrom) Lessee shall commence operations for, and shall thereafter diligently prosecute the drilling of an offset well on the proration unit on the leased land off-setting the adjoining proration unit to the depth of the producing formation. Lessee has the option to release the off-set proration unit as to the producing horizon(s) only in lieu of drilling an off-set well. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas in paying quantities from the same formation on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land.

7. This lease may NOT be assigned in whole, or in part, without written consent of Lessor, which is not to be unreasonably withheld, except to an affiliate or subsidiary business entity of Lessee, and Lessee shall remain liable and responsible for the obligations of the Lessee herein, and any attempted assignment shall be void, and if assigned with written permission, the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. Written permission to assign this Lease shall not be unreasonably withheld by Lessor. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a copy of a recorded instrument evidencing same.

8. Lessor, hereby agrees that Lessee at its option may discharge any tax, mortgage or other lien bearing upon the mineral interest of Lessor with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other payments to be paid Lessor shall be reduced proportionately.

9. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement or requirement hereof is delayed or interrupted by any law, order of the Government of the United States or of any State or other governmental body, or act of God which results in Lessee being prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, or regulation is terminated and for a period of ninety (90) days after such termination and after such act of God, each and every provision of this lease that might operate to terminate it shall be suspended. If any period of suspension occurs during the primary term, the time thereof shall be added to the primary term.

10. Lessee agrees to indemnify and hold Lessor harmless from all liability, loss, damage,

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expense and obligations resulting from injury to (including the death of) persons or damage to property, pollution, environment, air space, surface and subsurface, of any kind arising out of or in connection with Lessee's, its successors' or assigns', operations on the leased premises.

11. Lessor does not warrant title to the mineral rights hereunder except he has not sold or leased his mineral rights to any other person as of date hereof, and to the extent of any royalties received from that portion of the land to which the mineral title shall fail or a proportionate part of said royalties in the event of failure of title to an undivided interest in said portion. Notwithstanding the fact that the Lessor has executed this lease on the above described lands, and the ownership is now, or in the future may be in separate tracts or parcels, this lease shall be treated as an entirety, except that royalties as to any producing well or shut-in gas well shall be payable to the owner or owners of the royalty in the respective tracts upon which the producing well or shut-in gas well is located.

12. Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public.

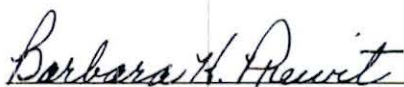
13. At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells.

14. If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee.

15. Lessee shall have the option, but not the obligation, of extending the primary term of this lease for an additional two (2) years from the expiration of the primary term by payment to Lessor on or before the expiration of the primary term, the sum of the same bonus per net mineral acre as the bonus is for the first three (3) year term herein.

This oil and gas lease agreement shall be binding upon and shall inure to be benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable).

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


Barbara H. Prewit

ACCEPTED:
PETRO-HUNT, L.L.C.

By: 
Bruce W. Hunt, President

Wah 3/11/10 

ACKNOWLEDGMENTS

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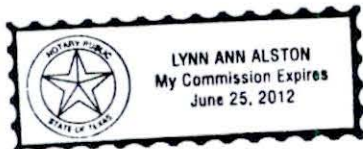
STATE OF Arkansas§
§
§COUNTY OF WashingtonThe foregoing instrument was acknowledged before me this 31 day of Dec.,
2009, by Barbara H. Prewitt.

Tammy Reed, State of Arkansas
Notary Public, Said State

STATE OF TEXAS

§
§
§

COUNTY OF DALLAS

The foregoing instrument was acknowledged before me this 12 day of March,
2010, by Bruce W. Hunt, President of Petro-Hunt, L.L.C., on behalf of said corporation.

Lynn Ann Alston
Notary Public, State of Texas

FILE # 1093

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

FILED FOR RECORD ON THE 5TH DAY OF APRIL A.D. 2010 12:41 PM.DULY RECORDED ON THE 14TH DAY OF APRIL A.D. 2010 9:00 AM.BY: Dianne O. Florez, DEPUTYDIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
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2017

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 841 PAGE 53 THRU 57

I hereby certified on 10 26 17



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Aranda DEPUTY

FILE # 1087

OIL AND GAS LEASE

NOTICE: PRIOR TO RECORDING THIS INSTRUMENT, A NATURAL PERSON MAY REMOVE OR STRIKE HIS/HER SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER THEREFROM.

THIS AGREEMENT made this 28th day of December, 2009, to be effective January 1, 2010, between Eleanor Elizabeth Powell, 23747 S.W. Red Fern Drive, Sherwood, Oregon 97140, Johnnie Marie Powell Ashley, 600 Thoreau, Allen, Texas 75002, and Mica Dawn Powell, 5135 Ridgedale, Dallas, Texas 75206, Lessor and Petro-Hunt, L.L.C., 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, Lessee.

WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets unto Lessee for the purpose of investigating, exploring, conducting geophysical operations, prospecting, drilling and producing oil and gas, from the following described land in Reeves County, Texas, to-wit:

Tract 1: Section 14, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

Tract 2: Section 16, Block C-21, Public School Land, Reeves County, Texas, containing 640 acres, more or less

and containing 1,280 acres, more or less. Each of the above separate two (2) tracts of land are a separate Oil and Gas Lease for all purposes, and subject to the provisions hereof.

No water from any source from said land shall be used for any purpose without written consent of Lessor, which shall not be unreasonably withheld.

2. Subject to the other provisions herein contained, the lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced and sold in paying quantities from said land hereunder.

3. The Royalties to be paid Lessor are:

3(a) On oil (including condensate and other liquid hydrocarbons) 1/4th of the value of oil that flows from a well on said land. Lessee shall pay Lessor the market value thereof at the well purchased by a non-affiliated third party. Non-affiliated third party is one in which Lessee owns no interest and has no agreement with, except for the purchase of oil. If oil is purchased by an affiliated third party, then the value of the oil is that of the highest market price in the area of like gravity or the amount received by Lessee, which ever is greater.

3(b) On gas, including casinghead gas or other gaseous substances that flow from a well on said land, the value at the well head of 1/4th of the gas, or at Lessor's option 1/4th of the proceeds of the sale of gas by Lessee, whichever yields the higher value; where gas from said land is processed in a plant for the purpose of extracting products therefrom, Lessor shall receive as royalty 1/4th of the amount realized by Lessee at the plant of the products so extracted and 1/4th of the value of the residue gas remaining after extractions of said products.

3(c) If gas is gathered by, or sold to an affiliated third party of Lessee, then Lessee will pay Lessor's cost of making the gas market ready, which includes compressing, dehydrating, treating and transporting gas to the trunk pipeline. Affiliated third party means any person or entity in which there is any ownership or shared beneficial interest with Lessee.

3(d) Notwithstanding the provisions of (b) above, Lessor may elect one (1) time only, to take in kind its royalty share of gas and gaseous substances produced. Once the election is made, all of Lessor's gas shall be marketed by Lessor, and delivered to Lessor, free of production costs, by Lessee at the wellhead.

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3(e) Whenever Lessor takes its royalty share of oil or gas in kind, it shall construct or cause to be constructed, such facilities as may be necessary in connection with such taking in kind at or near Lessee's facilities, at Lessor's sole cost and expense.

3(f) In addition to Lessor's royalty or share of the oil and gas provided above, Lessee agrees to pay Lessor $1/4^{\text{th}}$ of the total value or money received, whichever is the greater (free of cost to Lessor), of any contract, agreement, exchange or other bargain that Lessee may enter into that in anywise pertains to any of the oil or gas under the land, whether produced or not, and of the total of any other benefit Lessee may receive under any incident of ownership of this lease. Such payment to Lessor shall be at the same time Lessee receives the value or money. Such payment or obligation of payment shall not extend the term of this lease or diminish any other obligation of Lessee under this lease agreement. This paragraph 3(f) is not applicable to any value or payment received by Lessee for a bona fide sale of any of Lessee's interest in this lease to another party or entity.

3(g) After expiration of the primary term, if there is a gas well on said land capable of producing gas in paying quantities, and if gas is not being sold for a period in excess of ninety (90) days, and this lease is not then being maintained in force and effect under the other provisions hereof, this lease shall automatically terminate unless Lessee shall pay as royalty on or before ninety (90) days from the date production of gas ceases, a sum (herein called "shut-in royalty") of Five Dollars (\$5.00) for each acre of land subject to this lease on the date of payment, and upon such payment this lease shall remain in force as to the acreage for which such payment is made for a period of one (1) year from the date of such payment; this lease shall automatically terminate at the expiration of each period of one (1) year for which payment of shut-in royalty has been made unless on or before the expiration of such period of one (1) year, Lessee shall pay a shut-in royalty computed as hereinabove provided, and upon each such payment, this lease shall remain in force as to the acreage for which such payment is made for an additional period of one (1) year; provided, however, that payment of shut-in royalty shall not maintain this lease in force or effect to any extent for a total period in excess of two (2) consecutive years after the date of the expiration of the primary term of this lease, and no such payment shall be treated or considered as advance royalty payment on any gas produced from the land.

4. This is a paid-up oil and gas lease for a primary term of three (3) years.

5. (a) If oil or gas is not being produced and sold from said land in paying quantities at the expiration of the primary term hereof, then this lease shall ipso facto terminate as to both parties unless Lessee is engaged in actual drilling of an oil and/or gas well thereon or reworking operations thereon, then this lease shall remain in force as long as said drilling and reworking operations are diligently prosecuted with no cessation of more than a total of sixty (60) days, and if the drilling or reworking operations result in the production and sale of oil and/or gas in paying quantities, then so long thereafter as oil and/or gas in paying quantities is produced and sold from said land, but subject to the termination or partial termination provisions contained herein. If, after the expiration of the primary term, production and sale of oil and/or gas in paying quantities on a particular proration unit that has not previously terminated should cease for any cause, this lease as to that proration unit shall remain in force as long as drilling or reworking operations are commenced within sixty (60) days after such cessation and are thereafter diligently prosecuted with no cessation of more than a total of sixty (60) days, and if said reworking operations result in the production and sale of oil and/or gas in paying quantities, so long thereafter as oil and/or gas in paying quantities is produced and sold from said proration unit.

5(b) Notwithstanding anything contained herein to the contrary, if at the end of the primary term, oil and/or gas is being produced and sold, or if this said lease is being maintained in force and effect under other provisions hereof, this lease will remain in force and effect as to all acreage so long as Lessee commences to drill an oil and/or gas well, and drills same with due diligence, every eight (8) months after the end of the primary term, and upon failure to do so, this lease shall ipso facto terminate as to all acreage except for acreage surrounding a producing well in paying quantities in the form, as nearly as possible, of a square or rectangular tract containing the number of acres permitted by the Railroad Commission of the State of Texas for a proration unit. Absent field rules establishing proration units, an oil well shall retain a 40 acre unit; a gas well shall

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retain a 160 acre unit as to depths from the surface of the earth to 8,000 feet; a 320 acre unit as to depths below 8,000 feet to a depth of 12,000 feet and a 640 acre unit for a gas well completed 12,000 feet beneath the surface of the ground. Thereafter, any proration unit formed under the provisions of this paragraph 5(b) shall also ipso facto terminate sixty (60) days after cessation of production in paying quantities from the last producing well thereon, unless there are ongoing operations to drill, rework, or recomple a well on the proration unit and said drilling, rework or recomple operations result in production in paying quantities thereon. This lease shall also ipso facto terminate at the expiration of the primary term and/or continuous drilling program as to all depths one hundred (100') below the stratigraphic equivalent of the total depth drilled in the deepest producing well completed under the proration unit, but in no event to exceed the base of the deepest producing formation of the deepest well completed on the proration unit, whichever is lesser. Provided, however, that if a shut-in gas well(s), capable of producing in paying quantities, is located on the acreage contained herein, and if Lessee has adhered to the provisions of paragraph 3(g) hereof, this lease shall remain in full force and effect as to the proration unit around each well with the same depth limitations immediately set forth above for the period of time provided in paragraph 3(g) hereof. If a Railroad Commission permitted proration unit around a producing well is a temporary unit in the number of acres, and then later there is a designated permanent proration unit of less number of acres, the proration unit hereunder shall be the less number of acres.

6. If a well capable of producing oil, gas or other hydrocarbon in paying quantities shall be completed hereafter on land (whether or not owned by Lessor), other than the leased land, within one thousand feet (1,000') on an adjoining proration unit, established by proper regulatory authority, to the leased land, then within one hundred eighty (180) days after such well shall have been completed on such other land, (or in case of a gas or gas condensate well, within one hundred eighty (180) days after commencement of first production of gas therefrom) Lessee shall commence operations for, and shall thereafter diligently prosecute the drilling of an offset well on the proration unit on the leased land off-setting the adjoining proration unit to the depth of the producing formation. Lessee has the option to release the off-set proration unit as to the producing horizon(s) only in lieu of drilling an off-set well. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas in paying quantities from the same formation on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land.

7. This lease may NOT be assigned in whole, or in part, without written consent of Lessor, which is not to be unreasonably withheld, except to an affiliate or subsidiary business entity of Lessee, and Lessee shall remain liable and responsible for the obligations of the Lessee herein, and any attempted assignment shall be void, and if assigned with written permission, the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. Written permission to assign this Lease shall not be unreasonably withheld by Lessor. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a copy of a recorded instrument evidencing same.

8. Lessor, hereby agrees that Lessee at its option may discharge any tax, mortgage or other lien bearing upon the mineral interest of Lessor with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other payments to be paid Lessor shall be reduced proportionately.

9. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement or requirement hereof is delayed or interrupted by any law, order of the Government of the United States or of any State or other governmental body, or act of God which results in Lessee being prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, or regulation is terminated and for a period of ninety (90) days after such termination and after such act of God, each and every provision of this lease that might operate to terminate it shall be suspended. If any period of suspension occurs during the primary term, the time thereof shall be added to the primary term.

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10. Lessee agrees to indemnify and hold Lessor harmless from all liability, loss, damage, expense and obligations resulting from injury to (including the death of) persons or damage to property, pollution, environment, air space, surface and subsurface, of any kind arising out of or in connection with Lessee's, its successors' or assigns', operations on the leased premises.

11. Lessor does not warrant title to the mineral rights hereunder except he has not sold or leased his mineral rights to any other person as of date hereof, and to the extent of any royalties received from that portion of the land to which the mineral title shall fail or a proportionate part of said royalties in the event of failure of title to an undivided interest in said portion. Notwithstanding the fact that the Lessor has executed this lease on the above described lands, and the ownership is now, or in the future may be in separate tracts or parcels, this lease shall be treated as an entirety, except that royalties as to any producing well or shut-in gas well shall be payable to the owner or owners of the royalty in the respective tracts upon which the producing well or shut-in gas well is located.

12. Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public.

13. At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells.

14. If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee.

15. Lessee shall have the option, but not the obligation, of extending the primary term of this lease for an additional two (2) years from the expiration of the primary term by payment to Lessor on or before the expiration of the primary term, the sum of the same bonus per net mineral acre as the bonus is for the first three (3) year term herein.

This oil and gas lease agreement shall be binding upon and shall inure to be benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable).

This lease may be signed in counterparts.

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

Eleanor Elizabeth Powell

Johnnie Marie Powell Ashley

Mica Dawn Powell
Mica Dawn Powell

ACCEPTED:
PETRO-HUNT, L.L.C.

By: Bruce W. Hunt
Bruce W. Hunt, President

WTH
3/9/10

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STATE OF TEXAS

COUNTY OF Dallas

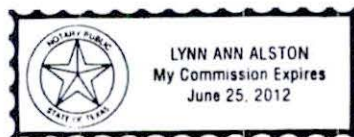
This instrument was acknowledged to before me this the 11th day of January, 2010, by Mica Dawn Powell.

Janet Beard
Notary Public, State of Texas.

STATE OF TEXAS

COUNTY OF DALLAS

The foregoing instrument was acknowledged before me this 12 day of March, 2010, by Bruce W. Hunt, President of Petro-Hunt, L.L.C., on behalf of said corporation.



Lynn Ann Alston
Notary Public, State of Texas

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

FILE # 1087

FILED FOR RECORD ON THE 5TH DAY OF APRIL A.D. 2010 12:41 P.M.

DUTY RECORDED ON THE 14TH DAY OF APRIL A.D. 2010 9:00 A.M.

BY: Dianne O. Florez DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 841, PAGE 20 THRU 24.



I hereby certified on 10 26 17
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Migra Aranda DEPUTY

FILE # 835

1 Revised Jul 08(gnc)
2 (Regular)

OIL AND GAS LEASE

4 THIS AGREEMENT, made and entered into this 17th day of December, 2008, by and between Dela Minerals, Inc.,
5 by Gary N. Covington, President, P.O. Box 2539, Midland, Texas 79702-2539, hereinafter called Lessors, and
6 Petro-Hunt, L.L.C., 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201,
7 hereinafter called Lessee.

WITNESSETH:

10 1. That Lessors, in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties provided, and of the
11 covenants and agreements of Lessee hereinafter contained, hereby grant, lease, and let unto Lessee for the sole and only purpose of
12 exploring, drilling, operating for, and producing oil and gas and of laying pipelines, building tanks, power stations, roads and structures
13 thereon to produce, save, care for, treat, and transport said products from the land leased hereunder only, the following described land
14 situated in Reeves Counties, State of Texas, to-wit:

16 All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

18 All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

20 All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

22 and containing 1,920.0 acres, more or less (hereinafter called said land).

24 2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date
25 (hereinafter called primary term) and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land and
26 the royalties therefor paid in accord with the terms hereof, unless the primary term shall be extended as provided in (6) below.

27 3. When production of oil or gas is secured during the term of this lease, Lessee agrees to pay or cause to be paid to
28 Lessor:

29 (A) 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
30 condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter
31 provided, One-Fourth (1/4) part of the gross production or the market value thereof, at the option of Lessor, such value to be
32 determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons,
33 respectively, of a like type and gravity for the field where produced and when run, or 2) the highest market price thereof offered or paid for the
34 field where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is greater. Lessee agrees that before any gas
35 produced from the land hereby leased is sold, used or processed in a plant, it will be run free of cost to the parties entitled to royalties through
36 an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable
37 from the gas by such means will be recovered. Upon written consent of the royalty owners, the requirement that such gas is run through a
38 separator or other equipment may be waived upon such terms and conditions as prescribed by them.

39 (B) As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil
40 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
41 extraction of gasoline, liquid hydrocarbons or other products) One-Fourth (1/4) part of the gross production or the market value thereof,
42 at the option of Lessor, such value to be based on the highest market price paid or offered for gas of comparable quality for the field where
43 produced and when run, or the gross price paid or offered to the producer, whichever is greater; provided that the maximum pressure base in
44 measuring the gas under this lease contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base
45 temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity
46 according to test made by the Balance Method or by the most approved method of testing being used by industry at the time of testing. In the
47 event Lessee obtains production on the subject land, Lessee shall notify Lessors via certified mail describing the terms of which Lessee will
48 be selling oil and/or gas, and in the event Lessors object to the terms of said sales, Lessors shall notify Lessee of such objection within fifteen
49 (15) days of receipt of such notice and make their election to take-in-kind as provided in 3(G) hereinbelow.

50 For the purpose of this lease "field" means the general area in which the land covered by this lease is located.

51 (C) As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons
52 One-Fourth (1/4) part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of Lessors. All
53 royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced
54 from this lease, and on fifty percent (50%) or that percent accruing to Lessee, whichever is greater, of the total plant production of liquid
55 hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a
56 plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be
57 fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement
58 negotiated at arms length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in
59 the industry), whichever is greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest
60 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
61 offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons, F.O.B. at the plant
62 in which said gas is processed), whichever is greater.

63 (D) As a royalty on carbon black, sulfur or any other products produced or manufactured from gas (excepting liquid hydrocarbons)
64 whether said gas be "casinghead", "dry" or any other gas, by fractionating, burning or any other processing, One-Fourth (1/4) part of the
65 gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

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

68 (E) Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of
69 producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and
70 other products produced hereunder ready for sale or use whether or not such costs are incurred either before or after the sale or use of
71 production hereunder.

72 (F) Royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas
73 produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing
74 of the Lessors, Lessee may recycle gas for gas lift purposes on the lease premises for the injection into any oil or gas producing formation
75 underlying the lease premises after the liquid hydrocarbons contained in the gas have been removed and no royalties shall be payable on the
76 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 the Lessors
77 to a royalty thereon under the provisions of this lease.

78 (G) Notwithstanding any other provision in this lease, at any time or from time to time, the Lessors may, at the option of Lessors,
79 upon not less than thirty (30) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner
80 under this lease be made in kind. Lessee shall choose the delivery point for the oil and/or gas so taken by Lessors. Said delivery point shall
81 be located on the lease premises at a point on the downstream side of the metering device or tanks used to gauge the volume of production
82 from wells located on the lease premises. All royalties, which are not taken in kind as provided herein, shall be due and payable to the
83 Lessors by Lessee in Boerne, Kendall County, Texas. Royalty on oil shall be due and payable on or before the 1st day of the second month
84 succeeding the month of production, and royalty on gas shall be due and payable on or before the 28th day of the second month succeeding
85 the month of production. Past due payments of royalty shall bear interest per annum at the highest rate of non-usurious interest
86 allowed by law. By execution hereof, Lessee grants to Lessors a first and prior lien on its working interest share of the oil and gas

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in and under and that may be produced from the above described land, and a security interest in its share of oil and/or gas when extracted and in all personal property and equipment placed in or on said land, to secure payment of Lessor's royalty, together with interest thereon as above stated. Lessors shall be entitled to exercise the rights and remedies of a Second Party under the Uniform Commercial Code. To secure such security interest, this lease may be filed as a Financing Statement.

(H) Failure to make payment or delivery of royalty pursuant to the terms of this paragraph 3 shall not be the basis for a termination pursuant to the estate defined above in numerical paragraph 2 unless such failure continues for thirty (30) days following written notice of such failure from Lessor to Lessee. Such termination shall not occur if there is a good faith dispute as to the fact of failure and if such dispute has been made the subject of a judicial proceeding before the expiration of such thirty (30) day period, and if, in the case of such a dispute as to the payment of money, lessee is making payment into the Registry of the Court or in accord with an order of a Court of competent jurisdiction.

4. Delay Rentals. This is a Paid-Up Oil and Gas Lease, and All Delay Rentals referred to herein are paid in full.

5. If oil or gas is discovered on said land, Lessee agrees to further develop said land, as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under the above-described land from drainage from the adjacent lands or leases. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depths necessary for effective protection against drainage by other wells on adjacent lands or leases. In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit as to the producing horizon(s) only. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s).

6. On or before the third anniversary date of this lease, Lessee may, at its sole option, extend the primary term of the lease for an additional two (2) years by making payment to Lessors, at the address in (4) above, of Three Hundred Ten and no/100

dollars (\$310.00) per net mineral acre. If, during the primary term hereof and prior to production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if, after production of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if on or before the rental paying date next ensuing Lessee commences additional drilling or reworking operations thereon, or commences or resumes the payment of annual delay rental in the same manner as provided in Paragraph 4 of this lease.

7. If, upon the expiration of the primary term of this lease, production of oil or gas in paying quantities has not been obtained and no test well is then being drilled or reworked on said lease, the lease shall terminate in its entirety. If, at the expiration of said primary term, production of oil or gas in paying quantities has been obtained on said lease, and royalties therefor are being paid, or Lessee is then drilling or reworking a test well thereon, said lease shall be and continue to remain in full force and effect so long as Lessee conducts a continuous drilling program on the lands covered by said lease with no more than 180 consecutive days elapsing between the completion of one well (such "completion" being defined as that date when the well is production tested for initial potential, placed back on production of oil or gas, or sixty (60) days after cessation of drilling, whichever occurs first) and the commencement of actual drilling of the next succeeding well. Upon the cessation of such continuous drilling program, this lease shall then terminate as follows:

1) As to the entire lease premises not then included in a proration unit approved by the Railroad Commission of Texas or other governmental authority having jurisdiction as to the proration unit. Said lease shall then continue in full force and effect only as to that portion of the lease premises which is included in a proration unit from which production of oil or gas in paying quantities is then being obtained and Lessee shall forthwith execute and deliver to Lessor a recordable release of this lease as to that portion of the lease premises not included in a proration unit or units as described.

2) As to all depths below, but not above, 100 feet below the deepest depth drilled in any well in each such proration unit retained by Lessee from which oil or gas is then being produced. Then and in that event Lessee agrees to execute and deliver to Lessors, a recordable release of this lease as to all depths below, but not above, 100 feet below the deepest depth drilled in any well in each such proration unit.

8. Lessee shall have, except in the case of water wells, the right to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing, within 120 days after the expiration or termination of this lease, unless the Lessors grant Lessee an extension of this 120 day period. In the case of water wells, (or any well capable of producing potable water), Lessee shall have the right at Lessee's sole expense to remove all property and fixtures therefrom except casing but shall obtain the written consent of Lessors prior to drawing and removing said casing and plugging said well. Nothing in this paragraph is intended nor shall be construed to give the Lessee hereunder any rights with regard to water on or under the land.

9. The rights and estate of any party hereto may be assigned in whole or in part. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, and assigns. No change or division of ownership of said land, or of the royalties, rental, or other moneys, or the right to receive same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after such record owner has been furnished notice of such change or division, supported by copies of the documents evidencing such change or division. If any such change in ownership occurs by reason of the death of owner, Lessee may, nevertheless, pay or tender such royalties, rentals or other moneys, to the credit of the decedent in the depository bank named above. Lessee shall notify Lessors of any assignment of Lessee's rights hereunder, stating the name and current mailing address of the assignee, and shall furnish Lessors a copy of such assignment within thirty days of its recording in the county records.

10. Should Lessors own an interest in said land which is less than the entire and undivided fee simple estate therein, then the royalties and rental herein provided shall be paid the Lessors in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein.

11. Lessors hereby warrant and agree to defend the title to said land by, through, and under Lessors, but not otherwise. Lessee, at its option, may discharge any tax lien upon said land; and, in the event Lessee does so, Lessee shall have the right to apply rentals and royalties accruing hereunder to reimburse such payment.

12. The books, accounts and all other records pertaining to production, transportation, sale and marketing of oil or gas produced hereunder shall, during regular business hours, be subject to inspection and examination by Lessors. Lessors shall have the right to be present at any regularly scheduled inspection of meters and other equipment located on the lease premises, provided for in the terms of any gas contract entered into by Lessee, his heirs, successors, and assigns, and any gas purchaser.

13. This lease shall be subject to all federal and state laws, executive orders, rules and regulations of all federal or state officers, agencies, boards and commissions which relate to or affect performance of the express or implied covenants of this lease and this lease shall not be forfeited for failure of Lessee to comply with the express or implied covenants of this lease, if such compliance is prevented by or if such failure results from compliance with any such rule, order or regulation. Further, this lease shall not terminate during any period of time in which Lessee is prevented or prohibited from producing oil or gas from the premises or conducting operations on the premises by reason of any law, order, rule or regulation of any governmental authority having jurisdiction, and this lease shall be extended during the time Lessee is so prevented or prohibited.

14. Lessors, at their sole cost, risk and expense shall have access at all times to the location, rig and derrick floor of any well drilled or reentered on lands covered by this lease, and upon written request by Lessors, shall be furnished copies of all well data. All well information furnished to Lessor under the terms of this paragraph shall be held confidential and not be disclosed to any third party without permission of Lessee.

15. Where gas from a gas well located on the lease premises ("gas well"- being defined as any well classified as a gas well by the governmental body having lawful authority to make such classification) is not sold because of a lack of market therefor or because of marketing or transportation difficulties which in Lessee's judgment make it inadvisable for economic reasons to produce and sell gas for a period of time, Lessee shall pay or tender as royalty, by valid check of Lessee a sum of money described below to the party entitled to receive royalty under this lease at P.O. Box 2539, Midland, TX 79702-2539, on or before thirty (30) days from the date on which the well is shut-in. The amount of the shut-in gas well royalty payment shall be a sum of money equal to twenty and no/100 dollars (\$20.00) per net mineral acre of lessor's gas acreage then held under this lease. If such payment is properly and timely made, it will be considered that gas is being produced from the above described land in accord with the terms of this lease (and the meaning of Paragraph 2 of this lease) for a period of one (1) year from the date of shut-in or from the anniversary date thereof, provided, however, this lease may not be continued in force by the making of annual shut-in gas well royalty payments as herein provided for a period longer than two (2) years after the expiration of the primary term hereof. If at any time or times after the two (2) year period provided for above, there is located on the lease premises, a gas well (as defined above) from which gas is not sold because of the lack of a market or because of marketing or transportation difficulties which in Lessee's judgment make it advisable not to sell gas for a period of time, Lessee may pay or tender as royalty, by a valid check of Lessee, to the party entitled to receive royalty under this lease at P.O. Box 2539, Midland, TX 79702-2539, on or before thirty (30) days after the date on which the well is shut-in or after the date on which this lease ceases to be otherwise maintained, and on or before the end of each period of six (6) months from such shut-in date thereafter, a shut-in gas well royalty payment in an amount equal to five times the annual rental provided herein. If such payment is properly and timely made, it will be considered that gas is being produced from the above described land in accord with the terms of this lease (and the meaning of Paragraph 2 of this lease) during the entire six (6) month period for which payment was made.

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Dianne O. Florez, County Clerk
Page 2 of 4

16. All notices and communications between parties shall be in writing and shall be directed and mailed to the respective parties hereto at the following address:

Lessor: Dela Minerals, Inc.
Attn: Gary N. Covington
P.O. Box 2539
Midland, TX 79702-2539

Lessee: Petro-Hunt L.L.C.
Attn: Land Department
1601 Elm Street, Suite 3400
Thanksgiving Tower
Dallas, Texas 75201-7201

Either party may from time to time change the address to which notices to it shall be directed by furnishing the other party with written notice of the change. All notices provided for and authorized to be given hereunder shall be considered given only if and when received by the party to whom addressed. However, any notice sent by a private express carrier marked for expedited delivery, or by United States Express Mail, mailgram, registered mail or certified mail with return requested and all postage and fees therefor paid shall be deemed to have been given on the date such notice is delivered to the express company or deposited in the United States mail addressed to the party being notified. Notices transmitted by telecopier shall be deemed an actual delivery if a legible copy is received.

17. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than eighty (80) surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than six hundred forty (640) surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining a maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 17, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 17 with consequent allocation of production as herein provided. As used in this paragraph 17, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

IN WITNESS WHEREOF, this instrument is executed as of the day first above written.

Lessor:

Lessee:

Gary N. Covington
Dela Minerals, Inc., by Gary N. Covington, President

Bruce W. Hunt
Petro-Hunt L.L.C., by Bruce W. Hunt, President

STATE OF TEXAS

COUNTY OF

This instrument was acknowledged before me on the 18th day of December, 2008 by Dela Minerals, Inc., by Gary N. Covington, President.

July 8, 2012
My Commission Expires



Stephanie Jackson
Notary Public, State of Texas
STEPHANIE JACKSON
Type or Print Name of Notary

AME
Initial for Identification

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STATE OF TEXAS
COUNTY OF Dallas

This instrument was acknowledged before me on this 24th day of February, 2009 by Bruce W. Hunt, President of Petro-Hunt, L.L.C.



June 24, 2012
My Commission Expires

Susan M. Lecroy
Notary Public, State of Texas

Susan m. Lecroy
Type or Print Name of Notary

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HME
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FILE# 835

FILED FOR RECORD ON THE 5TH DAY OF MARCH A.D. 2009 3:15 P. M.
DULY RECORDED ON THE 9TH DAY OF MARCH A.D. 2009 9:00 A. M.

BY: Dalia Halush, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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



816

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 816
PAGE 56 THRU 59



I hereby certified on 10 26 17

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Aranda DEPUTY

FILE# 4516

PRODUCERS 88 (bcd-96) TX

PAID-UP OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 28th day of August, 2008, by and between Kevin Louis Roberson, as Lessor, (whether one or more) whose address is 3705 Mossbrook Drive, Keller, Texas 76148, and Petro-Hunt, L.L.C., as Lessee, (whether one or more) whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the covenants and agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and related hydrocarbons, injecting gas, waters, other fluids and air into sub-surface strata, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following described land in Reeves County, Texas, to-wit:

All of Section 8, Block C-20, Public School Land Survey, containing 640.0 acres, more or less

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

and containing 2,560.00 acres, more or less (hereinafter called "said land").

2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced in paying quantities from said land hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from said land, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, delay rentals, royalty, drilling and completion costs.

3. The royalties to be paid by Lessee are: (a) on oil, One-Fourth (1/4) of that produced and saved from said land, the same to be delivered free of charge at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of One-Fourth (1/4) of the gas sold or used, provided that on gas sold at the well in a bona fide transaction between Lessee and a party not controlled by Lessee the term "market value" shall be an amount realized from such sale. Where gas from a well capable of producing gas only is not sold or used, Lessee shall pay as royalty an amount per year equal to \$25.00 per net mineral acre commencing on or before ninety (90) days after completion of such shut-in gas well and annually thereafter; and while such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof; provided, however, it is agreed that after the end of the primary term hereof, this lease may not be maintained in force and effect solely by the payment of shut-in royalty for any single period in excess of two (2) years. However, Lessee shall be entitled to invoke the shut-in royalty provisions from time to time for periods not to exceed two (2) years, provided that Lessee shall have actually marketed gas in paying quantities from said land in good faith after the end of each prior period for which Lessee has paid shut-in gas royalty under this lease. The term "gas only" includes gas, distillate, condensate, and other substances produced from a gas well or a well classified as a gas well by the Railroad Commission of Texas or other governmental agencies having jurisdiction, but not casinghead gas or any substance produced from any oil well. Lessee agrees that all gas produced from the lease premises that is not processed in a plant or plants from which products derived therefrom and the residue gas is ratably allocated to the lease premises for the payment of royalties shall, if economically feasible to do so before the same is sold or used for any purpose or transported from the lease premises, be passed through a conventional separator designed and operated to effect the maximum economical recovery of liquids therefrom and any and all such liquids shall, for the purpose of this lease, be treated as oil for royalty payment. Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, except secondary recovery operations, and the royalty on oil and/or gas shall be computed after deducting any so used. All royalty on oil, gas and associated hydrocarbons shall be due and payable to Lessor within three (3) months of the date when initial production from any well commences. Thereafter, royalty shall be due and payable on or before the last day of the second month succeeding the month of production. In the event a royalty is not so timely paid, Lessee agrees that it will pay Lessor interest on the amount so due at the (generally accepted) prime rate per annum for the royalties so owing, said interest to commence on the day following the date such royalty is owing by the terms hereof. Lessee agrees that all royalties accruing under this lease shall be paid 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.

4. This is a paid-up oil and gas lease and no delay rentals are due and payable hereunder.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall remain in force as long as additional drilling or re-working operations are conducted upon said land with no cessation for more than ninety (90) days in a good faith effort to discover and produce oil and/or gas, or (if it be within the primary term) Lessee commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of one month from date of completion of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil and/or gas is not being produced on said land but Lessee is then engaged in actual drilling or re-working operations on said land this lease shall remain in force so long as operations are prosecuted

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with no cessation of more than ninety (90) consecutive days, 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.

6. After the discovery of oil and/or gas on said land, Lessee shall further develop said land as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under said land from drainage from the adjacent lands or leases. In the event a well or wells producing oil and/or gas in paying quantities should be brought in on adjacent land and draining the lease premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases. In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit only as prescribed by the by the Railroad Commission of Texas. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s).

7. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in this lease, if said oil is produced from lands covered by this lease, and Lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

8. Lessee shall have the right at any time during or within 120 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within one thousand (1000) feet of any residence or barn now on said land without Lessor's consent.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished a copy of the recorded instrument evidencing same. In the event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the lands covered hereby, and such notice shall be accompanied by a true copy of the instrument effecting such assignment within sixty (60) days of its recording in the county records. All rights, covenants, and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of such party. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor by delivering or mailing a release hereof to Lessor, or by placing a release thereof of record in the county in which said land is located; thereupon Lessee shall be relieved from all subsequent obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

10. Notwithstanding anything to the contrary herein contained, at the expiration of the primary term hereof, this lease shall terminate as to (1) all depths below 100 feet below the producing perforations in any proration unit upon which there is a well producing oil and/or gas in commercial quantities, and (2) all lands which are not included within a proration unit established by the Railroad Commission of the State of Texas for wells producing in commercial quantities, unless Lessee is engaged in drilling or reworking operations. If Lessee is, at the expiration of the primary term, engaged in actual drilling operations, this lease shall remain in full force and effect as to all lands covered hereby for so long as such operations continue to completion or abandonment and for so long thereafter as operations for drilling are conducted with no more than 120 days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well. A well shall be determined to be completed on the day lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first; and a well shall be determined to be commenced when such well is spudded.

11. At the expiration of the primary term of this lease or when lessee ceases continuous development as provided in Paragraph 10, whichever is the later date, this lease will terminate as to all rights except those covering from 100 feet above to 100 feet below producing perforations in each producing proration unit.

12. In the event Lessor considers that operations, either express or implied, are not at any time being conducted in compliance with this lease, Lessor shall notify the Lessee in writing setting out specifically in what respect Lessee has breached this contract, and Lessee, if in default, shall have sixty (60) days after such notice in which to comply, or commence to comply, with the obligations imposed by virtue of this instrument.

13. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations hereunder shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; provided that Lessee shall never be relieved from the payment of annual shut-in rental hereof so as to keep this lease in force in the absence of actual drilling operations.

14. Lessee agrees to furnish to Lessor daily drilling reports, copies of all logs run, surveys made, and any other well information pertaining to wells drilled on said land and copies of reports and forms filed by Lessee with the state regulatory agencies in connection with such wells. Lessee also agrees to furnish Lessor copies of all title opinions, title reports, drilling opinions, division order opinions and any and all related documents or reports. Lessor agrees to hold all such information confidential so long as this lease is in force as to any part of said land, or ninety (90) days after the expiration of the primary term and/or continuous drilling, whichever is first.

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15. Lessor hereby warrants and agrees to defend the title to said land by, through, and under Lessor, but not otherwise. If Lessor owns an interest in said land less than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein. Lessee, at its option, may discharge any tax, mortgage or other lien against Lessor's interest in said land, either in whole or in part, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Lessor shall have and hereby retains a first lien upon all oil or gas produced from the lease premises and attributable to the undivided interest covered hereby, to secure the payment of all royalty and other amounts that may become due hereunder to Lessor.

16. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land, lease or leases in the immediate vicinity, as herein provided. Units pooled hereunder shall conform in size with those prescribed or permitted by the Railroad Commission of Texas, or other lawful authority, for the drilling or operation of a well at a regular location or for obtaining maximum allowables from any well to be drilled, drilling or already drilled, provided however, that Lessee may form pooled units for horizontal wells below the base of the Wolfcamp formation comprised of 640.00 acres, plus a tolerance of 10%. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as to oil in any one or more strata and as to gas in any one or more strata. Lessee shall file in the appropriate county, an instrument describing and designating the pooled acreage as to a pooled unit; and upon such recordation, the unit shall be effective as to all parties hereto. Lessee at its option may exercise its pooling option before or after commencing operations for or completing an oil or gas well. Any such operations on lands ultimately included in the pooled unit shall be considered as operations for drilling on or production of oil or gas from land covered by this lease. For the purpose of computing the royalties payable under this lease, there shall be allocated to the land covered by this lease and included in said unit, a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit, such allocation shall be on an acreage basis, meaning there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Notwithstanding anything herein seemingly to the contrary, in the event Lessee pools only a portion of the acres in this lease, then in such event the pooled portion and the unpooled portion shall each be treated and considered as a separate and distinct lease for the limited purpose of paying shut-in royalties and perpetuating said leases by drilling production or reworking operations. Should pooling occur, the payment of any subsequent shut-in gas royalties shall be based on the number of acres then covered by each separate lease.

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

LESSOR

Kevin Louis Roberson

Kevin Louis Roberson

STATE OF TEXAS

COUNTY OF

Tarrant

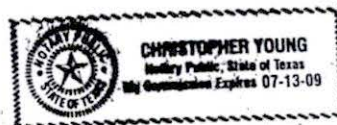
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The foregoing instrument was acknowledged before me on this 3rd day of September, 2008, by, Kevin Louis Roberson.

Christopher Young
Notary Public in and for the State of Texas

My commission expires: 11-13-09



FILE# 4516

FILED FOR RECORD ON THE 16TH DAY OF OCTOBER A.D. 2008 4:35 P. M.

DULY RECORDED ON THE 21ST DAY OF OCTOBER A.D. 2008 9:00A. M.

BY: Dianne O. Florez DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 3 of 3

2017

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 806
PAGE 189 THRU 191

I hereby certified on 10 26 17



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Aranda DEPUTY

FILE# 4515

PRODUCERS 88 (bcd-96) TX

PAID-UP OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 28th day of August, 2008, by and between Kimberly Roberson Reynolds, as Lessor, (whether one or more) whose address is 24649 Kings Canyon Square, Aldie, Virginia 20105, and Petro-Hunt, L.L.C., as Lessee, (whether one or more) whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the covenants and agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and related hydrocarbons, injecting gas, waters, other fluids and air into sub-surface strata, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following described land in Reeves County, Texas, to-wit:

All of Section 8, Block C-20, Public School Land Survey, containing 640.0 acres, more or less

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

and containing 2,560.00 acres, more or less (hereinafter called "said land").

2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced in paying quantities from said land hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from said land, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, delay rentals, royalty, drilling and completion costs.

3. The royalties to be paid by Lessee are: (a) on oil, One-Fourth (1/4) of that produced and saved from said land, the same to be delivered free of charge at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of One-Fourth (1/4) of the gas sold or used, provided that on gas sold at the well in a bona fide transaction between Lessee and a party not controlled by Lessee the term "market value" shall be an amount realized from such sale. Where gas from a well capable of producing gas only is not sold or used, Lessee shall pay as royalty an amount per year equal to \$25.00 per net mineral acre commencing on or before ninety (90) days after completion of such shut-in gas well and annually thereafter; and while such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof; provided, however, it is agreed that after the end of the primary term hereof, this lease may not be maintained in force and effect solely by the payment of shut-in royalty for any single period in excess of two (2) years. However, Lessee shall be entitled to invoke the shut-in royalty provisions from time to time for periods not to exceed two (2) years, provided that Lessee shall have actually marketed gas in paying quantities from said land in good faith after the end of each prior period for which Lessee has paid shut-in gas royalty under this lease. The term "gas only" includes gas, distillate, condensate, and other substances produced from a gas well or a well classified as a gas well by the Railroad Commission of Texas or other governmental agencies having jurisdiction, but not casinghead gas or any substance produced from any oil well. Lessee agrees that all gas produced from the lease premises that is not processed in a plant or plants from which products derived therefrom and the residue gas is ratably allocated to the lease premises for the payment of royalties shall, if economically feasible to do so before the same is sold or used for any purpose or transported from the lease premises, be passed through a conventional separator designed and operated to effect the maximum economical recovery of liquids therefrom and any and all such liquids shall, for the purpose of this lease, be treated as oil for royalty payment. Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, except secondary recovery operations, and the royalty on oil and/or gas shall be computed after deducting any so used. All royalty on oil, gas and associated hydrocarbons shall be due and payable to Lessor within three (3) months of the date when initial production from any well commences. Thereafter, royalty shall be due and payable on or before the last day of the second month succeeding the month of production. In the event a royalty is not so timely paid, Lessee agrees that it will pay Lessor interest on the amount so due at the (generally accepted) prime rate per annum for the royalties so owing, said interest to commence on the day following the date such royalty is owing by the terms hereof. Lessee agrees that all royalties accruing under this lease shall be paid 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.

4. This is a paid-up oil and gas lease and no delay rentals are due and payable hereunder.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall remain in force as long as additional drilling or re-working operations are conducted upon said land with no cessation for more than ninety (90) days in a good faith effort to discover and produce oil and/or gas, or (if it be within the primary term) Lessee commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of one month from date of completion of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil and/or gas is not being produced on said land but Lessee is then engaged in actual drilling or re-working operations on said land this lease shall remain in force so long as operations are prosecuted

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with no cessation of more than ninety (90) consecutive days, 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.

6. After the discovery of oil and/or gas on said land, Lessee shall further develop said land as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under said land from drainage from the adjacent lands or leases. In the event a well or wells producing oil and/or gas in paying quantities should be brought in on adjacent land and draining the lease premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases. In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit only as prescribed by the by the Railroad Commission of Texas. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s).

7. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in this lease, if said oil is produced from lands covered by this lease, and Lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

8. Lessee shall have the right at any time during or within 120 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within one thousand (1000) feet of any residence or barn now on said land without Lessor's consent.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished a copy of the recorded instrument evidencing same. In the event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the lands covered hereby, and such notice shall be accompanied by a true copy of the instrument effecting such assignment within sixty (60) days of its recording in the county records. All rights, covenants, and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of such party. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor by delivering or mailing a release hereof to Lessor, or by placing a release thereof of record in the county in which said land is located; thereupon Lessee shall be relieved from all subsequent obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

10. Notwithstanding anything to the contrary herein contained, at the expiration of the primary term hereof, this lease shall terminate as to (1) all depths below 100 feet below the producing perforations in any proration unit upon which there is a well producing oil and/or gas in commercial quantities, and (2) all lands which are not included within a proration unit established by the Railroad Commission of the State of Texas for wells producing in commercial quantities, unless Lessee is engaged in drilling or reworking operations. If Lessee is, at the expiration of the primary term, engaged in actual drilling operations, this lease shall remain in full force and effect as to all lands covered hereby for so long as such operations continue to completion or abandonment and for so long thereafter as operations for drilling are conducted with no more than 120 days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well. A well shall be determined to be completed on the day lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first; and a well shall be determined to be commenced when such well is spudded.

11. At the expiration of the primary term of this lease or when lessee ceases continuous development as provided in Paragraph 10, whichever is the later date, this lease will terminate as to all rights except those covering from 100 feet above to 100 feet below producing perforations in each producing proration unit.

12. In the event Lessor considers that operations, either express or implied, are not at any time being conducted in compliance with this lease, Lessor shall notify the Lessee in writing setting out specifically in what respect Lessee has breached this contract, and Lessee, if in default, shall have sixty (60) days after such notice in which to comply, or commence to comply, with the obligations imposed by virtue of this instrument.

13. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations hereunder shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; provided that Lessee shall never be relieved from the payment of annual shut-in rental hereof so as to keep this lease in force in the absence of actual drilling operations.

14. Lessee agrees to furnish to Lessor daily drilling reports, copies of all logs run, surveys made, and any other well information pertaining to wells drilled on said land and copies of reports and forms filed by Lessee with the state regulatory agencies in connection with such wells. Lessee also agrees to furnish Lessor copies of all title opinions, title reports, drilling opinions, division order opinions and any and all related documents or reports. Lessor agrees to hold all such information confidential so long as this lease is in force as to any part of said land, or ninety (90) days after the expiration of the primary term and/or continuous drilling, whichever is first.

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Page 2 of 3

15. Lessor hereby warrants and agrees to defend the title to said land by, through, and under Lessor, but not otherwise. If Lessor owns an interest in said land less than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein. Lessee, at its option, may discharge any tax, mortgage or other lien against Lessor's interest in said land, either in whole or in part, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Lessor shall have and hereby retains a first lien upon all oil or gas produced from the lease premises and attributable to the undivided interest covered hereby, to secure the payment of all royalty and other amounts that may become due hereunder to Lessor.

16. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land, lease or leases in the immediate vicinity, as herein provided. Units pooled hereunder shall conform in size with those prescribed or permitted by the Railroad Commission of Texas, or other lawful authority, for the drilling or operation of a well at a regular location or for obtaining maximum allowables from any well to be drilled, drilling or already drilled, provided however, that Lessee may form pooled units for horizontal wells below the base of the Wolfcamp formation comprised of 640.00 acres, plus a tolerance of 10%. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as to oil in any one or more strata and as to gas in any one or more strata. Lessee shall file in the appropriate county, an instrument describing and designating the pooled acreage as to a pooled unit; and upon such recordation, the unit shall be effective as to all parties hereto. Lessee at its option may exercise its pooling option before or after commencing operations for or completing an oil or gas well. Any such operations on lands ultimately included in the pooled unit shall be considered as operations for drilling on or production of oil or gas from land covered by this lease. For the purpose of computing the royalties payable under this lease, there shall be allocated to the land covered by this lease and included in said unit, a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit, such allocation shall be on an acreage basis, meaning there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Notwithstanding anything herein seemingly to the contrary, in the event Lessee pools only a portion of the acres in this lease, then in such event the pooled portion and the unpooled portion shall each be treated and considered as a separate and distinct lease for the limited purpose of paying shut-in royalties and perpetuating said leases by drilling production or reworking operations. Should pooling occur, the payment of any subsequent shut-in gas royalties shall be based on the number of acres then covered by each separate lease.

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

LESSOR

Kimberly Roberson Reynolds
Kimberly Roberson Reynolds

STATE OF ~~TEXAS~~ Virginia §
COUNTY OF Loudoun §

The foregoing instrument was acknowledged before me on this 03 day of September, 2008, by, Kimberly Roberson Reynolds.

[Signature]



Notary Public in and for the State of ~~Texas~~ Virginia

My commission expires: January 31, 2012

FILE# 4515

FILED FOR RECORD ON THE 16TH DAY OF OCTOBER A.D. 2008 4:35 P. M.

DULY RECORDED ON THE 21ST DAY OF OCTOBER A.D. 2008 9:00 A. M.

BY: *[Signature]*, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 806
PAGE 184 THRU 188



I hereby certified on 10 26 17

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Aranda DEPUTY

FILE# 4514

PRODUCERS 88 (bcd-96) TX

PAID-UP OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 28th day of August, 2008, by and between Tera Burkholder King, as Lessor, (whether one or more) whose address is 803 Palomino, Midland, Texas 79705, and Petro-Hunt, L.L.C., as Lessee, (whether one or more) whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the covenants and agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and related hydrocarbons, injecting gas, waters, other fluids and air into sub-surface strata, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following described land in Reeves County, Texas, to-wit:

All of Section 8, Block C-20, Public School Land Survey, containing 640.0 acres, more or less

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

and containing 2,560.00 acres, more or less (hereinafter called "said land").

2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced in paying quantities from said land hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from said land, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, delay rentals, royalty, drilling and completion costs.

3. The royalties to be paid by Lessee are: (a) on oil, One-Fourth (1/4) of that produced and saved from said land, the same to be delivered free of charge at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of One-Fourth (1/4) of the gas sold or used, provided that on gas sold at the well in a bona fide transaction between Lessee and a party not controlled by Lessee the term "market value" shall be an amount realized from such sale. Where gas from a well capable of producing gas only is not sold or used, Lessee shall pay as royalty an amount per year equal to \$25.00 per net mineral acre commencing on or before ninety (90) days after completion of such shut-in gas well and annually thereafter; and while such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof; provided, however, it is agreed that after the end of the primary term hereof, this lease may not be maintained in force and effect solely by the payment of shut-in royalty for any single period in excess of two (2) years. However, Lessee shall be entitled to invoke the shut-in royalty provisions from time to time for periods not to exceed two (2) years, provided that Lessee shall have actually marketed gas in paying quantities from said land in good faith after the end of each prior period for which Lessee has paid shut-in gas royalty under this lease. The term "gas only" includes gas, distillate, condensate, and other substances produced from a gas well or a well classified as a gas well by the Railroad Commission of Texas or other governmental agencies having jurisdiction, but not casinghead gas or any substance produced from any oil well. Lessee agrees that all gas produced from the lease premises that is not processed in a plant or plants from which products derived therefrom and the residue gas is ratably allocated to the lease premises for the payment of royalties shall, if economically feasible to do so before the same is sold or used for any purpose or transported from the lease premises, be passed through a conventional separator designed and operated to effect the maximum economical recovery of liquids therefrom and any and all such liquids shall, for the purpose of this lease, be treated as oil for royalty payment. Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, except secondary recovery operations, and the royalty on oil and/or gas shall be computed after deducting any so used. All royalty on oil, gas and associated hydrocarbons shall be due and payable to Lessor within three (3) months of the date when initial production from any well commences. Thereafter, royalty shall be due and payable on or before the last day of the second month succeeding the month of production. In the event a royalty is not so timely paid, Lessee agrees that it will pay Lessor interest on the amount so due at the (generally accepted) prime rate per annum for the royalties so owing, said interest to commence on the day following the date such royalty is owing by the terms hereof. Lessee agrees that all royalties accruing under this lease shall be paid 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.

4. This is a paid-up oil and gas lease and no delay rentals are due and payable hereunder.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall remain in force as long as additional drilling or re-working operations are conducted upon said land with no cessation for more than ninety (90) days in a good faith effort to discover and produce oil and/or gas, or (if it be within the primary term) Lessee commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of one month from date of completion of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil and/or gas is not being produced on said land but Lessee is then engaged in actual drilling or re-working operations on said land this lease shall remain in force so long as operations are prosecuted

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with no cessation of more than ninety (90) consecutive days, 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.

6. After the discovery of oil and/or gas on said land, Lessee shall further develop said land as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under said land from drainage from the adjacent lands or leases. In the event a well or wells producing oil and/or gas in paying quantities should be brought in on adjacent land and draining the lease premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases. In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit only as prescribed by the by the Railroad Commission of Texas. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s).

7. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in this lease, if said oil is produced from lands covered by this lease, and Lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

8. Lessee shall have the right at any time during or within 120 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within one thousand (1000) feet of any residence or barn now on said land without Lessor's consent.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished a copy of the recorded instrument evidencing same. In the event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the lands covered hereby, and such notice shall be accompanied by a true copy of the instrument effecting such assignment within sixty (60) days of its recording in the county records. All rights, covenants, and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of such party. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor by delivering or mailing a release hereof to Lessor, or by placing a release thereof of record in the county in which said land is located; thereupon Lessee shall be relieved from all subsequent obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

10. Notwithstanding anything to the contrary herein contained, at the expiration of the primary term hereof, this lease shall terminate as to (1) all depths below 100 feet below the producing perforations in any proration unit upon which there is a well producing oil and/or gas in commercial quantities, and (2) all lands which are not included within a proration unit established by the Railroad Commission of the State of Texas for wells producing in commercial quantities, unless Lessee is engaged in drilling or reworking operations. If Lessee is, at the expiration of the primary term, engaged in actual drilling operations, this lease shall remain in full force and effect as to all lands covered hereby for so long as such operations continue to completion or abandonment and for so long thereafter as operations for drilling are conducted with no more than 120 days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well. A well shall be determined to be completed on the day lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first; and a well shall be determined to be commenced when such well is spudded.

11. At the expiration of the primary term of this lease or when lessee ceases continuous development as provided in Paragraph 10, whichever is the later date, this lease will terminate as to all rights except those covering from 100 feet above to 100 feet below producing perforations in each producing proration unit.

12. In the event Lessor considers that operations, either express or implied, are not at any time being conducted in compliance with this lease, Lessor shall notify the Lessee in writing setting out specifically in what respect Lessee has breached this contract, and Lessee, if in default, shall have sixty (60) days after such notice in which to comply, or commence to comply, with the obligations imposed by virtue of this instrument.

13. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations hereunder shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; provided that Lessee shall never be relieved from the payment of annual shut-in rental hereof so as to keep this lease in force in the absence of actual drilling operations.

14. Lessee agrees to furnish to Lessor daily drilling reports, copies of all logs run, surveys made, and any other well information pertaining to wells drilled on said land and copies of reports and forms filed by Lessee with the state regulatory agencies in connection with such wells. Lessee also agrees to furnish Lessor copies of all title opinions, title reports, drilling opinions, division order opinions and any and all related documents or reports. Lessor agrees to hold all such information confidential so long as this lease is in force as to any part of said land, or ninety (90) days after the expiration of the primary term and/or continuous drilling, whichever is first.

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Page 2 of 3

15. Lessor hereby warrants and agrees to defend the title to said land by, through, and under Lessor, but not otherwise. If Lessor owns an interest in said land less than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein. Lessee, at its option, may discharge any tax, mortgage or other lien against Lessor's interest in said land, either in whole or in part, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Lessor shall have and hereby retains a first lien upon all oil or gas produced from the lease premises and attributable to the undivided interest covered hereby, to secure the payment of all royalty and other amounts that may become due hereunder to Lessor.

16. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land, lease or leases in the immediate vicinity, as herein provided. Units pooled hereunder shall conform in size with those prescribed or permitted by the Railroad Commission of Texas, or other lawful authority, for the drilling or operation of a well at a regular location or for obtaining maximum allowables from any well to be drilled, drilling or already drilled, provided however, that Lessee may form pooled units for horizontal wells below the base of the Wolfcamp formation comprised of 640.00 acres, plus a tolerance of 10%. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as to oil in any one or more strata and as to gas in any one or more strata. Lessee shall file in the appropriate county, an instrument describing and designating the pooled acreage as to a pooled unit; and upon such recordation, the unit shall be effective as to all parties hereto. Lessee at its option may exercise its pooling option before or after commencing operations for or completing an oil or gas well. Any such operations on lands ultimately included in the pooled unit shall be considered as operations for drilling on or production of oil or gas from land covered by this lease. For the purpose of computing the royalties payable under this lease, there shall be allocated to the land covered by this lease and included in said unit, a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit, such allocation shall be on an acreage basis, meaning there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Notwithstanding anything herein seemingly to the contrary, in the event Lessee pools only a portion of the acres in this lease, then in such event the pooled portion and the unpooled portion shall each be treated and considered as a separate and distinct lease for the limited purpose of paying shut-in royalties and perpetuating said leases by drilling production or reworking operations. Should pooling occur, the payment of any subsequent shut-in gas royalties shall be based on the number of acres then covered by each separate lease.

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

LESSOR

Tera Burkholder King
Tera Burkholder King

STATE OF TEXAS

§

COUNTY OF Midland

§

The foregoing instrument was acknowledged before me on this 4th day of September, 2008, by, Tera Burkholder King.



Courtney Kuykendall
Notary Public in and for the State of Texas

My commission expires: 1-30-2010

FILE# 4514

FILED FOR RECORD ON THE 16TH DAY OF OCTOBER A.D. 2008 4:35 P. M.

DULY RECORDED ON THE 21ST DAY OF OCTOBER A.D. 2008 9:00 A. M.

BY: *Dianne O. Florez* DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 3

ANY PROVISION HEREIN WHICH ATTEMPTS TO OWE, RENT, OR LIE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW

10-26-17

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 806 PAGE 183 THRU 185.

I hereby certified on 10-26-17



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Mynafra DEPUTY

FILE# 4513.

PRODUCERS 88 (bcd-96) TX

PAID-UP OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 28th day of August, 2008, by and between Tiffani Burkholder, as Lessor, (whether one or more) whose address is 408 Spring Meadow Court, Midland, Texas 79705, and Petro-Hunt, L.L.C., as Lessee, (whether one or more) whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the covenants and agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and related hydrocarbons, injecting gas, waters, other fluids and air into sub-surface strata, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following described land in Reeves County, Texas, to-wit:

All of Section 8, Block C-20, Public School Land Survey, containing 640.0 acres, more or less

All of Section 2, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 14, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

All of Section 16, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

and containing 2,560.00 acres, more or less (hereinafter called "said land").

2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced in paying quantities from said land hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from said land, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, delay rentals, royalty, drilling and completion costs.

3. The royalties to be paid by Lessee are: (a) on oil, One-Fourth (1/4) of that produced and saved from said land, the same to be delivered free of charge at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; and (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the well of One-Fourth (1/4) of the gas sold or used, provided that on gas sold at the well in a bona fide transaction between Lessee and a party not controlled by Lessee the term "market value" shall be an amount realized from such sale. Where gas from a well capable of producing gas only is not sold or used, Lessee shall pay as royalty an amount per year equal to \$25.00 per net mineral acre commencing on or before ninety (90) days after completion of such shut-in gas well and annually thereafter; and while such payment is made it will be considered that gas is being produced within the meaning of paragraph 2 hereof; provided, however, it is agreed that after the end of the primary term hereof, this lease may not be maintained in force and effect solely by the payment of shut-in royalty for any single period in excess of two (2) years. However, Lessee shall be entitled to invoke the shut-in royalty provisions from time to time for periods not to exceed two (2) years, provided that Lessee shall have actually marketed gas in paying quantities from said land in good faith after the end of each prior period for which Lessee has paid shut-in gas royalty under this lease. The term "gas only" includes gas, distillate, condensate, and other substances produced from a gas well or a well classified as a gas well by the Railroad Commission of Texas or other governmental agencies having jurisdiction, but not casinghead gas or any substance produced from any oil well. Lessee agrees that all gas produced from the lease premises that is not processed in a plant or plants from which products derived therefrom and the residue gas is ratably allocated to the lease premises for the payment of royalties shall, if economically feasible to do so before the same is sold or used for any purpose or transported from the lease premises, be passed through a conventional separator designed and operated to effect the maximum economical recovery of liquids therefrom and any and all such liquids shall, for the purpose of this lease, be treated as oil for royalty payment. Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, except secondary recovery operations, and the royalty on oil and/or gas shall be computed after deducting any so used. All royalty on oil, gas and associated hydrocarbons shall be due and payable to Lessor within three (3) months of the date when initial production from any well commences. Thereafter, royalty shall be due and payable on or before the last day of the second month succeeding the month of production. In the event a royalty is not so timely paid, Lessee agrees that it will pay Lessor interest on the amount so due at the (generally accepted) prime rate per annum for the royalties so owing, said interest to commence on the day following the date such royalty is owing by the terms hereof. Lessee agrees that all royalties accruing under this lease shall be paid 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.

4. This is a paid-up oil and gas lease and no delay rentals are due and payable hereunder.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall remain in force as long as additional drilling or re-working operations are conducted upon said land with no cessation for more than ninety (90) days in a good faith effort to discover and produce oil and/or gas, or (if it be within the primary term) Lessee commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of one month from date of completion of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil and/or gas is not being produced on said land but Lessee is then engaged in actual drilling or re-working operations on said land this lease shall remain in force so long as operations are prosecuted

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Page 1 of 3

with no cessation of more than ninety (90) consecutive days, 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.

6. After the discovery of oil and/or gas on said land, Lessee shall further develop said land as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under said land from drainage from the adjacent lands or leases. In the event a well or wells producing oil and/or gas in paying quantities should be brought in on adjacent land and draining the lease premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligation herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases. In lieu of drilling an off-set well, Lessee has the option to release the off-set proration unit only as prescribed by the by the Railroad Commission of Texas. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s).

7. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in this lease, if said oil is produced from lands covered by this lease, and Lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

8. Lessee shall have the right at any time during or within 120 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within one thousand (1000) feet of any residence or barn now on said land without Lessor's consent.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished a copy of the recorded instrument evidencing same. In the event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the lands covered hereby, and such notice shall be accompanied by a true copy of the instrument effecting such assignment within sixty (60) days of its recording in the county records. All rights, covenants, and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of such party. Lessee shall have the right at any time to surrender this lease, in whole or in part, to Lessor by delivering or mailing a release hereof to Lessor, or by placing a release thereof of record in the county in which said land is located; thereupon Lessee shall be relieved from all subsequent obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

10. Notwithstanding anything to the contrary herein contained, at the expiration of the primary term hereof, this lease shall terminate as to (1) all depths below 100 feet below the producing perforations in any proration unit upon which there is a well producing oil and/or gas in commercial quantities, and (2) all lands which are not included within a proration unit established by the Railroad Commission of the State of Texas for wells producing in commercial quantities, unless Lessee is engaged in drilling or reworking operations. If Lessee is, at the expiration of the primary term, engaged in actual drilling operations, this lease shall remain in full force and effect as to all lands covered hereby for so long as such operations continue to completion or abandonment and for so long thereafter as operations for drilling are conducted with no more than 120 days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well. A well shall be determined to be completed on the day lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first; and a well shall be determined to be commenced when such well is spudded.

11. At the expiration of the primary term of this lease or when lessee ceases continuous development as provided in Paragraph 10, whichever is the later date, this lease will terminate as to all rights except those covering from 100 feet above to 100 feet below producing perforations in each producing proration unit.

12. In the event Lessor considers that operations, either express or implied, are not at any time being conducted in compliance with this lease, Lessor shall notify the Lessee in writing setting out specifically in what respect Lessee has breached this contract, and Lessee, if in default, shall have sixty (60) days after such notice in which to comply, or commence to comply, with the obligations imposed by virtue of this instrument.

13. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations hereunder shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; provided that Lessee shall never be relieved from the payment of annual shut-in rental hereof so as to keep this lease in force in the absence of actual drilling operations.

14. Lessee agrees to furnish to Lessor daily drilling reports, copies of all logs run, surveys made, and any other well information pertaining to wells drilled on said land and copies of reports and forms filed by Lessee with the state regulatory agencies in connection with such wells. Lessee also agrees to furnish Lessor copies of all title opinions, title reports, drilling opinions, division order opinions and any and all related documents or reports. Lessor agrees to hold all such information confidential so long as this lease is in force as to any part of said land, or ninety (90) days after the expiration of the primary term and/or continuous drilling, whichever is first.

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Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 3

15. Lessor hereby warrants and agrees to defend the title to said land by, through, and under Lessor, but not otherwise. If Lessor owns an interest in said land less than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein. Lessee, at its option, may discharge any tax, mortgage or other lien against Lessor's interest in said land, either in whole or in part, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Lessor shall have and hereby retains a first lien upon all oil or gas produced from the lease premises and attributable to the undivided interest covered hereby, to secure the payment of all royalty and other amounts that may become due hereunder to Lessor.

16. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land, lease or leases in the immediate vicinity, as herein provided. Units pooled hereunder shall conform in size with those prescribed or permitted by the Railroad Commission of Texas, or other lawful authority, for the drilling or operation of a well at a regular location or for obtaining maximum allowables from any well to be drilled, drilling or already drilled, provided however, that Lessee may form pooled units for horizontal wells below the base of the Wolfcamp formation comprised of 640.00 acres, plus a tolerance of 10%. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as to oil in any one or more strata and as to gas in any one or more strata. Lessee shall file in the appropriate county, an instrument describing and designating the pooled acreage as to a pooled unit; and upon such recordation, the unit shall be effective as to all parties hereto. Lessee at its option may exercise its pooling option before or after commencing operations for or completing an oil or gas well. Any such operations on lands ultimately included in the pooled unit shall be considered as operations for drilling on or production of oil or gas from land covered by this lease. For the purpose of computing the royalties payable under this lease, there shall be allocated to the land covered by this lease and included in said unit, a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit, such allocation shall be on an acreage basis, meaning there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Notwithstanding anything herein seemingly to the contrary, in the event Lessee pools only a portion of the acres in this lease, then in such event the pooled portion and the unpooled portion shall each be treated and considered as a separate and distinct lease for the limited purpose of paying shut-in royalties and perpetuating said leases by drilling production or reworking operations. Should pooling occur, the payment of any subsequent shut-in gas royalties shall be based on the number of acres then covered by each separate lease.

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

LESSOR

Tiffani Burkholder
Tiffani Burkholder

STATE OF TEXAS

§

COUNTY OF Midland

§

The foregoing instrument was acknowledged before me on this 4th day of September, 2008, by, Tiffani Burkholder.



Courtney Kuykendall
Notary Public in and for the State of Texas

My commission expires: 1-30-2010

FILE# 4513

FILED FOR RECORD ON THE 16TH DAY OF OCTOBER A.D. 2008 4:35 P. M.

DULY RECORDED ON THE 21ST DAY OF OCTOBER A.D. 2008 9:00A. M.

BY: Dianne O. Florez, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 3 of 3

File No. 114156 County _____
Certified Leases
Date Filed: 04/10/18
George P. Bush, Commissioner
By: _____

2018

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 806, PAGE 180, THRU 183.



I hereby certified on 10 26 17

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Aranda DEPUTY

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

MAILING ADDRESS

P.O. BOX 12127
AUSTIN, TX 78711

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SUITE 200
AUSTIN, TX 78746
WWW.MSMTX.COM

TELEPHONE

(512) 327-8111

FAX

(512) 327-6566

November 9, 2017

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

Re: Copy of Certified Free Royalty Lease
PDC Permian, Inc.
Reeves County, Texas

Dear Mr. Reid:

Enclosed is the certified copy of the 8 leases taken on the Section 16, Abstract 5471. A copy of the GLO map is included. In the near future, PDC Permian, Inc. plans to submit a pooling application for this section. C. 21

Also enclosed is Check Number 14386 in the amount of \$200.00 in payment of the application fee. X

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

Respectfully submitted,

William "Bill" B. Hayenga II
Attorney for PDC Permian, Inc.

Enclosures

3456789

121

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

18703247

14386

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DATE

11/9/17

CHECK ARMOR
TRACK YOUR CHECK

PAY
TO THE
ORDER OF

General Land Office
Two hundred and 10/100

\$ 200.00

DOLLARS

Security
Features
Details on
Back



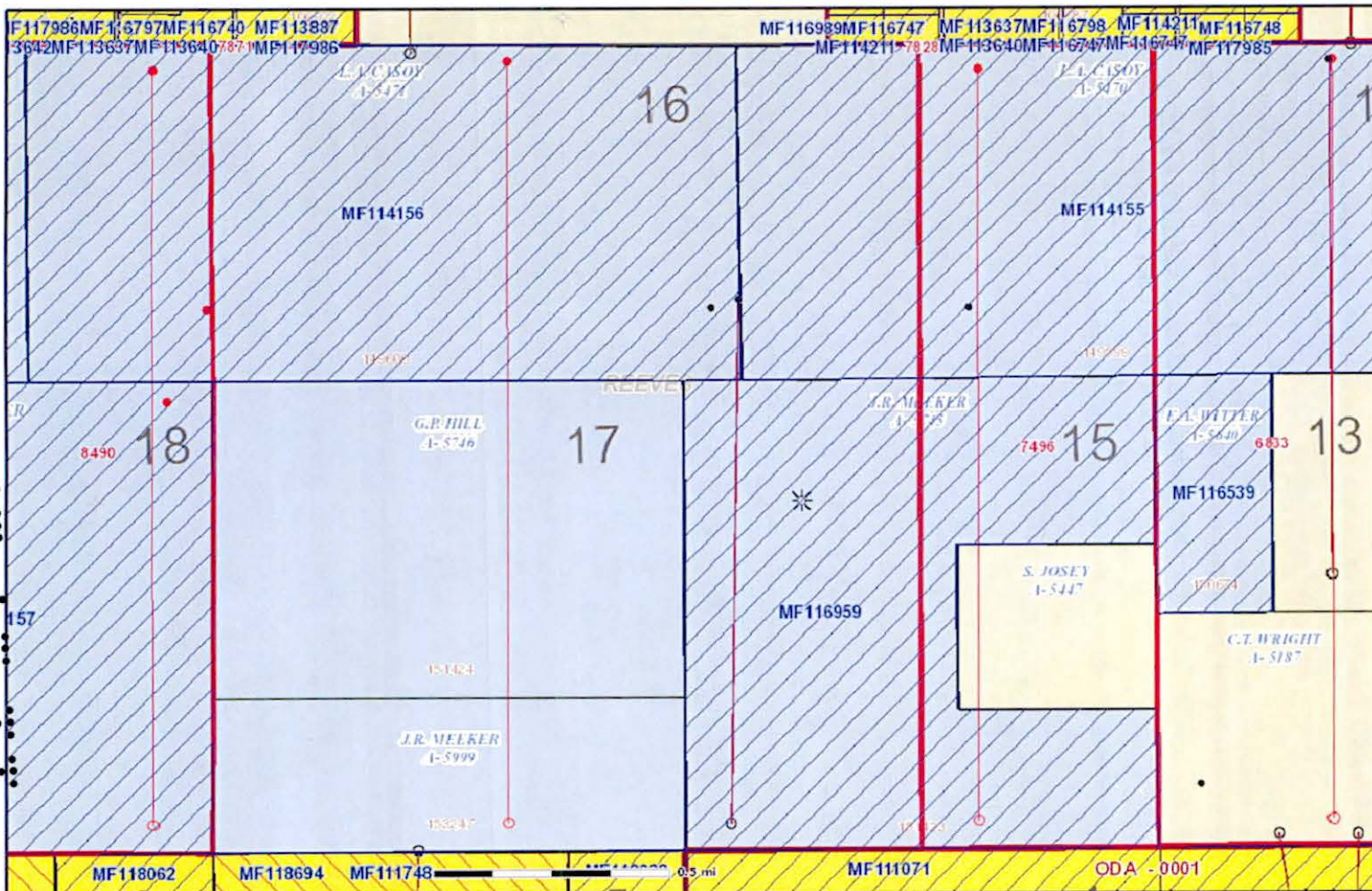
Frost

www.frostbank.com

FOR

Patricia D. Brees

014386



Texas General Land Office
Sections 17 and 16

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

Printed: Nov 09, 2017



File No. 114156

County

Ltr + fee

Date Filed: 04/10/18

George P. Bush, Commissioner

By _____

77. 70. 7.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 20, 2018

CERTIFIED MAIL: 7011 1150 0001 2420 5615

Ms. Kaitlin Schwartz
Regulatory Specialist
PDC Energy
1775 Sherman St., #3000
Denver, CO 80203

RE: Application to Surface Commingle Oil and Gas Production from State Mineral Leases MF114156, MF119148, MF111748, and MF118062 (Yellow Jacket 1716, Hornet State 06) in Conjunction with Railroad Commission of Texas Commingling Permit Pending in Reeves County, Texas

Dear Ms. Schwartz

The Texas General Land Office (GLO) received your application, dated January 31, 2018 as revised on March 19, 2018 and May 31, 2018, to surface commingle oil and gas production from the above State Mineral Leases. GLO staff have performed an administrative and technical review of your application.

On the condition that PDC Energy first satisfies all of the requirements set out in #1 - #12 on p.1 - 3 of this letter, then, in that event, the application is approved.

1. Per 31 Texas Administrative Code (TAC) §9.35(a)(2), all fluids produced from the wells to be commingled must flow "through oil and gas separators of ample capacity and in good working order...before sale or surface commingling with production from any other lease and/or pooled unit". Gross production shall be measured by single-phase oil, gas, and water meters installed at the separator outlets prior to sale or surface commingling.

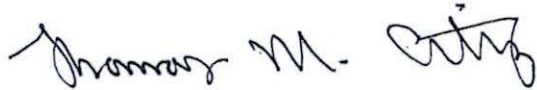
2. Per 31 TAC §9.35(a)(2), you are required to conduct all measurement “in accordance with the American Gas Association (AGA) standards and all applicable chapters of the American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS)”. Measurement shall be conducted, per those standards, for both the quantity and quality of all fluid streams.
3. Sampling frequency shall be equal to or greater than the recommendation in MPMS 20.1 §1.11.3, as required for accurate allocation. Samples shall be taken at the outlets of each first separator stage and at all points of custody transfer. Industry standard laboratory analysis shall be performed on each sample, with sampling and analysis performed in compliance with MPMS 8.1, 8.2, 9.1, 14.1 and any other applicable chapters.
4. Meter proving, testing and calibration plans as required per MPMS 20.2 §5, §6.5.1, §7.5.1 and §7.5.3 shall be made available to GLO staff for inspection upon request.
5. All lease oil and gas production royalties shall be due based upon the terms in your lease, and royalty payments shall be made per 31 TAC §9.51. Note that royalty is also due on all non-sales hydrocarbon dispositions (e.g. flare, fuel, instrument, lift, and vent gas).
6. Processed gas allocation factors shall be calculated on a mass (molecular) balance basis, i.e. each processed gas component shall be allocated individually in accordance with the requirements in MPMS 20.1 §1.15.3. Non-processed gas allocation factors shall be calculated on an energy balance basis.
7. You shall retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas sample/stream analysis reports, shrinkage/flash calculation reports, and any other documents within the scope of this commingling approval for a period of at least seven (7) years after creation of each document.
8. You shall obtain permission from GLO before making any changes to the flow process or metering scheme, adding leases or wells to the list of those being commingled, or making any other material change to the commingling application as approved by this letter.
9. You shall obtain approval of your pending surface commingling permit application from the Railroad Commission of Texas, if applicable, and provide GLO with a copy within ten days of its approval.
10. You shall calculate all allocation factors on a proportional basis. You shall not allocate by difference.
11. You shall install meter(s) sufficient to continuously measure all flash gas evolved from heater/treaters and all other process vessels operating at higher than atmospheric pressure.

12. You shall allocate drip oil, as well as all other hydrocarbon liquids that are stable at atmospheric pressure and temperature, as oil (i.e. using gross oil production allocation factors).

Please be advised that you have an ongoing obligation to maintain compliance with these standards and conditions. GLO staff will verify compliance during periodic financial audits, which will include, but are not limited to, independent allocation verification studies. GLO reserves the right to validate or question your measurement and detailed allocation methodology based on our own analysis.

If you have further questions, please feel free to contact me at tom.ortiz@glo.texas.gov or 512-463-5296.

Sincerely

A handwritten signature in black ink, appearing to read "Thomas M. Ortiz". The signature is fluid and cursive, with the first name "Thomas" and middle initial "M." clearly visible, followed by a stylized "Ortiz".

Thomas Manuel Ortiz, Ph.D., P.E.
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit

File No. MF 114156Reeves CountyCommingling ApprovalDate Filed: 6/20/2018

George P. Bush, Commissioner

By Shannon M. Atty

McELROY, SULLIVAN, MILLER & WEBER, L.L.P.

Attorneys at Law

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TELEPHONE

(512) 327-8111

FAX

(512) 327-6566

July 24, 2018

Via Hand-Delivery

Mr. J. Daryl Morgan
Texas General Land Office
Stephen F. Austin State Bldg.
1700 N. Congress St.
Austin, Texas 78701

Re: Ratification of Designation of Pooled Unit and Pooling Agreement
PDC Permian, Inc.
Yellow Jacket 1716
Reeves County, Texas

Dear Mr. Morgan:

Pursuant to your letter dated January 5, 2018, enclosed are two executed originals of the Ratification of Designation of Pooled Unit and Pooling Agreement.

After proper execution and acknowledgement by the Commissioner, please return one fully executed original to me. If you should have any questions or need additional information, please do not hesitate to contact me or Bill Hayenga.

Sincerely,



Krystal Eversdyk
Legal Assistant for Bill Hayenga

Enclosure

WBH/kne

cc: PDC Permian, Inc.

0143

18

File No. M-114156

Ltr. From MS/M2LW County

Date Filed: 7/25/18

George P. Bush, Commissioner
By [Signature]

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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT
YELLOW JACKET 1716 UNIT

STATE OF TEXAS

§

§

COUNTY OF REEVES

§

WHEREAS, PDC Permian, Inc., whose address is 1775 Sherman Street, Suite 3000, Denver, Colorado 80203 (herein referred to as "Operator") and each of the undersigned parties (such parties, including Operator, herein referred to individually as "Owner" and collectively as "Owners") are the owners of a mineral, leasehold, royalty, and/or overriding royalty interest, and/or have the right to acquire one or more of such interests (collectively referred to herein as "Oil and Gas Interests") in the lands within the boundaries and depths of the pooled unit described on Exhibit "B", and shown on the plat set out on Exhibit "C" (herein referred to as the "Pooled Unit"); said Pooled Unit consisting of those individual tracts (collectively referred to herein as the "Pooled Tracts" or individually as a "Pooled Tract"); said Pooled Unit being covered by those Oil and Gas Leases, along with any renewals, extensions, ratifications, and amendments thereof, listed on Exhibit "A" (herein referred to as the "Pooled Leases"), and

WHEREAS, it is expressly understood and agreed that this Designation of Pooled Unit and Pooling Agreement, establishing the Yellow Jacket 1716 Unit (herein referred to as the "DPU") shall be effective as to all parties that presently execute this DPU as well as parties that subsequently ratify this DPU, who own any Oil and Gas Interests in the Pooled Unit, or that may acquire any such interest in the future, regardless of whether such interest is covered by one or more of the Pooled Leases.

NOW, THEREFORE, in consideration of the premises hereof, the receipt and sufficiency of which are hereby acknowledged, Owners do hereby designate, pool, combine, and unitize the Pooled Leases and any other Oil and Gas Interests, now held by Owners, or which Owners may hereafter acquire, insofar and only insofar, as the rights and interests extend to and cover the lands and depths of the Pooled Unit, and which may be covered by any agreement, amendment, or consent to pool affecting said Pooled Tracts comprising the Pooled Unit, for the purposes of exploring for, producing, and transporting oil and gas therefrom, subject to the following terms and conditions:

1. Operations for drilling, reworking, or other operations with respect to the pooled oil and/or gas on land within the Unit shall be considered as operations for drilling, reworking, or

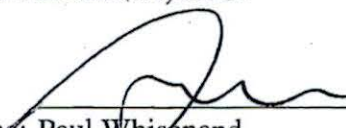
operations as though the same were on each separate tract, regardless of the location of the well or wells thereon, within the Pooled Unit, subject to the allocation of production as expressly described herein. In the event the Pooled Unit described herein is maintained in force by drilling or reworking operations conducted on a directional well drilled under the Pooled Unit from a surface location on adjacent or adjoining lands not included within the boundaries of the Pooled Unit, such operations shall be considered to have commenced on the lands inside the Pooled Unit when drilling is commenced on the adjacent or adjoining lands for the purpose of directionally drilling under the Pooled Unit and production of oil or gas from the Pooled Unit from any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations on the Pooled Unit for all purposes under the terms of the Leases or other contracts thereon and this Designation of Pooled Unit.

2. For the purpose of allocating production from the Pooled Unit, there shall be allocated to each separate Pooled Tract – on a surface acreage basis – a pro rata portion of the oil and gas produced from the Pooled Unit which the number of surface acres in each Pooled Tract bears to the total number of surface acres included in the Pooled Unit.
3. In the event the Owners own any Oil and Gas Interests within the boundaries of the Pooled Unit other than those identified in Exhibit "A", said Oil and Gas Interests, including any unleased mineral interest in lands inside the Pooled Unit, or any interests for which ratification of the Pooled Unit created hereby is necessary, such interest or interests are hereby pooled into said Pooled Unit without the necessity of specifically enumerating such Oil and Gas Interests and/or the specific Pooled Tract(s) covered by such interest or in which they are held.
4. The acreage and/or depths for the Pooled Tract(s) comprising the Pooled Unit described and shown on Exhibits "B" and "C" and the Pooled Leases described on Exhibit "A" shall be considered correct until revised or amended, as described herein. However, the Operator expressly reserves the right, from time to time, to amend this Designation of Pooled Unit, and the respective terms and provisions herein, and the interests covered by the Pooled Unit described herein, including the right to change, reduce, enlarge or extend the size of the Pooled Unit, include any other formation or formations as to any other mineral or minerals therein, thereunder or produced therefrom, in accordance with the terms of the leases, to include oil, gas and mineral leases, or interest in the lands described therein, covering interests in the Pooled Unit, which are secured or obtained subsequent to the date hereof, or prior to the date hereof and not included and described herein, and to include in the Pooled Unit, full or undivided interests in the Pooled Unit which are not otherwise included herein by the respective owner of such interests. Operator shall have the authority to file of record revised Exhibits "A", "B", and/or "C" without the necessity of joinder by the other Owners hereto; said changes shall be effective as of the first day of the month following the day they are filed or such other date as may be specified by Operator.
5. No cross-assignment or cross-conveyance is intended by this instrument, of any Pooled Leases or other Oil and Gas Interests held by Owners.

6. If at any time, any tract of land or interest within the Pooled Unit is not properly pooled or unitized hereby or is not otherwise committed to the Pooled Unit, such fact shall not affect, terminate, impair, or invalidate the Pooled Unit as to any interest properly pooled or unitized hereby or otherwise.
7. This DPU shall continue in effect for so long as the Pooled Leases remain valid and in effect or until it is otherwise dissolved by Operator; said instrument of dissolution shall be filed in the appropriate county records.
8. This DPU shall be binding upon and inure to the benefit of the Owners, and each of their respective heirs, legal representatives, successors, and assigns.
9. This DPU may be executed in any number of counterparts and shall be binding on each party executing the same to the same extent as if all parties had executed one instrument. Such counterparts may be recorded separately or may be combined to form one instrument for recording purposes.

IN WITNESS WHEREOF, the undersigned Owners have executed this DPU upon the respective dates of acknowledgment below, but this DPU shall be effective as of November 20, 2017.

OPERATOR:
PDC PERMIAN, INC.

By: 
Name: Paul Whisenand
Title: Director of Land

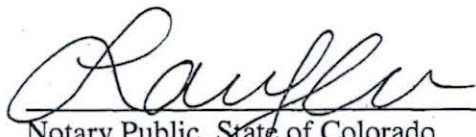
ACKNOWLEDGMENT

STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 21st day of November 2017, by Paul Whisenand as Director of Land for PDC PERMIAN, INC. on behalf of said Corporation.

(Seal)




Notary Public, State of Colorado
My Commission Expires: 3/10/19

NON OPERATOR:

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____ §

§

COUNTY OF _____ §

§

This instrument was acknowledged before me on this _____ day of _____ 2017, by
_____ as _____ for _____ on behalf of said Corporation.

(Seal)

Notary Public, State of Colorado
My Commission Expires: _____

**RECORDING REQUESTED BY AND
WHEN RECORDED, PLEASE MAIL TO:**

PDC PERMIAN, INC.
ATTN: Brittney Valenti - Land
1775 Sherman Street, Suite 3000
Denver, CO 80203

EXHIBIT "A"
(LEASES)

ATTACHED TO AND MADE A PART OF THAT CERTAIN DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT –
YELLOW JACKET 1716 UNIT

Lease Number	Lessor	Lessee	Lease Date	Book	Page	Description
TXL00068.003	Oak Valley Mineral and Land, LP	Energen Resources Corporation	1/30/2015	1152	0526	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.004	The De Compiegne Property No. 20, LTD	Energen Resources Corporation	11/26/2014	1146	0635	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.005	Fred W. Shield and Company, a general partnership	Energen Resources Corporation	11/26/2014	1146	0645	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.009	Kennedy Minerals, Ltd.	Energen Resources Corporation	12/5/2014	1146	0650	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.013	James Robert Hill, Individually and as Trustee of the Houston and Emma Hill Trust Estate; Virginia Glenn Hill Lattimore, Individually and as Trustee of the Houston and Emma Hill Trust Estate; Houston and Emma Hill Trust Estate, John A. Styrsky, Trustee; Nancy Puff Jones Trust; Hill Investments, Ltd.; H-S Minerals, Ltd.; PetroHill Resources, LLC; Westco Family Limited Partnership	Energen Resources Corporation	12/1/2010	863	335	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00117.001	Kevin Louis Roberson	Petro-Hunt, L.L.C.	8/28/2008	806	189	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.002	Kimberly Roberson Reynolds	Petro-Hunt, L.L.C.	8/28/2008	806	186	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.003	Tera Burkholder King	Petro-Hunt, L.L.C.	8/28/2008	806	183	412.67 acres out of Section 16, Block C-

						21, Reeves County, Texas
TXL00117.004	Tiffani Burkholder	Petro-Hunt, L.L.C.	8/28/2008	806	180	412.67 acres out of Section 16, Block C- 21, Reeves County, Texas
TXL00117.005	Dela Minerals, Inc., by Gary N. Covington, President	Petro-Hunt, L.L.C.	12/17/2008	816	56	412.67 acres out of Section 16, Block C- 21, Reeves County, Texas
TXL00117.006	Douglas Earl Bell	Petro-Hunt, L.L.C.	9/23/2010	851	222	412.67 acres out of Section 16, Block C- 21, Reeves County, Texas
TXL00118.001	Julian Wade Meeker and Lawrence Hull Meeker, as Co- Trustees under the Will of JR Meeker for the lifetime benefit of L H Meeker	Petro-Hunt, LLC	9/12/2008	810	259	S 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.002	AWP 1983 Trust, Windl Grimes, sole Trustee	Petro-Hunt, L.L.C.	9/22/2008	812	74	S 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.003	Meeker Investments, Inc., by J.J. Meeker, Manager	Petro-Hunt, L.L.C.	9/22/2008	812	70	S 2/3 of Section 17, Block C-21, Reeves County, Texas

EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT
YELLOW JACKET 1716 UNIT

Legal Description of the tracts within the 628.14 acre YELLOW JACKET 1716 Unit:

Tract 1: 239.12 acres, more or less, being a portion of a 640.00 acre tract described as Section 16, Block C-21, PSL Survey, A-5471, Reeves County, Texas, the boundaries of which are depicted on the plat attached hereto.

Tract 2: 259.35 acres, more or less, being the western portion of a 426.67 acre tract described as of the North 2/3 of Section 17, Block C-21, PSL Survey, A 5746, Reeves County, Texas, the boundaries of which are depicted on the plat attached hereto.

Tract 3: 129.67 acres, more or less, being the western portion of a 213.33 acre tract described as the South 1/3 of Section 17, Block C-21, PSL Survey A-5746, Reeves County, Texas, the boundaries of which are depicted on the plat attached hereto.



LEASE NAME & WELL NO.:
YELLOW JACKET 1716 B1H
 TOPOGRAPHIC & VIDEOGRAPHY
 NATURAL MOSQUITO PASTURE
 NEARST TOWN IN COUNTY:
 ±31.99 MILES NORTHWEST OF PECOS, TEXAS
 DESCRIPTION:
 S1/4-SECTION 16, BLOCK 56, PUBLIC SCHOOL LANDS SURVEY, A-400
 T1/2-SECTION 17, BLOCK C-21, PUBLIC SCHOOL LANDS SURVEY, A-400
 T1/2-SECTION 18, BLOCK C-21, PUBLIC SCHOOL LANDS SURVEY, A-401
 DEKREY COUNTY, TEXAS

SPECIAL NOTES:

Original Document Size: 11"x17"
 All Coordinates are in NAD 27 TX-C Zone unless otherwise noted.

CERTIFICATION:

This well location shown on this permit plat was surveyed on the ground under my direct supervision. This plat is for Texas Railroad Commission permit purposes only and should not be considered a boundary survey.



Texas Reg. No. 5041



Topographic
 LOYALTY INNOVATION LEGACY
 2614 NORTH 8th STREET - MIDLAND, TEXAS 79701
 TELEPHONE: (409) 681-1111 FAX: (409) 681-1112
 WWW.TOPOGRAFIC.COM

Texas FIRM Registration No. 10042500

FILE NAME: LO_YELLOW_JACKET_1716_B1H.AVS

Surface Hole Location:
 547' FNL & 262' FNL (SEC. 5)
 OFF LEASE
 SHL Ground Elevation: 3243'
 NAD 27 TX-C ZONE
 X = 864394 Y = 730798
 LAT: N 31°37'29.57" LONG: W 103°58'50.07"
 LAT: N 31°37'29.57" LONG: W 103°58'50.07"
 NAD 83 TX-C ZONE
 X = 1161425 Y = 10573374
 LAT: N 31°37'30.05" LONG: W 103°58'51.77"
 LAT: N 31°37'30.05" LONG: W 103°58'51.77"
 NAD 83 TX-C ZONE

Penetration Point:
 700' FNL & 330' FNL (SEC. 5)
 OFF LEASE
 NAD 27 TX-C ZONE
 X = 865027 Y = 730643
 LAT: N 31°37'28.06" LONG: W 103°58'49.28"
 LAT: N 31°37'28.06" LONG: W 103°58'49.28"
 NAD 83 TX-C ZONE
 X = 1161489 Y = 10573219
 LAT: N 31°37'28.52" LONG: W 103°58'50.98"
 LAT: N 31°37'28.52" LONG: W 103°58'50.98"
 NAD 83 TX-C ZONE

First Take Point:
 10' FNL & 330' FNL (SEC. 17)
 10' FNL & 330' FNL
 NAD 27 TX-C ZONE
 X = 865049 Y = 731353
 LAT: N 31°37'35.09" LONG: W 103°58'49.29"
 LAT: N 31°37'35.09" LONG: W 103°58'49.29"
 NAD 83 TX-C ZONE
 X = 1161511 Y = 10573929
 LAT: N 31°37'35.55" LONG: W 103°58'50.99"
 LAT: N 31°37'35.55" LONG: W 103°58'50.99"
 NAD 83 TX-C ZONE

Last Take Point:
 200' FNL & 2521' FNL (SEC. 16)
 200' FNL & 330' FNL
 NAD 27 TX-C ZONE
 X = 865308 Y = 739663
 LAT: N 31°37'57.37" LONG: W 103°58'49.45"
 LAT: N 31°37'57.37" LONG: W 103°58'49.45"
 NAD 83 TX-C ZONE
 X = 1161769 Y = 10582239
 LAT: N 31°38'57.83" LONG: W 103°58'51.15"
 LAT: N 31°38'57.83" LONG: W 103°58'51.15"
 NAD 83 TX-C ZONE

Bottom Hole Location:
 150' FNL & 2521' FNL (SEC. 16)
 150' FNL & 330' FNL
 NAD 27 TX-C ZONE
 X = 865309 Y = 739713
 LAT: N 31°38'57.86" LONG: W 103°58'49.45"
 LAT: N 31°38'57.86" LONG: W 103°58'49.45"
 NAD 83 TX-C ZONE
 X = 1161771 Y = 10582289
 LAT: N 31°38'58.32" LONG: W 103°58'51.15"
 LAT: N 31°38'58.32" LONG: W 103°58'51.15"
 NAD 83 TX-C ZONE

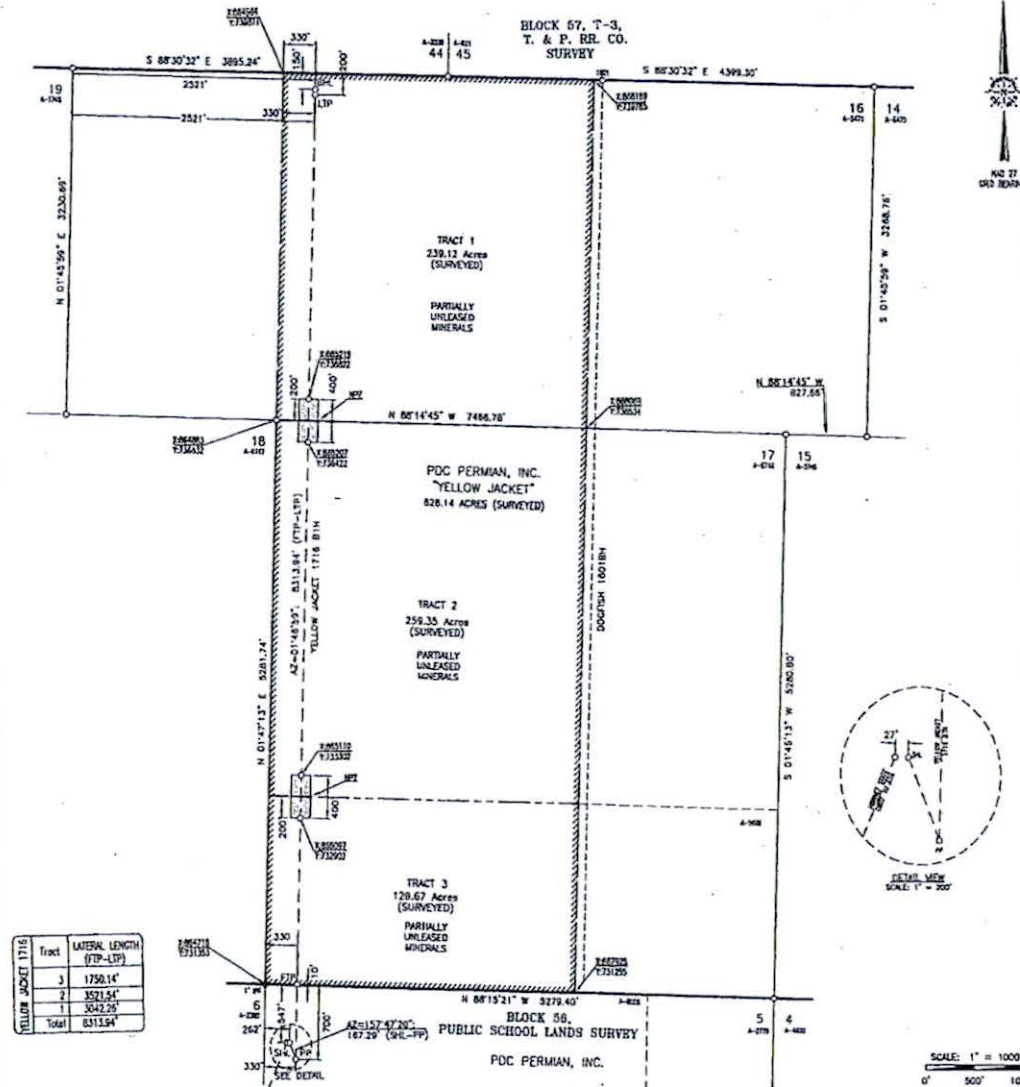
Legend:
 Section Line
 Block Line
 Abstract Line
 Tract Line
 Lease Road
 County Road
 Unit/Lease Boundary
 Found Monument
 Set 1/2" Rebar w/cap
 Calculated Corner

Scale: 1"=1000' Surveyed: 11/03/17

COGO: 529-65432

Revision: 3(MV) 11/13/17

Drawn By: MV; 11/08/2017



ATTACHED TO AND MADE A PART OF THAT CERTAIN DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT
 EXHIBIT "C"
 (PLAT)
 YELLOW JACKET 1716 UNIT

Inst No. 17-19632
DIANNE O. FLOREZ
COUNTY CLERK

2017 Nov 28 at 10:46 AM
REEVES COUNTY, TEXAS

By: MS M. Saldaña DEPUTY

(19)

File No. M-114156

Desig. of Yellow Jacket Ch County

Date Filed: 7/25/18

George P. Bush, Commissioner

By [Signature]

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**FIRST AMENDED AND RATIFIED DESIGNATION OF POOLED UNIT AND
POOLING AGREEMENT
YELLOW JACKET 1716 UNIT**

STATE OF TEXAS §
 §
COUNTY OF REEVES §

REFERENCE is made herein for all purposes to that certain Designation of Pooled Unit and Pooling Agreement dated effective November 20, 2017, recorded in Volume 1506, Page 190 of the Official Public Records of Reeves County, Texas, creating and designating the Yellow Jacket 1716 Unit (herein referred to as the "DPU") executed by PDC Permian, Inc., owner of the leasehold estates created under those certain oil, gas and mineral leases and any renewals, extensions, ratifications and amendments thereof, described on the Exhibit "A" attached thereto; and

WHEREAS, PDC Permian, Inc., whose address is 1775 Sherman Street, Suite 3000, Denver, Colorado 80203 (herein referred to as "Operator") and Summit West Resources, LP, whose address is 550 W Texas Avenue, #700, Midland, Texas 79701 (such parties, including Operator, herein referred to individually as "Owner" and collectively as "Owners") as the present owners of those certain oil, gas and mineral leases and any renewals, extensions, ratifications and amendments thereof, described on the Exhibit "A" attached hereto, desire to amend, correct or alter the Yellow Jacket 1716 Unit; and

WHEREAS, the Owners desire to add additional interests to the Yellow Jacket 1716 Unit.

NOW, THEREFORE, in consideration of the premises hereof, the receipt and sufficiency of which are hereby acknowledged, Owners do hereby commit to the said Yellow Jacket 1716 Unit, additional oil, gas and mineral leases and any renewals, extensions, ratifications and amendments thereof, more particularly described in the Exhibit "A" attached hereto and made a part hereof for all purposes, as if said instruments had been originally described and listed in the DPU Exhibit "A", it being the intention of Owners to pool, combine, and unitize the pooled leases and any other oil and gas interests, now held by Owners, or which Owners may hereafter acquire, insofar and only insofar, as the rights and interests extend to and cover the lands and depths of the Yellow Jacket 1716 Unit, and which may be covered by any agreement, amendment, or consent to pool, pursuant to all of the terms and provisions of the original DPU.

Summit West Resources, LP does hereby adopt, ratify and confirm all terms and provisions of the Yellow Jacket 1716 Unit DPU, as herein amended.

By execution of this First Amended and Ratified Designation of Pooled Unit and Pooling Agreement, Owners do not exhaust their continuing right to correct, alter or amend the unit and the interests covered by the unit, in accordance with the terms of the leases subject to said unit. Operator has the continuing authority to file of record revised Exhibits without the necessity of joinder by the other Owners hereto.

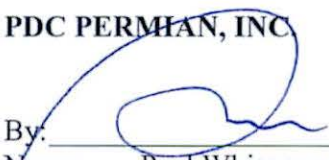
In all other respects, except as expressly amended herein, the DPU shall continue in full force and effect as originally written and according to the terms contained therein.

This DPU shall be binding upon and inure to the benefit of the Owners, and each of their respective heirs, legal representatives, successors, and assigns.

This DPU may be executed in any number of counterparts and shall be binding on each party executing the same to the same extent as if all parties had executed one instrument. Such counterparts may be recorded separately or may be combined to form one instrument for recording purposes.

IN WITNESS WHEREOF, the undersigned Owners have executed this First Amended and Ratified Designation of Pooled Unit and Pooling Agreement on the respective dates of acknowledgment below, but effective for all purposes as of November 20, 2017.

PDC PERMIAN, INC

By: 
Name: Paul Whisenand
Title: Director of Land

SUMMIT WEST RESOURCES LP:

By: Summit West Management LLC, its General Partner

By: 
Name: Matt Johnson
Title: President & COO 

ACKNOWLEDGMENTS

STATE OF COLORADO

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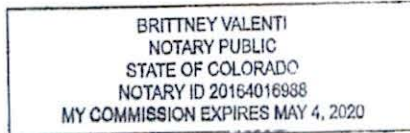
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COUNTY OF DENVER

§

This instrument was acknowledged before me on this 18th day of May 2018, by Paul Whisenand as Director of Land for PDC PERMIAN, INC., on behalf of said Corporation.

(Seal)



Brittney Valenti

Notary Public, State of Colorado

My Commission Expires: 5/4/2020

STATE OF Texas

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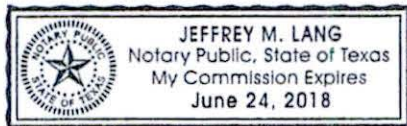
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COUNTY OF MIDLAND

§

This instrument was acknowledged before me on this 18th day of January 2018, by Matt Johnson, President & COO of Summit West Management LLC, as General Partner of Summit West Resources LP, a Texas limited partnership on behalf of said limited partnership.

(Seal)



Jeffrey M. Lang

Notary Public, State of Texas

My Commission Expires: _____

RECORDING REQUESTED BY AND
WHEN RECORDED, PLEASE MAIL TO:

PDC PERMIAN, INC.
ATTN: Brittney Valenti - Land
1775 Sherman Street, Suite 3000
Denver, CO 80203

EXHIBIT "A"
(LEASES)

ATTACHED TO AND MADE A PART OF THAT CERTAIN
FIRST AMENDED AND RATIFIED DESIGNATION OF POOLED UNIT AND
POOLING AGREEMENT –
YELLOW JACKET 1716 UNIT

Lease Number	Lessor	Lessee	Lease Date	Book	Page	Description
TXL00068.003	Oak Valley Mineral and Land, LP	Energen Resources Corporation	1/30/2015	1152	0526	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.004	The De Compiegne Property Co. No. 20, Ltd.	Energen Resources Corporation	11/26/2014	1146	0635	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.005	Fred W. Shield and Company, a general partnership	Energen Resources Corporation	11/26/2014	1146	0645	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.009	Kennedy Minerals, Ltd.	Energen Resources Corporation	12/5/2014	1146	0650	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.013	James Robert Hill, Individually and as Trustee of the Houston and Emma Hill Trust Estate; et al	Energen Resources Corporation	12/1/2010	863	335	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00117.001	Kevin Louis Roberson	Petro-Hunt, L.L.C.	8/28/2008	806	189	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.002	Kimberly Roberson Reynolds	Petro-Hunt, L.L.C.	8/28/2008	806	186	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.003	Tera Burkholder King	Petro-Hunt, L.L.C.	8/28/2008	806	183	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.004	Tiffani Burkholder	Petro-Hunt, L.L.C.	8/28/2008	806	180	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.005	Dela Minerals, Inc., by Gary N. Covington, President	Petro-Hunt, L.L.C.	12/17/2008	816	56	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.006	Douglas Earl Bell	Petro-Hunt, L.L.C.	9/23/2010	851	222	412.67 acres out of Section 16, Block C-21, Reeves County, Texas

TXL00117.007	Barbara H. Prewit	Petro-Hunt, L.L.C.	12/28/2009	841	53	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
	Mica Dawn Powell	Petro-Hunt, L.L.C.	12/28/2009	841	20	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
	Eleanor Elizabeth Powell	Petro-Hunt, L.L.C.	12/28/2009	841	31	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
	Johnnie Marie Powell Ashley	Petro-Hunt, L.L.C.	12/28/2009	841	42	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00118.001	Julian Wade Meeker and Lawrence Hill Meeker, as Co-Trustees under the Will of J.R. Meeker for the lifetime benefit of L.H. Meeker	Petro-Hunt, LLC	9/12/2008	810	259	S 1/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.002	AWP 1983 Trust, Windi Grimes, sole Trustee	Petro-Hunt, L.L.C.	9/22/2008	812	74	S 1/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.003	Meeker Investments, Inc., by J.J. Meeker, Manager	Petro-Hunt, L.L.C.	9/22/2008	812	70	S 1/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.004	Charles R. Meeker Trust, Bank of America, N.A., Trustee	Resolute Natural Resources Southwest, L.L.C.	4/19/2013	1003	195	S 1/3 of Section 17, Block C-21, Reeves County, Texas
	CG Interest, LLC	Summit West Resources, LP	2/8/2016	1250	0503	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	Triangle Royalty, L.P. and JK Royalty, L.P.	Summit West Resources, LP	2/8/2016	1253	0014	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	Legado Investments, LLC	Summit West Resources, LP	1/6/2017	1373	0632	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	MidTex Royalty II, LP	PDC Permian, Inc.	2/1/2018	1557	615	N 2/3 of Section 17, Block C-21, Reeves County, Texas

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	PPLB Investments, LLC	PDC Permian, Inc.	3/15/18	1582	0112	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	MBR Oil & Gas #1, Ltd.	PDC Permian, Inc.	3/15/18	1582	0114	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	Bruno and Marshall Investments	PDC Permian, Inc.	1/16/18	1576	0240	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	KMF Land, LLC	PDC Permian, Inc.	2/9/2018	1557	623	S 1/3 of Section 17, Block C-21, Reeves County, Texas

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Inst No. 18-11303
DIANNE O. FLOREZ
COUNTY CLERK
2018 Jun 27 at 04:43 PM
REEVES COUNTY, TEXAS
By: ER E. Ray DEPUTY

File No. M-114156

Hand. to yellow jacket Unit County

Date Filed: 7/25/18

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA170208

Unit Number 8843
Operator Name PDC Permian, Inc. Effective Date 12/19/2017
Customer ID C000088142 Unitized For Oil And Gas
Unit Name Yellow Jacket 1716 Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.06250000
State Part in Unit 1.00000000
Unit Depth Specified Depths Well
From Depth Surface Formation Base of Wolfcamp
To Depth 100 feet below 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
MF114156	1	239.120000	628.140000	0.38067947	O/G	0.06250000	0.02379247	No
MF119148	2&3	389.020000	628.140000	0.61932053	O/G	0.06250000	0.03870753	No

API Number

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

12/19/2017

12/19/2017

12-29-17

8/8/2018

12/19/2017

Pooling Committee Report

To: School Land Board

UPA170208

Date of Board Meeting: 12/19/2017

Unit Number: 8843

Effective Date: 12/19/2017

Unit Expiration Date:

Applicant: PDC Permian, Inc.

Attorney Rep:

Operator: PDC Permian, Denver

Unit Name: Yellow Jacket 1716

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF114156	0.06250000	09/23/2015	5 years	640.000000	239.120000	0.02379247
FR	MF119148	0.06250000		3 years	640.000000	389.020000	0.03870753

Private Acres:	0.000000
State Acres:	628.140000
Total Unit Acres:	628.140000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	6.25%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	704 acres for a 8,300 foot lateral (FTP to LTP).

Working File Number: UPA170208

REMARKS:

- PDC Permian is requesting School Land Board ratification of the 628.14 acre Yellow Jacket 1716 Unit.
- The applicant plans to spud the unit well on May 1, 2018. A 8,300 foot lateral is expected to be drilled.
- With Board ratification of the unit, the State's unit royalty participation will be 6.25%.
- The State will participate on a unitized basis from the date of first production.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board ratification of the Yellow Jacket 1716 Unit under the above-stated provisions.



Mary Smith - Office of the Attorney General



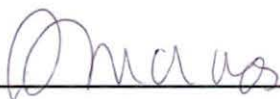
Date



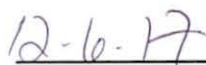
Robert Hatter - General Land Office



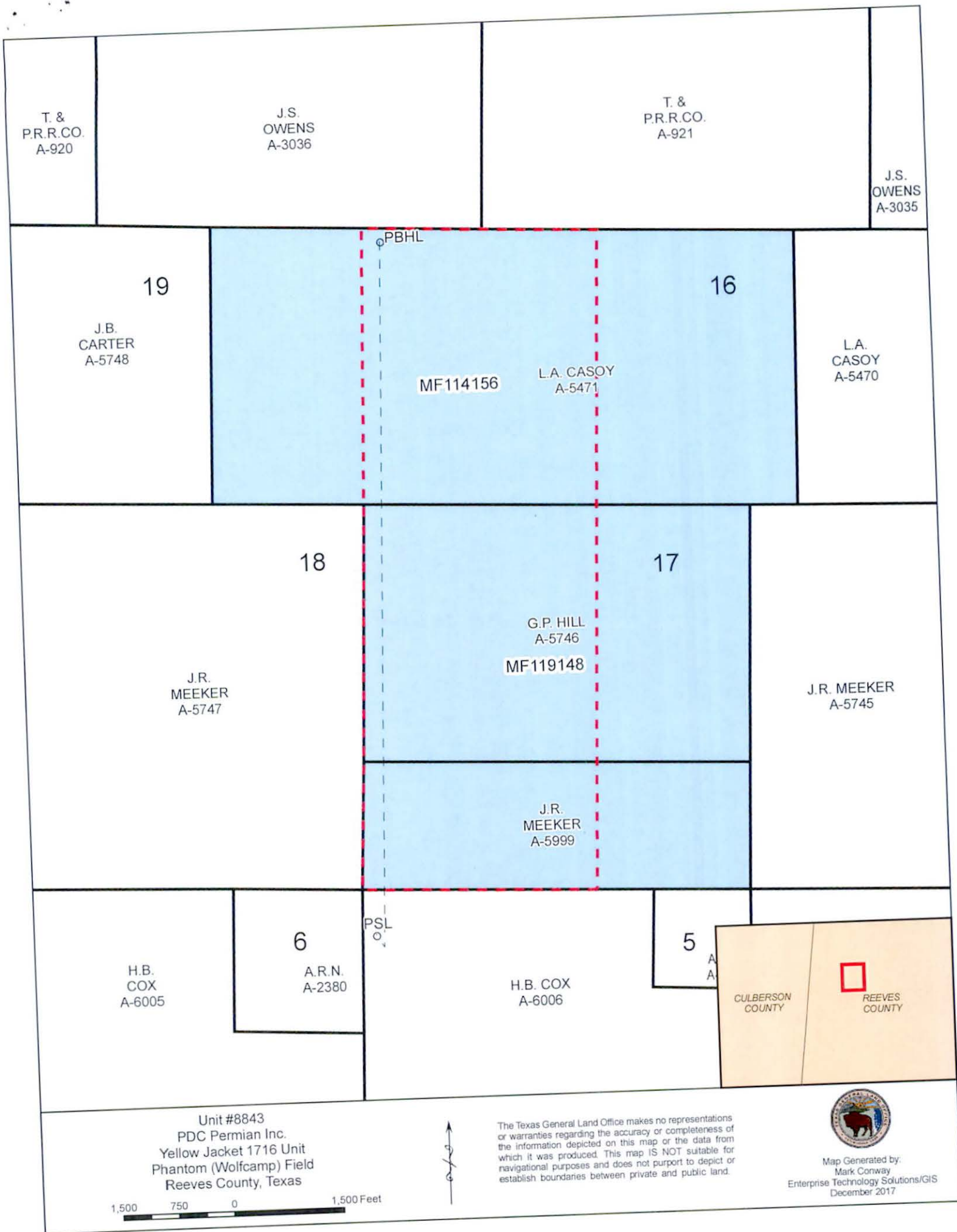
Date



Diane Morris - Office of the Governor



Date



RATIFICATION OF DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT
YELLOW JACKET 1716 UNIT
GLO UNIT NO. 8843
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Designation of Pooled Unit and Pooling Agreement, Yellow Jacket 1716 Unit", has been executed effective as of November 20, 2017, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation and the First Amended and Ratified Designation of Pooled Unit and Pooling Agreement being recorded as Instrument Nos. 17-19632 and No. 18-11303 respectively in the Official Public Records of Reeves County, Texas said instruments being collectively referred to as ("Designation"); and,

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

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

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the Yellow Jacket 1716 Unit ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State:

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

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

PURPOSES:

1.

This Ratification ("Ratification") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Ratification to effect equitable participation within the Unit. This Ratification is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

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

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation for and during the term hereof, so that such pooling or unitization shall have the following effect:

(a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.

(b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.

(c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or

8743

other contracts thereon and this Ratification.

(d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease.

(f) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 628 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.

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

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

ALLOCATION OF PRODUCTION:

4.

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

TAKING ROYALTY IN KIND:

5.

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

FULL MARKET VALUE:

6.

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

(a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greatest;

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

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

EFFECTIVE DATE:

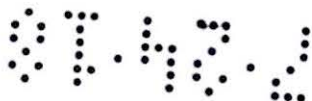
7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of November 20, 2017.

TERM:

8.

This Ratification shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of



delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Ratification.

STATE LAND:

9.

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

RATIFICATION/WAIVER:

10.

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

COUNTERPARTS:

11.

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

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

Date Executed 8/6/18

STATE OF TEXAS

Content
Legal
Geology
Executive

[Signature]
[Signature]
[Signature]

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

Date Executed _____

PDC PERMIAN, INC.

By: [Signature]
Paul Whisenand
Its: Director of Land

0747

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 19th day of December, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 19th day of August, 2018.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF COLORADO

COUNTY OF DENVER

This instrument was acknowledged before me on the 17th day of July, 2018,
by Paul Whisenand as Director of Land of PDC Permian,
Inc., a Delaware corporation on behalf of said corporation.

BRITTNEY VALENTI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164016988
MY COMMISSION EXPIRES MAY 4, 2020

Brittney Valenti
Notary Public in and for the
State of Colorado

81427

STATE OF NEW YORK
COUNTY OF ALBANY
JULY 14 1956
JULY 14 1956
JULY 14 1956

(21)

File No. M-114156
Petition Packet # 8843
County
Part. of Yellow Jacket Unit
Date Filed: 8/8/18
George P. Bush, Commissioner
By jk



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 8, 2018

Ms. Krystal Eversdyk
McElroy, Sullivan, Miller & Weber, L.L.P.
P. O. Box 12127
Austin, Texas 78711-2127

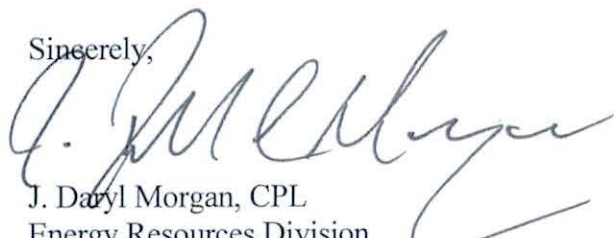
Re: Ratification of Designation of Pooled Unit
PDC Permian, Inc.
Yellow Jacket 1716 Unit
GLO Unit No. 8843
Reeves County, Texas

Dear Ms. Eversdyk:

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

Thank you for your assistance and please let me know if you have any questions or if I may be of further assistance.

Sincerely,


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

Enclosure

22

File No. M-114156

Ltr. to MSM & LW County

Date Filed: 8/8/13

George P. Bush, Commissioner

By [Signature]



✓ MF114156 / MF119148
Unit 8843

NADOA Model Form Division Order (Adopted 9/95)

DIVISION ORDER

To: **PDC Permian, Inc. d/b/a PDC Energy, Inc.**
1775 Sherman Street, Suite 3000
Denver, CO 80203
Attn: Linh Hoang (303) 318-6144 or Linh.Hoang@pdce.com

Date: May 18, 2018

Property Number: 142.104881

Effective Date: May 15, 2018

Property Name: Yellow Jacket 1716 B1H

Operator: PDC Permian, Inc.

County and State: Reeves, Texas 389-36542

Property: PUBLIC SCHOOL LAND, Blk: 56 Sec: 5

Description: (Spacing - Blk C-21, Portions of Sec 16 & 17 - 628.14 acres)

Production: ☒ X ☐ Oil ☒ X ☐ Gas ☒ X ☐ Other: all products

Owner Name

OWNER NUMBER: 79006

and Address:

Commissioner Of State Of Texas General Land
1700 Congress Avenue Stephen F Austin State
Austin, TX 78701-1495

Type of Interest: NPR
Decimal Interest: 0.06250000 ✓

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by **PDC Permian, Inc. d/b/a PDC Energy, Inc.** (Payor).

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$25.00, or pay yearly whichever occurs first, or as required by applicable state statute.

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

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

Special Clauses: (None or See Attached Exhibit)

Owner(s) Signature(s):

Commissioner Of State Of Texas

Owner(s) SSN/Tax I.D. Number(s):

Owner Daytime Telephone:

Owner Email Address:

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 24% tax withholding and will not be refundable by Payor

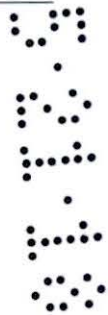
Exhibit A

142.104881 - Yellow Jacket 1716 B1H

Owner No.	Credit To	Type	Interest
79006	Commissioner Of State Of Texas General Land Office $(239.12 \times 100\% / 628.14 \times 6.25\%) + (259.35 \times 90.499999\% / 628.14 \times 6.25\%) + (259.35 \times 8.770834\% / 628.14 \times 6.25\%) + (259.35 \times 0.729167\% / 628.14 \times 6.25\%) + (129.67 \times 91.666667\% / 628.14 \times 6.25\%) + (129.67 \times 8.333333\% / 628.14 \times 6.25\%) =$	NPR	0.06250000 << Your Interest



Corporate Office
1775 Sherman Street, #3000
Denver, Colorado 80203
303.860.5800
www.pdce.com



May 18, 2018

**Re: Division Orders for the Newly Producing Yellow Jacket 1716 B1H (142.104881)
Reeves County, TX**

**See division order for legal description specific for each well
**A division order may include more than one well – listed at the top
**Dates on the division order vary due to date of when they were printed
** Effective date is the date of first production for that well(s)

Dear Interest Owner:

PDC Permian, Inc. d/b/a PDC Energy ("PDC") is the operator of the above referenced well, which was completed and began producing.

PDC's review of Reeves County, TX records indicate that you own an interest in this well. Enclosed are two copies of Division Orders detailing your interest and to obtain certification from you that you are the correct person to whom payments for this interest should be made.

We are aware that government agencies are not required to execute Division Orders; however, we are sending you a copy so you can verify the information and notify us if there is a problem.

If you have general Division Order questions, please visit our website at www.pdce.com/division-orders. If you have questions pertaining to revenue or revenue checks, please contact PDC's Revenue Department in our Bridgeport Office at (304) 842-3597. Otherwise, changes in ownership or address and any other questions can be directed to my attention.

Sincerely,

Linh Hoang

A handwritten signature in blue ink that reads "Linh Hoang".

Division Order Analyst III

Enclosures

INSTRUCTIONS TO ALL INTEREST OWNERS

Dear Interest Owner,

PDC Permian, Inc. d/b/a PDC Energy has enclosed a Division Order for your execution.

The attached document should not be altered in any way except to correct spelling errors, unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

1. Sign your name as shown on the Division Order.
2. If your name has changed due to marriage or divorce, execute the Division Order using your present name and furnish a copy of the marriage certificate or divorce decree.
3. If signing for a corporation, signature must be attested, corporate seal fixed and title of signatory party reflected.
4. If signed by agent, attorney-in-fact, guardian or any party other than the named interest owner, a certified copy of the power of attorney or other evidence of such party's right to sign must be furnished.
5. Your correct mailing address should be noted in the space provided to insure prompt receipt of production proceeds.
6. The top copy or the "Original" of the Division Order should be returned to:

PDC Permian, Inc. d/b/a PDC Energy
1775 Sherman Street, Suite 3000
Denver, Colorado 80203
Attn: Division Orders

7. Should you have any further questions regarding the enclosed Division Order, please contact PDC Permian, Inc. d/b/a PDC Energy at (303) 860-5836 or (888) 860-5836.
8. Please DO NOT DETACH the exhibit from the Division Order or Transfer Order if one is included.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 14, 2018

Linh Hoang
Division Order Analyst III
PDC Permian, Inc.
1775 Sherman Street, Suite 3000
Denver, Colorado 80203

Re: State Lease Nos. MF114156 and MF119148 Yellow Jacket 1716 B1H Unit 8843

Dear Mrs. Hoang:

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

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

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

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

Thank you,

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

File No. MF 114156Reeves CountryDivision OrderDate Filed: 8-17-2018

George P. Bush, Commissioner

By VR



HI DARYL!
ANOTHER ONE -
RJSM

INTEREST OWNERS

November 1, 2018

Ace Horizontal Pooled Unit & Breckenridge Horizontal Pooled Unit

The West 207.33 acres of Section 19; & the W/2 or 319.7 acres of Section 18 (**Ace Unit**) AND the East 34.33 acres of Section 19; the West 172.67 acres of Section 16; & the E/2 or 319.88 acres of Section 18 (**Breckenridge Unit**); All in Block C-21, PSL Survey, Reeves County, Texas

Dear Interest Owner:

As an interest owner in one or both the Ace Horizontal Pooled Unit and Breckenridge Horizontal Pooled Unit, you are aware Resolute has drilled and is producing horizontal Wolfcamp wells within both units... the Ace L06H, and the Breckenridge L06H. To further develop all acreage within the Ace Unit and Breckenridge Unit, Resolute plans to drill, at a minimum, an additional well where the horizontal wellbore portion will be drilled along or near the common boundary line (or north-south separation line) between the Ace Unit - Breckenridge Unit. This well will be closer to the common boundary line/north-south separation line than typically allowed under the rules of the Railroad Commission of Texas. The purpose of this letter is by signing the enclosed agreement it will allow Resolute to drill an additional well(s) in an area that would otherwise remain undeveloped due to such Railroad Commission of Texas rules (and providing additional royalty income to you).

Resolute proposes that the interest owners in the Ace Unit and Breckenridge Unit enter into the enclosed Boundary Well Production Sharing Agreement (PSA) which covers 111.88 unit acres; with each unit contributing a tract 280' wide adjacent and parallel to the north-south common boundary line separating the Ace Unit and Breckenridge Unit (see PSA Exhibit "A" Survey Plat and Exhibit "B" metes & bounds description for this 111.88 acre unit). This agreement will only apply to wells drilled within the 111.88 acres. Any existing or future wells drilled on either the Ace Horizontal Pooled Unit or Breckenridge Horizontal Pooled Unit that does not fall within this 111.88 acre unit, will not be affected by this agreement.

To give effect to this agreement we ask that you return a signed and notarized original of the "signature page only" to the enclosed agreement sending the signature page back to my attention in the enclosed, self-addressed, and prepaid UPS envelope. The remaining papers you can keep for your records.

Hopefully this letter, and the enclosed PSA with Exhibits "A" and "B" answers any questions you may have. If not, you may certainly contact me at (303) 534-4600, Ext. 1300, or by email at RRobinson@ResoluteEnergy.com.

Thank you for your prompt attention to this matter as we continue to develop your interest through additional oil and gas horizontal well drilling.

Sincerely,



J. Russell ("Rusty") Robinson
Senior Landman

24

File No. M-114156

Ltr. From Resolute County

Date Filed: 11/5/18

George P. Bush, Commissioner

By [Signature]

11. 2.18



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: December 18, 2018 **PSA#** 00221

TO: School Land Board

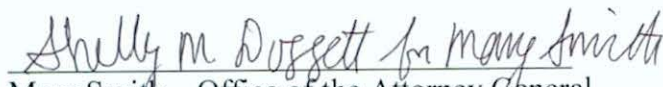
FROM: Pooling Committee

SUBJECT: Request from Resolute Natural Resources Southwest, LLC to have the State enter into a Production Sharing Agreement for drilling one or more allocation wells.

- **Resolute Natural Resources Southwest, LLC** is the operator of the Ace Horizontal Unit (GLO Unit 8592 – MF114157 and MF114493) and the Breckenridge Horizontal Unit (GLO Unit 8490 – MF114493, MF114156, and MF114157) 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 drill allocation wells which cross Unit 8490 and Unit 8592.
- The State's participation in the sharing wells will be based on a formula calculating surface acreage within a rectangular area ("Sharing Area") drawn around the total length of the horizontal drainhole.

POOLING COMMITTEE RECOMMENDATION:

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


Mary Smith – Office of the Attorney General

12/16/18
Date


Robert Hatter – General Land Office

12/06/18
Date


Stacie Bennett – Office of the Governor

12/6/2018
Date

25

File No. M-114156

County

Memo to SLB

Date Filed: 12/18/18

George P. Bush, Commissioner

By 



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 21, 2018

Mr. Rusty Robinson
Resolute energy Corporation
1700 Lincoln Street, Suite 2800
Denver, Colorado 80203

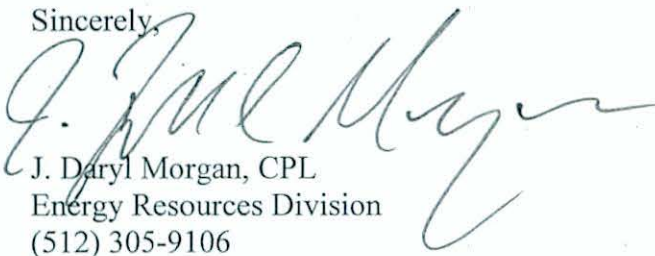
Re: Boundary well Production Sharing Agreement
Breckenridge Horizontal Unit
Ace Horizontal Unit
Reeves County, Texas

Dear Rusty:

On December 18, 2018, the School Land Board of the State of Texas approved your application to have the State enter into the referenced Production Sharing Agreement ("PSA") for the referenced Units. Enclosed is a duplicate original of the PSA that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained the other original of the PSA for our files.

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

Sincerely,


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

Enclosure

26

File No. M-114156

Ltr. to Resolute County

Date Filed: 12/21/18

George P. Bush, Commissioner

By [Signature]

**BOUNDARY WELL PRODUCTION SHARING AGREEMENT
HORIZONTAL WELLS
ACE HORIZONTAL UNIT
AND
BRECKENRIDGE HORIZONTAL UNIT
REEVES COUNTY, TEXAS**

This Production Sharing Agreement ("Agreement") is dated effective November 1, 2018.

Reference is made to that certain 527.03 acre pooled unit formed by Declaration of Ace Horizontal Pooled Unit recorded on August 25, 2017 in Volume 1464, Page 377 of the Official Public Records of Reeves County, Texas (herein "West Unit"), and that certain 526.88 acre pooled unit formed by Declaration of Breckenridge Horizontal Pooled Unit recorded on July 25, 2017 in Volume 1448, Page 172 of the Official Public Records of Reeves County, Texas (herein "East Unit"). The West Unit and East Unit are herein sometimes referred to individually as a "Unit" and collectively as the "Units".

Each of the undersigned parties (collectively "Interest Owners" or individually an "Interest Owner") owns an interest in the leases, minerals, royalties and/or executive rights in and under one or more of the Units. Resolute Natural Resources Southwest, LLC ("Operator") is the operator of the Units.

The Operator is proposing to drill one or more "Horizontal Drainhole Wells" near the boundary line dividing the West and East Units which wells will be located within the "Sharing Area" as defined below. The Interest Owners have agreed to authorize the drilling of such Horizontal Drainhole Wells and have agreed that a basis for sharing in production of oil, gas and associated hydrocarbons produced from such wells should be established.

NOW, THEREFORE, each of the undersigned, for Ten Dollars (\$10.00), and the recitals, promises, performances, payments, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, hereby agree as follows:

1. For purposes of this Agreement the following definitions apply:
 - a. **"West Sharing Tract"** is that certain 55.94 acres within the West Unit as shown on the plat attached as Exhibit "A", and as further described by metes and bounds in Exhibit "B".
 - b. **"East Sharing Tract"** is that certain 55.94 acres located within the East Unit as shown on the plat attached as Exhibit "A", and as further described by metes and bounds in Exhibit "B".
 - c. **"Sharing Area"** is the combined area covered by the West Sharing Tract and East Sharing Tract comprising a total of 111.88 acres, more or less.
 - d. **"Horizontal Drainhole Well"** is an oil or gas well with one or more Horizontal Drainholes with a horizontal displacement of at least 100 feet within the Correlative Interval.
 - e. **"Correlative Interval"** is the Wolfcamp Formation being defined as the correlative geologic depth interval from 9,515 feet to 12,447 feet as shown on the log of the Petrohawk Operating Company – Oxy Fee "24" Lease, Well No. 1 (API No. 42-389-32637), located in Section 24, Block C18, PSL Survey, A-2150, Reeves County, Texas.
 - f. **"Horizontal Drainhole"** is the portion of the Horizontal Drainhole Well drilled within the Correlative Interval.
 - g. **"Take Point"** is any point along a Horizontal Drainhole where oil and/or gas could enter the wellbore from the Correlative Interval and be produced.
 - h. **"Sharing Well"** is a Horizontal Drainhole Well in which all Take Points of the Horizontal Drainhole are located within the boundaries of the Sharing Area.
 - i. **"Allocation Factor"** for the Interest Owners in the West Unit shall be 50.00% which is calculated by dividing the number of acres in the West Sharing Tract (55.94 acres) by the total number of acres in the Sharing Area (111.88 acres); and for the Interest Owners in the East Unit shall be 50.00% which is calculated by dividing the number of acres in the East Sharing Tract (55.94 acres) by the total number of acres in the Sharing Area (111.88 acres).
2. Each Interest Owner in each of the Units shall share in the production of oil, gas and associated hydrocarbons produced from each Sharing Well, or in the proceeds from the sale of such production, based on such Interest Owner's ownership interest in each Unit, multiplied by the

Allocation Factor for each such Unit. The production, or proceeds from the sale of production, allocated to each Unit from a Sharing Well shall be paid to Interest Owners within each Unit in the same manner as if such allocated share of production was produced entirely from the Unit to which such share of production is allocated.

3. Operations on or production from each Sharing Well shall be treated as if they were actual operations on, or production from each Unit and from each of the leases within each of the Units, provided that the production, or proceeds from the sale of production, from such Sharing Well shall be allocated to the Units in accordance with the Allocation Factor set out above.
4. Production from a Sharing Well 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. In the event any Sharing Well shall be plugged back or recompleted in such manner that the well no longer falls within the above definition of a Sharing Well such well shall no longer be considered a Sharing Well for purposes of this Agreement.
5. The provisions of the various leases, pooling agreements or declarations, and other agreements covering or affecting the lands and leases within the Units are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise. In the case of conflict between the provisions of this Agreement and the provisions of such instruments and agreements, the provisions of this Agreement shall control.
6. This Agreement shall be binding upon each party upon such party's signature but shall become effective as of the date set out above and shall remain effective for so long as the Units shall remain effective. This Agreement may be terminated by the Operator at any time that there is no Sharing Well producing or capable of producing in paying quantities.

~~In addition to the foregoing, each of the undersigned Interest Owners does hereby ratify, adopt, and confirm the West and East Units and the lease or leases within the Units under which such owner's interest is derived, and do hereby grant, lease and let unto the current lessee of such interest, all of Interest Owner's interest in the acreage covered by the respective lease or leases, subject to the same terms and conditions provided for therein, as same may have been heretofore amended.~~ 6/13

This instrument may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument. Failure of any party hereto to execute a counterpart shall not render this instrument ineffective as to any other party hereto who does execute a counterpart thereof but shall be binding upon each executing party and its, his or her heirs, legal representatives, successors and assigns. The executed counterparts may be combined into one or more instruments for recordation, by combining the signature pages and acknowledgments, and the executing parties agree that such instruments shall be treated and given effect for all purposes as a single instrument. Any owner of an interest in the leases, minerals, royalties and/or executive rights in and under the Unit may join this Agreement by executing a ratification of this Agreement.

EXECUTED by each party on the date shown for each such party's acknowledgment.

OPERATOR:

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC

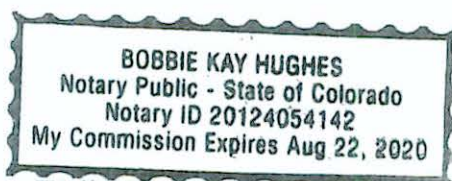


Bill Alleman, Senior Vice President – Land
and Business Development

ACKNOWLEDGEMENT

County of Denver
State of Colorado

This instrument was acknowledged before me this 31st day of October, 2018 by Bill Alleman, Senior Vice President – Land and Business Development for Resolute Natural Resources Southwest, LLC, on behalf of such limited liability company.



Boundary Well PSA
Ace/Breckenridge


Notary Public for the State of Colorado
Commission expires 8/22/2020

Bell Family Minerals, LP

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2018
by _____ on behalf of Bell Family Minerals, LP

My Commission expires:

Notary Public, State of _____

Commissioner of the General Land Office
of the State of Texas

By: [Signature]

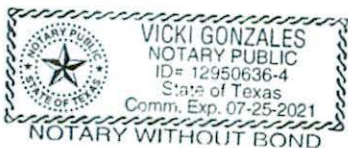
STATE OF Texas)
)
COUNTY OF Travis)

Approved Legal [Signature]
Contents [Signature]
Min. Leasing [Signature]
Executive [Signature]

The foregoing instrument was acknowledged before me on this 21 day of Dec., 2018
by Henry P. Bush as Commissioner of the General Land Office of the State of Texas.

My Commission expires: 7/25/21

[Signature]
Notary Public, State of Texas



STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2018
by _____ on behalf of Bell Family Minerals, LP

My Commission expires:

Notary Public, State of _____

Commissioner of the General Land Office
of the State of Texas

By: _____

STATE OF _____)

COUNTY OF _____)

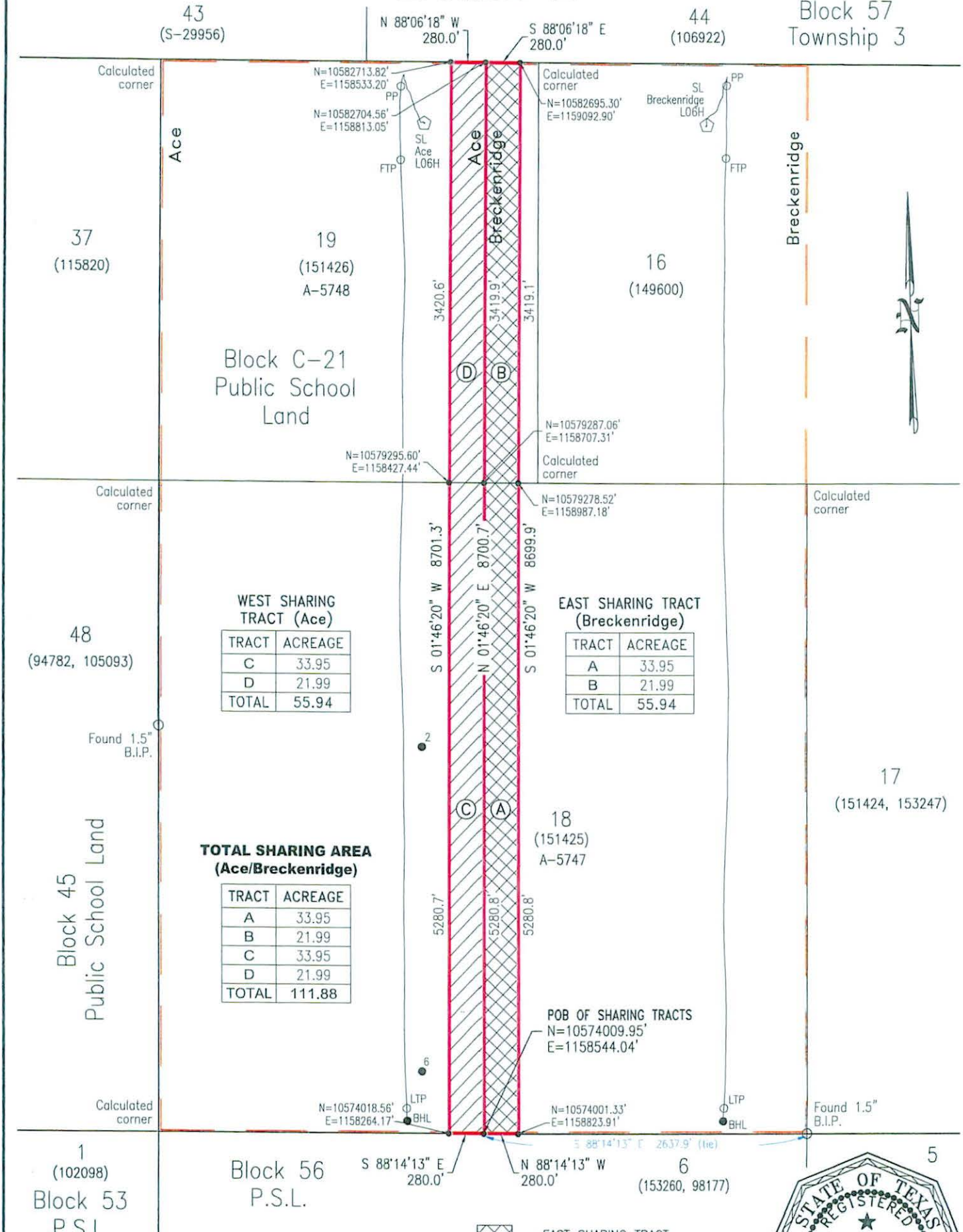
The foregoing instrument was acknowledged before me on this _____ day of _____, 2018
by _____ as Commissioner of the General Land Office of the State of Texas.

My Commission expires:

Notary Public, State of _____

EXHIBIT "A"

Block 57
Township 3



WEST SHARING TRACT (Ace)

TRACT	ACREAGE
C	33.95
D	21.99
TOTAL	55.94

EAST SHARING TRACT (Breckenridge)

TRACT	ACREAGE
A	33.95
B	21.99
TOTAL	55.94

TOTAL SHARING AREA (Ace/Breckenridge)

TRACT	ACREAGE
A	33.95
B	21.99
C	33.95
D	21.99
TOTAL	111.88

This plat is for Agreement Purpose Only and is NOT a boundary survey and is NOT to be used to convey or establish interests in real property.

BASIS OF BEARINGS and COORDINATES is the Texas Coordinate System of 1983, Central Zone. All distances and acreages shown are surface values. The Project Combined Grid Factor (CGF) is 0.999810026.

- = EAST SHARING TRACT (Breckenridge)
- = WEST SHARING TRACT (Ace)



Michael L. Stanford
Date Last Surveyed March 7, 2017

Resolute



Resolute Natural Resources Company, LLC
Ace/Breckenridge - Sharing Area
Sections 18 & 19, Block C-21, Public School Land,
Reeves County, Texas



STANFORD SURVEYING CO.
P.O. BOX 8490
MIDLAND, TEXAS 79708-8490
TBPLS Firm No. 10128400 432-699-5708

EXHIBIT "B"

METES AND BOUNDS DESCRIPTION OF THE EAST SHARING TRACT (Breckenridge)

Being a 55.94 Acre Tract of land situated in Section 18 (Abs. 5747) and Section 19 (Abs. 5748), Block C-21, Public School Land Survey, Reeves County, Texas. Said 55.94 Acre Tract being more particularly described by Metes and Bounds as follows:

BEGINNING at a point in the south line of said Section 18 (N=10574009.95', E=1158544.04'), same being the southwest corner of the herein described tract, from which a 1 1/2" Iron Pipe found at the southeast corner of said Section 18, bears S 38°14'13" E, a distance of 2637.9 feet;

THENCE N 01°46'20" E, at a distance of 5280.8 feet pass a point (N=10579287.06', E=1158707.31') in the north line of Section 18, and the south line of said Section 19, this Block, continuing through Section 19 for a total distance of 8700.7 feet to a point (N=10582704.56', E=1158813.05') in the north line of Section 19, for the northwest corner of this tract;

THENCE S 88°06'18" E, along the north line of said Section 19, a distance of 280.0 feet to a point (N=10582695.30', E=1159092.90') for the northeast corner of this tract;

THENCE S 01°46'20" W, through Section 19, at a distance of 3419.1 feet pass a point (N=10579278.52', E=1158987.18') in the south line of this Section and in the north line of said Section 18, continuing through Section 18 for a total distance of 8699.9 feet to a point (N=10574001.33', E=1158823.91') in the south line of this Section 18 for the southeast corner of this tract;

THENCE N 88°14'13" W, along the south line of said Section 18, a distance of 280.0 feet to the POINT OF BEGINNING.

BASIS OF BEARINGS and COORDINATES is the Texas Coordinate System of 1983, Central Zone. All distances and acreages shown are surface values. The Project Combined Grid Factor (CGF) is 0.99978718.

METES AND BOUNDS DESCRIPTION OF THE WEST SHARING TRACT (Ace)

Being a 55.94 Acre Tract of land situated in Section 18 (Abs. 5747) and Section 19 (Abs. 5748), Block C-21, Public School Land Survey, Reeves County, Texas. Said 55.94 Acre Tract being more particularly described by Metes and Bounds as follows:

BEGINNING at a point in the south line of said Section 18 (N=10574009.95', E=1158544.04'), same being the southeast corner of the herein described tract, from which a 1 1/2" Iron Pipe found at the southeast corner of said Section 18, bears S 38°14'13" E, a distance of 2637.9 feet;

THENCE N 01°46'20" E, at a distance of 5280.8 feet pass a point (N=10579287.06', E=1158707.31') in the north line of Section 18, and the south line of said Section 19, this Block, continuing through Section 19 for a total distance of 8700.7 feet to a point (N=10582704.56', E=1158813.05') in the north line of Section 19, for the northeast corner of this tract;

THENCE N 88°06'18" W, along the north line of said Section 19, a distance of 280.0 feet to a point (N=10582713.82', E=1158533.20') for the northwest corner of this tract;

THENCE S 01°46'20" W, through Section 19, at a distance of 3420.6 feet pass a point (N=10579295.60', E=1158427.44') in the south line of this Section and in the north line of said Section 18, continuing through Section 18 for a total distance of 8701.3 feet to a point (N=10574018.56', E=1158264.17') in the south line of this Section 18 for the southwest corner of this tract;

THENCE S 88°14'13" E, along the south line of said Section 18, a distance of 280.0 feet to the POINT OF BEGINNING.

BASIS OF BEARINGS and COORDINATES is the Texas Coordinate System of 1983, Central Zone. All distances and acreages shown are surface values. The Project Combined Grid Factor (CGF) is 0.99978718.

Resolute

Resolute Natural Resources Southwest, LLC
Ace/Breckenridge - Sharing Area
Sections 18 & 19, Block C-21, Public School Land,
Reeves County, Texas



STANFORD SURVEYING CO.
P.O. BOX 8490
MIDLAND, TEXAS 79708-8490
TBPLS Firm No. 10128400 432-699-5708

DRAWN BY Adam Welch

DATE 10-22-2018

SCALE N/A

FILE NAME A-12445_ExB

(27)

File No. M-114156

Production Sharing Agreement County Alameda

Date Filed: 12/21/18

George P. Bush, Commissioner

By [Signature]



MC ELROY,
SULLIVAN,
MILLER &
WEBER, LLP

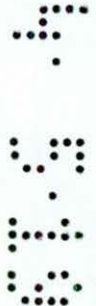
1201 Spyglass Drive, Suite 200, Austin, TX 78746 | www.msmtx.com

MAILING ADDRESS: P.O. Box 12127, Austin, TX 78711 | T. 512.327.8111 F. 512.327.6566

April 5, 2019

J. Daryl Morgan, CPL
Energy Resources Division
Texas General Land Office
Stephen F. Austin Building, 8th Floor
1700 N. Congress Avenue
Austin, Texas 78701-1495

HAND-DELIVERED



RE: Ratification of Designation of Pooled Unit and Pooling Agreement
PDC Permian, Inc.
Stinger 1716 Unit
GLO Unit No. 9767
Reeves County, Texas

Dear Mr. Morgan:

Enclosed please find duplicate executed originals of the Ratification of Designation of Pooled Unit and Pooling Agreement signed by PDC Permian, Inc.

We look forward to receiving a fully executed original signed by the GLO. Thank you for your assistance regarding this matter.

Respectfully submitted,

Kelli T. Kenney
Attorney for PDC Permian, Inc.

KTK/sb
Enclosures

RECEIVED

APR 05 2019

General Land Office

28

013 4

File No. M-114156

Ltr. From Kell: Kenney County

Date Filed: 4/5/14

George P. Bush, Commissioner

By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 11, 2019

Ms. Kelli T. Kenney
McElroy, Sullivan, Miller & Weber, L.L.P.
P. O. Box 12127
Austin, Texas 78711-2127

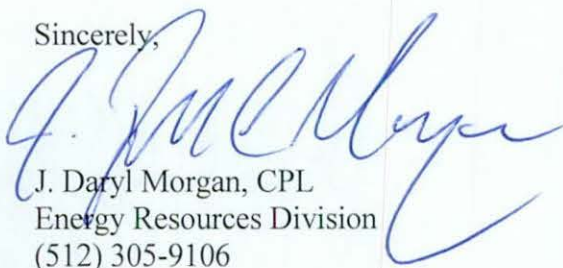
Re: Ratification of Designation of Pooled Unit
PDC Permian, Inc.
Stinger 1716 Unit
GLO Unit No. 9767
Reeves County, Texas

Dear Ms. Kenney:

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

Thank you for your assistance and please let me know if you have any questions or if I may be of further assistance.

Sincerely,


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

Enclosure

File No. M-114156

Ltr. to Kelli Kenney County

Date Filed: 4/11/19

George P. Bush, Commissioner

By [Signature]

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT
STINGER 1716 UNIT

STATE OF TEXAS §

§

COUNTY OF REEVES §

WHEREAS, PDC Permian, Inc., whose address is 1775 Sherman Street, Suite 3000, Denver, Colorado 80203 (herein referred to as "Operator") and each of the undersigned parties (such parties, including Operator, herein referred to individually as "Owner" and collectively as "Owners") are the owners of a mineral, leasehold, royalty, and/or overriding royalty interest, and/or have the right to acquire one or more of such interests (collectively referred to herein as "Oil and Gas Interests") in the lands within the boundaries and depths of the pooled unit described on Exhibit "B", and shown on the plat set out on Exhibit "C" (herein referred to as the "Pooled Unit"); said Pooled Unit consisting of those individual tracts (collectively referred to herein as the "Pooled Tracts" or individually as a "Pooled Tract"); said Pooled Unit being covered by those Oil and Gas Leases, along with any renewals, extensions, ratifications, and amendments thereof, listed on Exhibit "A" (herein referred to as the "Pooled Leases"), and

WHEREAS, it is expressly understood and agreed that this Designation of Pooled Unit and Pooling Agreement, establishing the Stinger 1716 Unit (herein referred to as the "DPU") shall be effective as to all parties that presently execute this DPU as well as parties that subsequently ratify this DPU, who own any Oil and Gas Interests in the Pooled Unit, or that may acquire any such interest in the future, regardless of whether such interest is covered by one or more of the Pooled Leases.

NOW, THEREFORE, in consideration of the premises hereof, the receipt and sufficiency of which are hereby acknowledged, Owners do hereby designate, pool, combine, and unitize the Pooled Leases and any other Oil and Gas Interests, now held by Owners, or which Owners may hereafter acquire, insofar and only insofar, as the rights and interests extend to and cover the lands and depths of the Pooled Unit, and which may be covered by any agreement, amendment, or consent to pool affecting said Pooled Tracts comprising the Pooled Unit, for the purposes of exploring for, producing, and transporting oil and gas therefrom, subject to the following terms and conditions:

1. Operations for drilling, reworking, or other operations with respect to the pooled oil and/or gas on land within the Unit shall be considered as operations for drilling, reworking, or operations as though the same were on each separate tract, regardless of the location of the well or wells thereon, within the Pooled Unit, subject to the allocation of production as expressly described herein. In the event the Pooled Unit described herein is maintained in

force by drilling or reworking operations conducted on a directional well drilled under the Pooled Unit from a surface location on adjacent or adjoining lands not included within the boundaries of the Pooled Unit, such operations shall be considered to have commenced on the lands inside the Pooled Unit when drilling is commenced on the adjacent or adjoining lands for the purpose of directionally drilling under the Pooled Unit and production of oil or gas from the Pooled Unit from any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations on the Pooled Unit for all purposes under the terms of the Leases or other contracts thereon and this Designation of Pooled Unit.

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2. For the purpose of allocating production from the Pooled Unit, there shall be allocated to each separate Pooled Tract – on a surface acreage basis – a pro rata portion of the oil and gas produced from the Pooled Unit which the number of surface acres in each Pooled Tract bears to the total number of surface acres included in the Pooled Unit.
3. In the event the Owners own any Oil and Gas Interests within the boundaries of the Pooled Unit other than those identified in Exhibit “A”, said Oil and Gas Interests, including any unleased mineral interest in lands inside the Pooled Unit, or any interests for which ratification of the Pooled Unit created hereby is necessary, such interest or interests are hereby pooled into said Pooled Unit without the necessity of specifically enumerating such Oil and Gas Interests and/or the specific Pooled Tract(s) covered by such interest or in which they are held.
4. The acreage and/or depths for the Pooled Tract(s) comprising the Pooled Unit described and shown on Exhibits “B” and “C” and the Pooled Leases described on Exhibit “A” shall be considered correct until revised or amended, as described herein. However, the Operator expressly reserves the right, from time to time, to amend this Designation of Pooled Unit, and the respective terms and provisions herein, and the interests covered by the Pooled Unit described herein, including the right to change, reduce, enlarge or extend the size of the Pooled Unit, include any other formation or formations as to any other mineral or minerals therein, thereunder or produced therefrom, in accordance with the terms of the leases, to include oil, gas and mineral leases, or interest in the lands described therein, covering interests in the Pooled Unit, which are secured or obtained subsequent to the date hereof, or prior to the date hereof and not included and described herein, and to include in the Pooled Unit, full or undivided interests in the Pooled Unit which are not otherwise included herein by the respective owner of such interests. Operator shall have the authority to file of record revised Exhibits “A”, “B”, and/or “C” without the necessity of joinder by the other Owners hereto; said changes shall be effective as of the first day of the month following the day they are filed or such other date as may be specified by Operator.
5. No cross-assignment or cross-conveyance is intended by this instrument, of any Pooled Leases or other Oil and Gas Interests held by Owners.
6. If at any time, any tract of land or interest within the Pooled Unit is not properly pooled or unitized hereby or is not otherwise committed to the Pooled Unit, such fact shall not affect,

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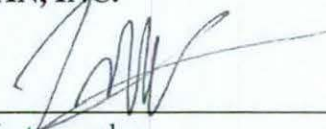
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terminate, impair, or invalidate the Pooled Unit as to any interest properly pooled or unitized hereby or otherwise.

7. This DPU shall continue in effect for so long as the Pooled Leases remain valid and in effect or until it is otherwise dissolved by Operator; said instrument of dissolution shall be filed in the appropriate county records.
8. This DPU shall be binding upon and inure to the benefit of the Owners, and each of their respective heirs, legal representatives, successors, and assigns.
9. This DPU may be executed in any number of counterparts and shall be binding on each party executing the same to the same extent as if all parties had executed one instrument. Such counterparts may be recorded separately or may be combined to form one instrument for recording purposes.

IN WITNESS WHEREOF, the undersigned Owners have executed this DPU upon the respective dates of acknowledgment below, but this DPU shall be effective as of July 1, 2018.

OPERATOR:
PDC PERMIAN, INC.

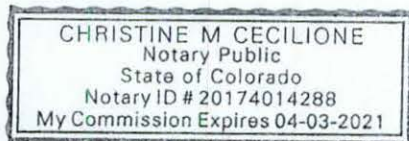
By: 
Name: John Krattenmaker
Title: Senior Land Manager

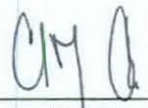
ACKNOWLEDGMENT

STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 3rd day of August 2018, by John Krattenmaker as Senior Land Manager for PDC PERMIAN, INC. on behalf of said Corporation.

(Seal)




Notary Public, State of Colorado
My Commission Expires: 04-03-2021

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SUMMIT WEST RESOURCES LP:

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____ 2018, by _____ as _____ for _____ on behalf of said Corporation.

(Seal)

Notary Public, State of Colorado
My Commission Expires: _____

RECORDING REQUESTED BY AND
WHEN RECORDED, PLEASE MAIL TO:

PDC PERMIAN, INC.
ATTN: Brittney Valenti - Land
1775 Sherman Street, Suite 3000
Denver, CO 80203

EXHIBIT "A"
(LEASES)

ATTACHED TO AND MADE A PART OF THAT CERTAIN
DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT –
STINGER 1716 UNIT

Lease Number	Lessor	Lessee	Lease Date	Book	Page	Description
TXL00068.003	Oak Valley Mineral and Land, LP	Energen Resources Corporation	1/30/2015	1152	0526	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.004	The De Compiegne Property Co. No. 20, Ltd.	Energen Resources Corporation	11/26/2014	1146	0635	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.005	Fred W. Shield and Company, a general partnership	Energen Resources Corporation	11/26/2014	1146	0645	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.009	Kennedy Minerals, Ltd.	Energen Resources Corporation	12/5/2014	1146	0650	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.013	James Robert Hill, Individually and as Trustee of the Houston and Emma Hill Trust Estate; et al	Energen Resources Corporation	12/1/2010	863	335	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00117.001	Kevin Louis Roberson	Petro-Hunt, L.L.C.	8/28/2008	806	189	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.002	Kimberly Roberson Reynolds	Petro-Hunt, L.L.C.	8/28/2008	806	186	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.003	Tera Burkholder King	Petro-Hunt, L.L.C.	8/28/2008	806	183	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.004	Tiffani Burkholder	Petro-Hunt, L.L.C.	8/28/2008	806	180	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.005	Dela Minerals, Inc., by Gary N. Covington, President	Petro-Hunt, L.L.C.	12/17/2008	816	56	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.006	Douglas Earl Bell	Petro-Hunt, L.L.C.	9/23/2010	851	222	412.67 acres out of Section 16, Block C-21, Reeves County, Texas

TXL00117.007	Barbara H. Prewit	Petro-Hunt, L.L.C.	12/28/2009	841	53	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
	Mica Dawn Powell	Petro-Hunt, L.L.C.	12/28/2009	841	20	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
	Eleanor Elizabeth Powell	Petro-Hunt, L.L.C.	12/28/2009	841	31	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
	Johnnie Marie Powell Ashley	Petro-Hunt, L.L.C.	12/28/2009	841	42	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00118.001	Julian Wade Meeker and Lawrence Hill Meeker, as Co-Trustees under the Will of J.R. Meeker for the lifetime benefit of L.H. Meeker	Petro-Hunt, LLC	9/12/2008	810	259	S 1/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.002	AWP 1983 Trust, Windi Grimes, sole Trustee	Petro-Hunt, L.L.C.	9/22/2008	812	74	S 1/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.003	Meeker Investments, Inc., by J.J. Meeker, Manager	Petro-Hunt, L.L.C.	9/22/2008	812	70	S 1/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.004	Charles R. Meeker Trust, Bank of America, N.A., Trustee	Resolute Natural Resources Southwest, L.L.C.	4/19/2013	1003	195	S 1/3 of Section 17, Block C-21, Reeves County, Texas
	CG Interest, LLC	Summit West Resources, LP	2/8/2016	1250	0503	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	Triangle Royalty, L.P. and JK Royalty, L.P.	Summit West Resources, LP	2/8/2016	1253	0014	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	Legado Investments, LLC	Summit West Resources, LP	1/6/2017	1373	0632	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	MidTex Royalty II, LP	PDC Permian, Inc.	2/1/2018	1557	615	N 2/3 of Section 17, Block C-21, Reeves County, Texas

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	PPLB Investments, LLC	PDC Permian, Inc.	3/15/18	1582	0112	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	MBR Oil & Gas #1, Ltd.	PDC Permian, Inc.	3/15/18	1582	0114	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	Bruno and Marshall Investments	PDC Permian, Inc.	1/16/18	1576	0240	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	KMF Land, LLC	PDC Permian, Inc.	2/9/2018	1557	623	S 1/3 of Section 17, Block C-21, Reeves County, Texas

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EXHIBIT "B"
ATTACHED TO AND MADE A PART OF THAT CERTAIN
DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT
STINGER 1716 UNIT

Legal description of the tracts within the 412.71 acre STINGER 1716 UNIT:

- Tract 1: 161.82 acres, more or less, out of that 412.67 acre tract in Section 16, Block C-21, PSL Survey, A-5471, Reeves County, Texas, more particularly described as Tract "A" in that Assignment of Oil and Gas Leases dated effective August 1, 2016, recorded in Volume 1397, Page 152 of the Official Public Records of Reeves County, Texas, from Resolute Natural Resources Southwest, LLC and Firewheel Energy, LLC to 299 Production, LLC, and as depicted on the plat attached hereto.
- Tract 2: 167.26 acres, more or less, being a portion of the North 2/3 of Section 17, Block C-21, PSL Survey, A-5746 and A-5999, Reeves County, Texas, as depicted on the plat attached hereto.
- Tract 3: 83.63 acres, more or less, being a portion of the South 1/3 of Section 17, Block C-21, PSL Survey, A-5999, Reeves County, Texas, as depicted on the plat attached hereto.

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ATTACHED TO AND MADE A PART OF THAT CERTAIN
DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT
STINGER 1716 UNIT



1638

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File No. M-114156

Designation of Springer 176 ^{County} Vit

Date Filed: 4/11/19

George P. Bush, Commissioner

By [Signature]

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**FIRST AMENDED AND RATIFIED DESIGNATION OF POOLED UNIT AND
POOLING AGREEMENT STINGER 1716 UNIT**

STATE OF TEXAS

§

COUNTY OF REEVES

§

§

REFERENCE is made herein for all purposes to that certain Designation of Pooled Unit and Pooling Agreement Stinger 1716 Unit dated effective July 1, 2018, recorded in Volume 1638, Page 250, of the Official Public Records of Reeves County Texas, creating and designating the Stinger 1716 Unit (herein referred to as the "DPU") executed by PDC Permian, Inc., owner of the leasehold estates created under those certain oil, gas and mineral leases and any renewals, extensions, ratifications and amendments thereof, described on the Exhibit "A" attached thereto; and

WHEREAS, PDC Permian, Inc., whose address is 1775 Sherman Street, Suite 3000, Denver, Colorado 80203 (herein referred to as "Operator"); and Raisa II, LLC d/b/a Raisa II Texas, LLC, whose address is P.O. Box 987, Denver, Colorado 80201 (such parties, including Operator, herein referred to individually as "Owner" and collectively as "Owners") as the present owners of those certain oil, gas and mineral leases and any renewals, extensions, ratifications and amendments thereof, described on the Exhibit "A" attached hereto, desire to amend, correct or alter the Stinger 1716 Unit;

WHEREAS, the interest previously vested in Summit West Resources, LP is now owned by Raisa II, LLC d/b/a Raisa II Texas, LLC;

WHEREAS, additional interests were leased within the Stinger 1716 Unit;

WHEREAS, the size of the Stinger 1716 Unit has been amended to include 405.72 acres as described in the attached Exhibit "B" and depicted in the attached Exhibit "C"; and

WHEREAS, the Owners desire to amend and correct the Stinger 1716 Unit as hereinafter specified.

NOW, THEREFORE, in consideration of the premises hereof, the receipt and sufficiency of which are hereby acknowledged, Owners do hereby delete the DPU Exhibit "A" in its entirety and replace it with the Exhibit "A" attached hereto and made a part hereof for all purposes, as if said instruments had been originally described and listed in the DPU Exhibit "A", it being the intention of the Owners to pool, combine and unitize the pooled leases and any other oil and gas interests, now held by Owners, or which Owners may hereafter acquire, insofar and only insofar, as the rights and interests extend to and cover the lands and depths Stinger 1716 Unit, and which

may be covered by any agreement, amendment, or consent to pool, pursuant to all of the terms and provisions of the original DPU.

A survey plat of the Stinger 1716 Unit as amended is included in the Exhibit "C" attached hereto and made a part hereof for all purposes as if it had been originally included in the DPU, and which reflects those Designated Lands and total number of acres as described in the amended Exhibit "B" attached hereto.

Raisa II Texas, LLC does hereby adopt, ratify and confirm all terms and provisions of the **Stinger 1716 DPU**, as herein amended, as if said Owner had executed the original DPU.

By execution of this First Amended and Ratified Designation of Pooled Unit and Pooling Agreement, Owners do not exhaust their continuing right to correct, alter or amend the unit and the interests covered by the unit, in accordance with the terms of the leases subject to said unit. Operator has the continuing authority to file of record revised Exhibits without the necessity of joinder by the other Owners hereto.

In all other respects, except as expressly amended herein, the DPU shall continue in full force and effect as originally written and according to the terms contained therein.

This DPU shall be binding upon and inure to the benefit of the Owners, and each of their respective heirs, legal representatives, successors, and assigns.

This DPU may be executed in any number of counterparts and shall be binding on each party executing the same to the same extent as if all parties had executed one instrument. Such counterparts may be recorded separately or may be combined to form one instrument for recording purposes.

IN WITNESS WHEREOF, the undersigned Owners have executed this First Amended and Ratified Designation and Pooling Agreement on the respective dates of acknowledgment below, but effective for all purposes as of **July 1, 2018**.

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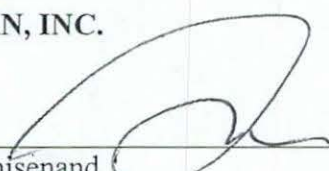
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OPERATOR:
PDC PERMIAN, INC.

By: 

Name: Paul Whisenand

Title: Director of Land

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ACKNOWLEDGMENT

STATE OF COLORADO

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§

COUNTY OF DENVER

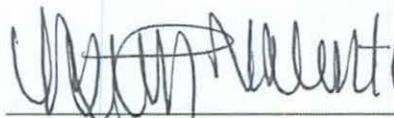
This instrument was acknowledged before me on this 8th day of November 2018, by Paul Whisenand as Director of Land for PDC PERMIAN, INC. on behalf of said Corporation.

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(Seal)

BRITTNEY VALENTI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164016988
MY COMMISSION EXPIRES MAY 4, 2020



Notary Public, State of Colorado

My Commission Expires: 5/4/2020

Raisa II, LLC d/b/a Raisa Texas II, LLC:

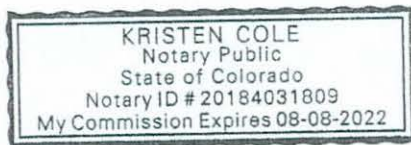
By: [Signature]
Name: Babak Fadavipour
Title: General Counsel

ACKNOWLEDGMENT

STATE OF Colorado §
COUNTY OF Denver §

This instrument was acknowledged before me on this 6 day of November 2018, by Babak Fadavipour General Counsel for Raisa II, LLC on behalf of said Corporation.

(Seal)



Kristen Cole
Notary Public, State of Colorado
My Commission Expires: 08-08-2022

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RECORDING REQUESTED BY AND
WHEN RECORDED, PLEASE MAIL TO:

PDC PERMIAN, INC.
ATTN: Brittney Valenti - Land
1775 Sherman Street, Suite 3000
Denver, CO 80203

EXHIBIT "A"
(LEASES)

ATTACHED TO AND MADE A PART OF THAT CERTAIN
DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT –
STINGER 1716 UNIT

Lease Number	Lessor	Lessee	Lease Date	Book	Page	Description
TXL00068.003	Oak Valley Mineral and Land, LP	Energen Resources Corporation	1/30/2015	1152	0526	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.004	The De Compiegne Property Co. No. 20, Ltd.	Energen Resources Corporation	11/26/2014	1146	0635	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.005	Fred W. Shield and Company, a general partnership	Energen Resources Corporation	11/26/2014	1146	0645	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.009	Kennedy Minerals, Ltd.	Energen Resources Corporation	12/5/2014	1146	0650	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00068.013	James Robert Hill, Individually and as Trustee of the Houston and Emma Hill Trust Estate; et al	Energen Resources Corporation	12/1/2010	863	335	N 2/3 of Section 17, Block C-21, Reeves County, Texas
TXL00117.001	Kevin Louis Roberson	Petro-Hunt, L.L.C.	8/28/2008	806	189	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.002	Kimberly Roberson Reynolds	Petro-Hunt, L.L.C.	8/28/2008	806	186	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.003	Tera Burkholder King	Petro-Hunt, L.L.C.	8/28/2008	806	183	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.004	Tiffani Burkholder	Petro-Hunt, L.L.C.	8/28/2008	806	180	412.67 acres out of Section 16, Block C-21, Reeves County, Texas

TXL00117.005	Dela Minerals, Inc., by Gary N. Covington, President	Petro-Hunt, L.L.C.	12/17/2008	816	56	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.006	Douglas Earl Bell	Petro-Hunt, L.L.C.	9/23/2010	851	222	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00117.007	Barbara H. Prewit	Petro-Hunt, L.L.C.	12/28/2009	841	53	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
	Mica Dawn Powell	Petro-Hunt, L.L.C.	12/28/2009	841	20	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
	Eleanor Elizabeth Powell	Petro-Hunt, L.L.C.	12/28/2009	841	31	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
	Johnnie Marie Powell Ashley	Petro-Hunt, L.L.C.	12/28/2009	841	42	412.67 acres out of Section 16, Block C-21, Reeves County, Texas
TXL00118.001	Julian Wade Meeker and Lawrence Hill Meeker, as Co- Trustees under the Will of J.R. Meeker for the lifetime benefit of L.H. Meeker	Petro-Hunt, LLC	9/12/2008	810	259	S 1/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.002	AWP 1983 Trust, Windi Grimes, sole Trustee	Petro-Hunt, L.L.C.	9/22/2008	812	74	S 1/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.003	Meeker Investments, Inc., by J.J. Meeker, Manager	Petro-Hunt, L.L.C.	9/22/2008	812	70	S 1/3 of Section 17, Block C-21, Reeves County, Texas
TXL00118.004	Charles R. Meeker Trust, Bank of America, N.A., Trustee	Resolute Natural Resources Southwest, L.L.C.	4/19/2013	1003	195	S 1/3 of Section 17, Block C-21, Reeves County, Texas
	CG Interest, LLC	Summit West Resources, LP	2/8/2016	1250	0503	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	Triangle Royalty, L.P. and JK Royalty, L.P.	Summit West Resources, LP	2/8/2016	1253	0014	N 2/3 of Section 17, Block C-21, Reeves County, Texas

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	Legado Investments, LLC	Summit West Resources, LP	1/6/2017	1373	0632	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	MidTex Royalty II, LP	PDC Permian, Inc.	2/1/2018	1557	615	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	PPLB Investments, LLC	PDC Permian, Inc.	3/15/18	1582	0112	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	MBR Oil & Gas #1, Ltd.	PDC Permian, Inc.	3/15/18	1582	0114	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	Bruno and Marshall Investments	PDC Permian, Inc.	1/16/18	1576	0240	N 2/3 of Section 17, Block C-21, Reeves County, Texas
	KMF Land, LLC	PDC Permian, Inc.	2/9/2018	1557	623	S 1/3 of Section 17, Block C-21, Reeves County, Texas

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EXHIBIT "B"
ATTACHED TO AND MADE A PART OF THAT CERTAIN
DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT
STINGER 1716 UNIT

Legal description of the tracts within the 405.72 acre STINGER 1716 UNIT:

- Tract 1: 154.83 acres, more or less, out of that 412.67 acre tract in Section 16, Block C-21, PSL Survey, A-5471, Reeves County, Texas, more particularly described as Tract "A" in that Assignment of Oil and Gas Leases dated effective August 1, 2016, recorded in Volume 1397, Page 152 of the Official Public Records of Reeves County, Texas, from Resolute Natural Resources Southwest, LLC and Firewheel Energy, LLC to 299 Production, LLC, and as depicted on the plat attached hereto.
- Tract 2: 167.26 acres, more or less, being a portion of the North 2/3 of Section 17, Block C-21, PSL Survey, A-5746 and A-5999, Reeves County, Texas, as depicted on the plat attached hereto.
- Tract 3: 83.63 acres, more or less, being a portion of the South 1/3 of Section 17, Block C-21, PSL Survey, A-5999, Reeves County, Texas, as depicted on the plat attached hereto.

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CERTIFICATION:
This map contains information on this plat was surveyed on the ground under my direct supervision. This plat is for Texas National Commission permit purposes only and should not be considered a boundary survey.

LEGEND:
Section Line
Block Line
Abstract Line
Tract Line
Survey & Record
County Road
Unit/Land Boundary
Found Monument
Set 1/2" Rebar w/ cap
Calculated Corner

Original Document Size: 11"x17"
All Coordinates are in NAD 27
15-5 Zone unless otherwise noted.

Surface Hole Location:
500' FNL & 318' FTL (SEC. 3)
OFF LEASE
SRL Ground Elevation: 3252'
NAD 27 TX-C ZONE
X = 899407.89 Y = 125709.98
LAT: N 31°37'30.14" LONG: W 103°57'58.73"
LAT: N 31°42'59.178" LONG: W 103°58'31.30"
NAD 83 TX-C ZONE
X = 1162853.20 Y = 10512485.75
LAT: N 31°37'30.50" LONG: W 103°57'58.43"
LAT: N 31°42'59.167" LONG: W 103°58'31.848"

Penetration Point:
25' FSL & 330' FEL (SEC. 17)
25' FSL & 330' FELL
NAD 27 TX-C ZONE
X = 899448.23 Y = 125727.37
LAT: N 31°37'30.34" LONG: W 103°57'58.87"
LAT: N 31°42'58.812" LONG: W 103°58'31.87"
NAD 83 TX-C ZONE
X = 1162853.14 Y = 10512485.14
LAT: N 31°37'30.30" LONG: W 103°57'57.57"
LAT: N 31°42'58.811" LONG: W 103°58'31.903"

First Take Point:
200' FSL & 330' FEL (SEC. 17)
200' FSL & 330' FELL
NAD 27 TX-C ZONE
X = 899775.84 Y = 125422.29
LAT: N 31°37'37.07" LONG: W 103°57'55.87"
LAT: N 31°42'59.643" LONG: W 103°58'31.985"
NAD 83 TX-C ZONE
X = 1162833.23 Y = 10512485.07
LAT: N 31°37'37.25" LONG: W 103°57'57.57"
LAT: N 31°42'59.621" LONG: W 103°58'31.976"

Last Take Point:
200' FNL & 1158' FEL (SEC. 16)
200' FNL & 330' FELL
NAD 27 TX-C ZONE
X = 899702.83 Y = 125422.77
LAT: N 31°37'37.47" LONG: W 103°57'56.08"
LAT: N 31°42'59.642" LONG: W 103°58'31.985"
NAD 83 TX-C ZONE
X = 1162833.23 Y = 10512485.07
LAT: N 31°37'37.25" LONG: W 103°57'57.57"
LAT: N 31°42'59.621" LONG: W 103°58'31.976"

Bottom Hole Location:
150' FNL & 1158' FEL (SEC. 16)
150' FNL & 330' FELL
NAD 27 TX-C ZONE
X = 899722.35 Y = 125422.77
LAT: N 31°37'37.17" LONG: W 103°57'56.07"
LAT: N 31°42'59.643" LONG: W 103°58'31.985"
NAD 83 TX-C ZONE
X = 1162833.23 Y = 10512485.07
LAT: N 31°37'37.25" LONG: W 103°57'57.57"
LAT: N 31°42'59.621" LONG: W 103°58'31.976"

DRP Doc. 11x17 Surveyed: 04/30/18

COGO: 629-65432

Revision: 5: (AG) 09/26/18

Drawn By: AG, 05/23/2018

ORIGINAL DOC. SIZE: 11"x17"

PDC Permian, Inc.
(LEASE NAME & WELL NO.)
STINGER 1716 B1H
SPOONSHAW & NECHAY
NATURAL MESQUITE PASTURE
NEAREST TOWN IN COUNTY
#23.71 MILES NORTHWEST OF TOYAH, TEXAS
LOCATION MAP

SHIL SECTION 5, BLOCK 36, PUBLIC SCHOOL LAND SURVEY 4-2379
PP/FTP: SECTION 17, BLOCK C-1, PUBLIC SCHOOL LAND SURVEY 4-5999
LTP/BH: SECTION 16, BLOCK C-21, PUBLIC SCHOOL LAND SURVEY 4-5471
REVERE COUNTY, TEXAS

TOPOGRAPHIC
SPECIALTY SURVEYING & LAND SURVEYING
1800 NORTH 888 AVENUE • WILCOX, TEXAS 75791
TELEPHONE: 817-581-1111 FAX: 817-581-1111
WWW.TOPOGRAFIC.COM
TEXAS REG. NO. 100-200-0000
FILE NAME: LG-STINGER-1716-B1H-AG-REV

WILLIAM J. KEATING
6041
LAND SURVEYOR

WILLIAM J. KEATING
Texas Reg. No.

31

File No. M-114156

1st And to Stinger Unit County

Date Filed: 4/11/19

George P. Bush, Commissioner

By _____

Inst No. 48-48968
DIANNE O. FLOREZ
COUNTY CLERK
2018 Nov 13 at 01:30 PM
REYES COUNTY, TEXAS
By: TG J. Dancie DEPUTY

NOV 13 2018 1 06 PM

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA190004

Unit Number 9767
Operator Name PDC Permian, Inc. Effective Date 07/01/2018
Customer ID C000088142 Unitized For Oil And Gas
Unit Name Stinger 1716 Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.06250000
State Part in Unit 1.00000000
Unit Depth Allow All Depths Well
From Depth Formation
To 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
MF114156		154.830000	405.720000	0.38161786	O/G	0.06250000	0.02385112	No
MF119148		250.890000	405.720000	0.61838214	O/G	0.06250000	0.03864888	No

API Number

4238937454, 4238937842

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

02/05/2019

02/05/2019

2/7/19

4/23/2019

02/05/2019

Pooling Committee Report

To: School Land Board

UPA190004

Date of Board Meeting: 02/05/2019

Unit Number: 9767

Effective Date: 07/01/2018

Unit Expiration Date:

Applicant: PDC Permian, Inc.

Attorney Rep: Kelli Kenney

Operator: Pdc Permian, Inc.

Unit Name: Stinger 1716

Field Name: PHANTOM (WOLFCAMP)

County:

Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF114156	0.06250000	09/23/2015	5 years	640.000000	154.830000	0.02385112
FR	MF119148	0.06250000		3 years	640.000000	250.890000	0.03864888

Private Acres: 0.000000
State Acres: 405.720000
Total Unit Acres: 405.720000

Participation Basis: Surface Acreage
Surface Acreage
State Acreage: 100.00%
State Net Revenue Interest: 6.25%

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

RRC Rules: Yes
Spacing Acres: 704 acres for a 10,000 foot lateral (FTP to LTP).

REMARKS:

- PDC Permian, Inc. is requesting School Land Board ratification of the 405.72 acre Stinger 1716 Unit which consists entirely of State Free Royalty acreage.
- The applicant has drilled and completed the first unit well and plans to spud a second unit well on January 12, 2019.
- With Board ratification of the unit the State's unit royalty participation will be 6.25%.
- The State will participate on a unitized basis from the date of first production.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board ratification of the 405.72 acre Stinger 1716 Unit under the above-stated provisions.

Mary Smith acting for Mary Smith

Mary Smith - Office of the Attorney General

1/24/19

Date

Robert Hatter

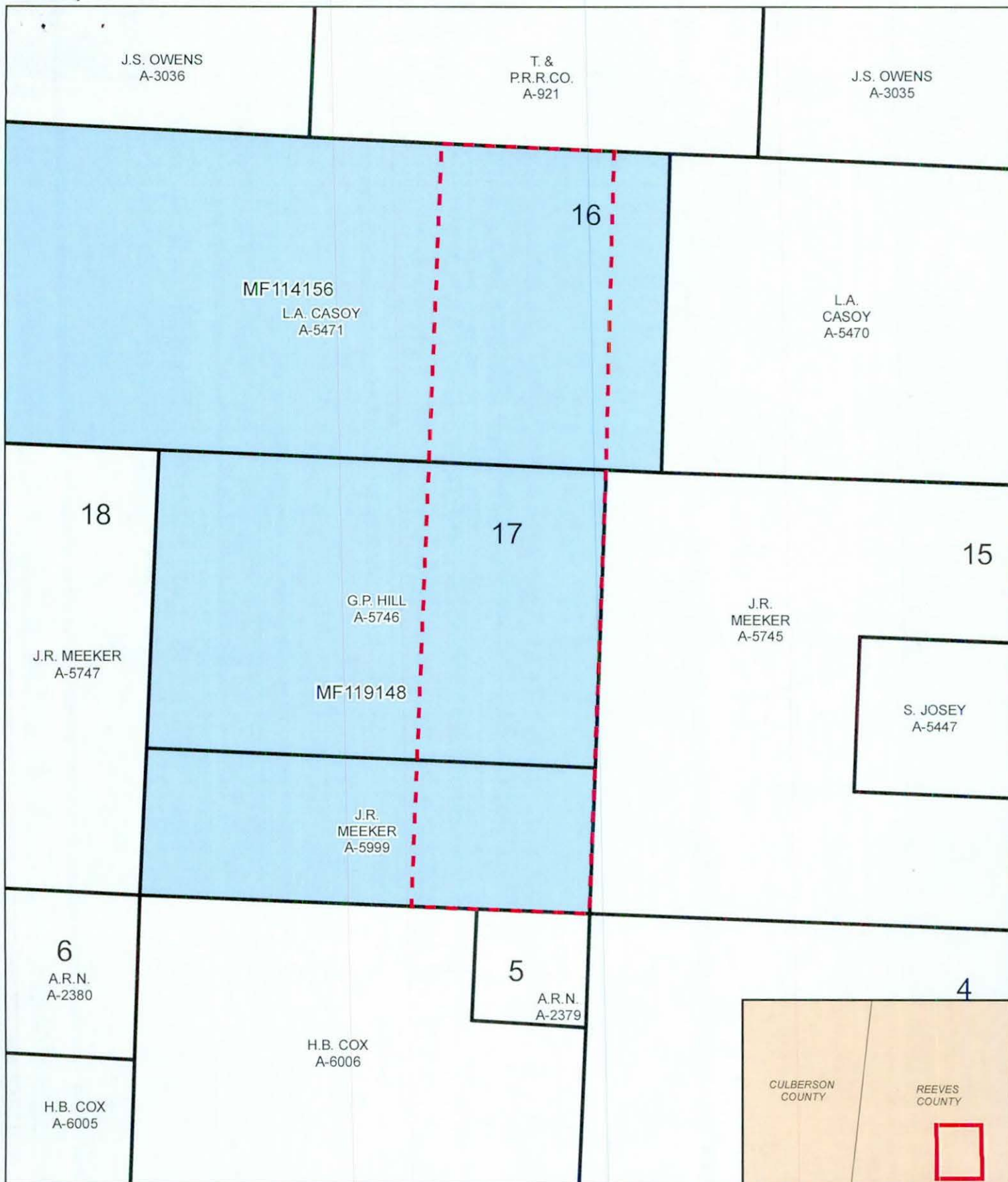
Robert Hatter - General Land Office

1/24/19

Date

Stacie Bennett - Office of the Governor

Date



Unit #9767
PDC Permian, Inc.
Stinger 1716 Unit
Phantom (Wolfcamp) Field
Reeves County, 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
Enterprise Technology Solutions/GIS
February 2019

RATIFICATION OF DESIGNATION OF POOLED UNIT AND POOLING AGREEMENT
STINGER 1716 UNIT
GLO UNIT NO. 9767
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Designation of Pooled Unit and Pooling Agreement, Stinger 1716 Unit", has been executed effective as of July 1, 2018, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation and the First Amended and Ratified Designation of Pooled Unit and Pooling Agreement being recorded as Instrument Nos. 18-13,888 and No. 18-18968 respectively in the Official Public Records of Reeves County, Texas said instruments being collectively referred to as ("Designation"); and,

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

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

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the Stinger 1716 Unit ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State:

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

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

PURPOSES:

1.

This Ratification ("Ratification") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Ratification to effect equitable participation within the Unit. This Ratification is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

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

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation for and during the term hereof, so that such pooling or unitization shall have the following effect:

(a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.

(b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other

contracts thereon and this Ratification.

(c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.

(d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease.

(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 405 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.

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

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

ALLOCATION OF PRODUCTION:

4.

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

TAKING ROYALTY IN KIND:

5.

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

FULL MARKET VALUE:

6.

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

(a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greatest;

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

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of July 1, 2018.

TERM:

8.

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

STATE LAND:

9.

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

RATIFICATION/WAIVER:

10.

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

COUNTERPARTS:

11.

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

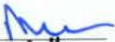
IN WITNESS WHEREOF, the parties hereto have executed this Ratification upon the respective dates indicated below.

Date Executed

4/10/19

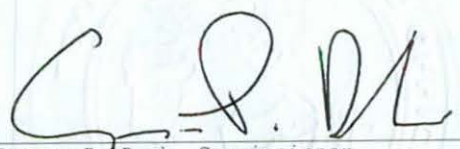
STATE OF TEXAS

Content
Legal
Geology
Executive






By:


George P. Bush, Commissioner
General Land Office

Date Executed April 2, 2019

PDC PERMIAN, INC.

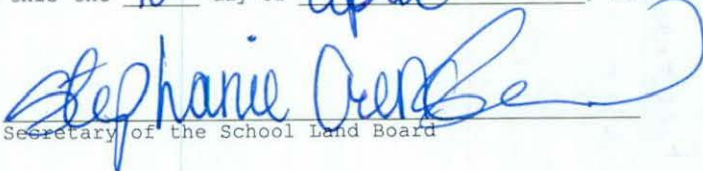
By: 
Paul Whisenand
Its: Director of Land



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 5th day of February, 2019, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 10th day of April, 2019.


Secretary of the School Land Board

STATE OF COLORADO

COUNTY OF DENVER

This instrument was acknowledged before me on the 2nd day of April, 2019,
by Paul Whisenand as Director of Land of PDC Permian,
Inc., a Delaware corporation on behalf of said corporation.

BRITTNEY VALENTI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164016988
MY COMMISSION EXPIRES MAY 4, 2020


Notary Public in and for the
State of Colorado

File No. M-114156

By George P. Bush, Commissioner

Date Filed: 4/11/19

County Stinger 176 Unit

By [Signature]

County _____

File No. _____

Seal of the State of Texas
The Great Seal of the State of Texas
is hereby certified to be a true and correct copy of the original
on this 11th day of April, 2019.



CIMAREX ENERGY CO
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103



unit 8490

NADOA Model Form Division Order (Adopted 9/95)

MF114156 MF114157
MF114493

Date: 04/30/2019

Effective Date: 04/01/2017

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: BRECKENRIDGE L06H - GAS -ENT

Complete Property Description Listed Below

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

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 421050-007.01

BRECKENRIDGE L06H

Operator: RESOLUTE NATURAL RESOURCES

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: C21Lot: Sec: 16 Qtr/Qtr:

SEC 16 Blk C-21 - NW/4 NW/4

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

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

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

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

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

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

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

SPECIAL CLAUSE: Cimarex Energy Co acquired Resolute Energy Corp effective March 1, 2019

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

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

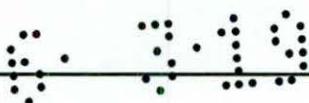
Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

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



CIMAREX ENERGY CO
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 04/30/2019

Effective Date: 04/01/2017

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: BRECKENRIDGE L06H - OIL - ENT

Complete Property Description Listed Below

Production: ☐ X Oil ☐ X Gas ☐ Other: _____**Owner**

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 421050-007.01

BRECKENRIDGE L06H

Operator: RESOLUTE NATURAL RESOURCES

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: C21Lot: Sec: 16 Qtr/Qtr:

SEC 16 Blk C-21 - NW/4 NW/4

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SPECIAL CLAUSE: Cimarex Energy Co acquired Resolute Energy Corp effective March 1, 2019

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY



INSTRUCTIONS TO ALL INTEREST OWNERS

Read Carefully Before Signing the Instrument

- SIGNATURE:** Individuals: Sign name as shown in the instrument.
- Corporations: If signing for a corporation, please provide the name and title of the signatory party.
- SIGNATURE BY SECOND PARTY:** If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any other party other than the named interest owner, we must have evidence of the rights vested in the signatory party.
- MORTGAGE STIPULATION** If your interest is subject to a mortgage(s), please have the mortgagee(s) execute the document in the space(s) provided below your signature. If the mortgage(s) has been released, please provide us with a copy of the RECORDED release(s).
- MAILING ADDRESS:** If the checks should be mailed to a different address than shown with your name, please insert the address change. Print or type. Do not abbreviate. If you are already receiving checks from this company, be sure to use the same address to which we are now mailing checks.
- PAYMENT POLICY:** Payments are made upon accrual of \$100.00, or when proceeds for six (6) months have accumulated. An owner has the option of requesting to be paid monthly for proceeds totaling \$25.00. Should you require payments on the optional basis, please send us your written request.
- PROPERTY NUMBER:** On the left portion of the instrument you will find the number assigned to this well. This number will appear on the statement attached to your check and should always be used when corresponding with this company.
- CHANGE OF ADDRESS:** You should notify us promptly of any change in mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your Owner Number (which will appear on your check from this company) and your old address, then state your new address with zip code.

THIS INSTRUMENT SHOULD NOT BE ALTERED IN ANY WAY UNLESS ACCOMPANIED BY DOCUMENTARY EVIDENCE TO SUPPORT THE CHANGE. FAILURE TO COMPLY WITH THESE INSTRUCTIONS MAY DELAY PAYMENT. RETURN THE EXECUTED INSTRUMENT TO THE ADDRESS BELOW. KEEP ONE (1) COPY FOR YOUR RECORDS.

IRS W-9 FORM: FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY NUMBER. IN ADDITION TO INSERTING IT ON THE ENCLOSED DIVISION ORDER YOU MUST ALSO COMPLETE AND SIGN THE ENCLOSED IRS W-9 FORM AND RETURN IT WITH THE EXECUTED DIVISION ORDER.

CIMAREX ENERGY CO.
DIVISION ORDER DEPARTMENT
202 SOUTH CHEYENNE AVE, SUITE 1000
TULSA, OK 74103-3001
ATTENTION: Paula Staires
(918) 560-7269 -- Phone
(918) 295-1896 -- Fax
E-Mail: pstaires@cimarex.com



REVENUE INTEREST OWNER COMMON QUESTIONS AND ANSWERS

- **Revenue check schedule**
Revenue checks are issued monthly on the 15th. If the amount of revenue due is less than \$100.00, payment is withheld until the amount due equals or exceeds \$100.00, subject to state regulations. All checks less than \$100.00 are issued in December on an annual basis.
- **Check not on schedule**
If payment is delayed more than 10 days, you should contact us to see if a check was issued.
- **Check Lost, stolen or outdated**
Immediately notify us in writing of lost or stolen checks so we may issue a replacement check. If the check is stale dated, return it to us without defacing it so a replacement may be issued.
- **Determine interest value**
The evaluation or appraisal of interest requires geologic or engineering review and judgement. Therefore, we do not attempt such evaluations for interest owners. An appraisal can be obtained by contacting the services of an independent geologist, petroleum engineer or royalty broker. Revenue resulting from sales from the property is an important factor in evaluating royalty interests. Your check stubs or detail statements provide payment history for this analysis.
- **Requirements if Sell interest**
Because the sale of a royalty interest usually represents a real property transaction, we will need a certified copy of the deed recorded in the county where the property is located. For additional information about our requirements, please contact our Division Order Department.
- **Requirements for Death of Owner**
When an interest owner dies, an authorized representative or relative of the deceased must immediately notify the Division Order Department in writing. The deceased owner's name and owner number must appear in the notification as they appear on the revenue checks. State requirements differ, but generally a Will, Letters Testamentary, and/or other documents issued by the court are required to change royalty ownership records. Cimarex Energy Co does NOT accept Heirship Affidavits.
- **Change of Address**
You should notify us of any changes in address. Failure to report changes may delay delivery of your revenue checks and in many cases force us to place the revenue in suspense until we are notified of the change. Reinstatement of payment will resume upon receipt of an authorized address change. For your protection, changes of address must be made in writing. With your notification, please include your owner number, social security or tax identification number, old address and new address, including zip code. Please send your change of address to the attention of the Division Order Department. Form available at <https://www.cimarex.com/owner-information/>.

Direct Deposit Enrollment



Request Type: ☐ New or Updated Enrollment ☐ Cancellation

(If you are adding a well to an existing owner number you do not need to complete this form)

To enroll in direct deposit directly into your bank account, please complete and sign this application and submit it along with a voided check or deposit ticket for your account. Payments will settle to your bank account on the second business day after the 14th of each month. The enrollment process may take up to 50 days. In an effort to go green, paper statements will no longer be mailed. The detail will be available online at www.cimarex.com. Click on the owner information tab and then owner login. You will be prompted to contact PDS Energy for a login name and password.

Owner Information

Incomplete forms will not be processed

	_____	X X X X X _____
Owner / Company Name	Owner No from Remittance	Federal Tax ID or SSN (last 4 digits)

Mailing Address

Contact Information (if different than authorizer below)

Name	Phone Number	Email Address

Bank Information

Bank Name	Bank Routing # (9 digits)

Name on Account	Account #	Account Type: Checking or Savings

Authorization

I am an authorized representative of the company listed above and I hereby authorize Cimarex Energy Co and its subsidiaries to deposit payments into the account listed above. This agreement simply allows for a direct deposit in lieu of paper check payments. This authorization will remain in effect until your 30 day written notification of change or cancellation has been received by Cimarex. I agree to submit changes to the above remittance contact information in writing to Cimarex. It is agreed that Cimarex will not be held liable for any interest or other claim arising from failing to submit changes to the payment instruction or error in the payment instructions provided.

Signature	Title (If Company)	Date

Printed Name	Phone Number	Email Address

Return To

Cimarex Energy Co.
Attn: Treasury Dept.
1700 Lincoln Street, Suite 3700
Denver, CO 80203-4537

Fax (303) 285-0229
Email: treasury@cimarex.com



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 21, 2019

Jeanine Hale-Hill
Division Order Analyst
Cimarex Energy Co
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103-3001

Re: State Lease Nos. MF114156, MF114157 and MF114493 Breckenridge L06H Unit 8490

Dear Mrs. Hale-Hill:

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

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

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

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

Thank you,

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

File No. MF114156

Reeves County

Division Order

Date Filed: 8-22-19

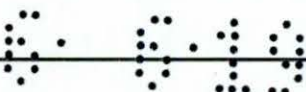
George P. Bush, Commissioner

By VB



CIMAREX ENERGY CO
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

MF114156



NADOA Model Form Division Order (Adopted 9/95)

Date: 04/30/2019

Effective Date: 04/01/2012

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: ARMSTRONG 16-01 - ENT - GAS

Complete Property Description Listed Below

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

Owner COMMISSIONER OF THE GENERAL	
Owner Number: 030618	
Interest Type: STATE OF TEXAS ROYALTY	Interest Type Code: STA1
Decimal Interest: 0.06250000	

Property Description	
Property: 421050-003.01	ARMSTRONG 16-01
Operator: RESOLUTE NATURAL RESOURCES	Location: Reeves, TX
Map Reference Information	
Reeves, TX US	Survey: PSL
SEC 16 Blk C-21 - SW/4 SW/4	-Block: C21Lot: Sec: 16 Qtr/Qtr:

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

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

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

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

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

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

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

SPECIAL CLAUSE: Cimarex Energy Co acquired Resolute Energy Corp effective March 1, 2019

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

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



CIMAREX ENERGY CO
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 04/30/2019

Effective Date: 04/01/2012

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: ARMSTRONG 16-01 - ENT - OIL

Complete Property Description Listed Below

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

Owner COMMISSIONER OF THE GENERAL Owner Number: 030618 Interest Type: STATE OF TEXAS ROYALTY Decimal Interest: 0.06250000		Interest Type Code: STA1
--	--	--------------------------

Property Description			
Property:	421050-003.01	ARMSTRONG 16-01	
Operator:	RESOLUTE NATURAL RESOURCES	Location:	Reeves, TX
Map Reference Information			
Reeves, TX	US	Survey: PSL	-Block: C21Lot: Sec: 16 Qtr/Qtr:
SEC 16 Blk C-21 - SW/4 SW/4			

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

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

SPECIAL CLAUSE: Cimarex Energy Co acquired Resolute Energy Corp effective March 1, 2019

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 23, 2019

Jeanine Hale-Hill
Division Order Analyst
Cimarex Energy Co
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103-3001

Re: State Lease No. MF114156 Armstrong 16-01

Dear Mrs. Hale-Hill:

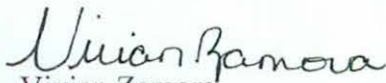
The Texas General Land Office (GLO) has received your Division Order for the referenced unit. This Division Order has been filed in the appropriate mineral file.

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. MF114156

Reeves County

Division Order

Date Filed: 8-23-19

George P. Bush, Commissioner

By VZ



unit 8843

✓ MF114156

MF119148

DIVISION ORDER

To: **PDC Permian, Inc. d/b/a PDC Energy, Inc.**

Date: July 2, 2019

1775 Sherman Street, Suite 3000

Denver, CO 80203

Attn: Division Orders (888) 860-5836 or DODept@pdce.com

Property Number: 142.105225

Effective Date: May 21, 2019

Property Name: Yellow Jacket 1716 A2H

Operator: PDC Permian, Inc.

County and State: Reeves, Texas

Property: PUBLIC SCHOOL LAND, Blk: 56 Sec: 5

Description: Spacing - Block C-21, Portions of Sections 16 and 17 - 628.14 Acres

389-37753

Production: ☒ X ☐ Oil ☒ X ☐ Gas ☒ X Other: all products

Owner Name

OWNER NUMBER: 79006

and Address:

Commissioner Of State Of Texas General Land

Type of Interest: NPRI

1700 Congress Ave

Decimal Interest: ✓ 0.06250000

Austin, TX 78701-1495

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by **PDC Permian, Inc. d/b/a PDC Energy, Inc.** (Payor).

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$25.00, or pay yearly whichever occurs first, or as required by applicable state statute.

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

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

Special Clauses: (None or See Attached Exhibit)

Owner(s) Signature(s):

Commissioner Of State Of Texas

Owner(s) SSN/Tax I.D. Number(s):

Owner Daytime Telephone:

Owner Email Address:

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 24% tax withholding and will not be refundable by Payor



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

October 1, 2019

Emma Pence
Division Order Team Lead
PDC Permian, Inc.
1775 Sherman Street, Suite 3000
Denver, Colorado 80203

Re: State Lease Nos. ✓ MF114156 and MF119148 Yellow Jacket 1716 A2H Unit 8843

Dear Mrs. Pence:

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

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

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

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

Thank you,

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

File No. MF 114156Reeves CountyDivision OrderDate Filed: 10-1-2019

George P. Bush, Commissioner

By VR



Unit 9767 ✓ MF 114156

NADOA Model Form Division Order (Adopted 9/95)

MF 119148
DIVISION ORDER

To: **PDC Permian, Inc. d/b/a PDC Energy, Inc.**

Date: July 2, 2019

1775 Sherman Street, Suite 3000

Denver, CO 80203

Attn: Division Orders (888) 860-5836 or DODept@pdce.com

Property Number: 142.104994, 142.105237

Effective Date: 5/6/2019, 6/13/2019

Property Name: **Stinger 1716 B1H, Stinger 1716 A2H**

Operator: PDC Permian, Inc.

County and State: Reeves, Texas

Property PUBLIC SCHOOL LAND, Blk: 56 Sec: 5

Description: Spacing - Block C-21, Portions of Sections 16 and 17 - 405.72 Acres

Production: X Oil X Gas X Other: all products

Owner Name

OWNER NUMBER: 79006

and Address:

Commissioner Of State Of Texas General Land

Type of Interest: NPRI

1700 Congress Ave

Decimal Interest: 0.06250000

Austin, TX 78701-1495

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by **PDC Permian, Inc. d/b/a PDC Energy, Inc.** (Payor).

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$25.00, or pay yearly whichever occurs first, or as required by applicable state statute.

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

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

Special Clauses: *(None or See Attached Exhibit)*

Owner(s) Signature(s):

Commissioner Of State Of Texas

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

Owner Daytime Telephone: _____

Owner Email Address: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 24% tax withholding and will not be refundable by Payor

LMH

Retain this copy for your records

INSTRUCTIONS TO ALL INTEREST OWNERS

Dear Interest Owner,

PDC Permian, Inc. d/b/a PDC Energy has enclosed a Division Order for your execution.

The attached document should not be altered in any way except to correct spelling errors, unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

1. Sign your name as shown on the Division Order.
2. If your name has changed due to marriage or divorce, execute the Division Order using your present name and furnish a copy of the marriage certificate or divorce decree.
3. If signing for a corporation, signature must be attested, corporate seal fixed and title of signatory party reflected.
4. If signed by agent, attorney-in-fact, guardian or any party other than the named interest owner, a certified copy of the power of attorney or other evidence of such party's right to sign must be furnished.
5. Your correct mailing address should be noted in the space provided to insure prompt receipt of production proceeds.
6. The top copy or the "Original" of the Division Order should be returned to:

PDC Permian, Inc. d/b/a PDC Energy
1775 Sherman Street, Suite 3000
Denver, Colorado 80203
Attn: Division Orders

7. Should you have any further questions regarding the enclosed Division Order, please contact PDC Permian, Inc. d/b/a PDC Energy at (303) 860-5836 or (888) 860-5836.
8. Please DO NOT DETACH the exhibit from the Division Order or Transfer Order if one is included.

6121



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 30, 2019

Emma Pence
Division Order Team Lead
PDC Permian, Inc.
1775 Sherman Street, Suite 3000
Denver, Colorado 80203

Re: State Lease Nos. ✓ MF114156 and MF119148 Stinger 1716 B1H and A2H Unit 9767

Dear Mrs. Pence:

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

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

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

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

Thank you,

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

File No. MF 114156

Reeves County

Division Order

Date Filed: 10-1-2019

George P. Bush, Commissioner

By VB



Coterra Energy Inc.
Corporate Headquarters
Three Memorial City Plaza
840 Gessner Road
Suite 1400
Houston, TX 77024

T 281-589-4600
F 281-589-4955
coterra.com

February 7, 2025

Texas General Land Office
1700 N Congress Ave
Austin TX 78701-1495

RE: Shut-In Payment
704630-08

To whom it may concern:

Please find enclosed Coterra Energy Operating Co (Formerly Cimarex Energy Co) check totaling \$114.58 for the lease referenced below. This payment is regarding the shut-in of the Armstrong 16-01 well. *API - 42-389-32900 08-289347 vertical lease well SI - 10/1/24 (FR)*

Check Number	Amount	Lease Number	State Lease Number
513893	\$114.58	42-0007667 F	MF-114156

Should you need anything further, please contact me by email at angela.ng@coterra.com or phone 281-848-2706

Thank you,

Angela Ng

Angela Ng
Lease Analyst



Coterra Energy Inc.
Corporate Headquarters
Three Memorial City Plaza
840 Gessner Road
Suite 1400
Houston, TX 77024

T 281-589-4600
F 281-589-4955
coterra.com

February 7, 2025

Texas General Land Office
1700 N Congress Ave
Austin TX 78701-1495

RE: Shut-In Payment
704630-08

To whom it may concern:

Please find enclosed Coterra Energy Operating Co (Formerly Cimarex Energy Co) check totaling \$114.58 for the lease referenced below. This payment is regarding the shut-in of the Armstrong 16-01 well.

Check Number	Amount	Lease Number	State Lease Number
513895	\$114.58	42-0007667 I	MF-114156

Should you need anything further, please contact me by email at angela.ng@coterra.com or phone 281-848-2706

Thank you,

A handwritten signature in blue ink that reads "Angela Ng".

Angela Ng
Lease Analyst



Coterra Energy Inc.
Corporate Headquarters
Three Memorial City Plaza
840 Gessner Road
Suite 1400
Houston, TX 77024

T 281-589-4600
F 281-589-4955
coterra.com

February 7, 2025

Texas General Land Office
1700 N Congress Ave
Austin TX 78701-1495

RE: Shut-In Payment
704630-08

To whom it may concern:

Please find enclosed Coterra Energy Operating Co (Formerly Cimarex Energy Co) check totaling \$114.59 for the lease referenced below. This payment is regarding the shut-in of the Armstrong 16-01 well.

Check Number	Amount	Lease Number	State Lease Number
513898	\$114.59	42-0007667 L	MF-114156

Should you need anything further, please contact me by email at angela.ng@coterra.com or phone 281-848-2706

Thank you,

A handwritten signature in blue ink that reads 'Angela Ng'.

Angela Ng
Lease Analyst

ON BEHALF OF:
COTERRA ENERGY OPERATING CO.
P O BOX 4544
HOUSTON, TX 77210-4544

PAYMENT TYPE: SHUT-IN ROYALTY
RIGHTS HELD: OIL & GAS

Page 1 of 1

DATE 02/07/2025

CHECK NO. 513893

		RENTAL PERIOD			
COUNTY	STATE	DATE OF LEASE	MONTHS	FROM	TO
REEVES	TX	01/01/2010	0	03/01/2025	03/01/2025
LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER			PAY EXACTLY
42-0007667/F	704630-08	PREWIT BARBARA H			\$****114.58

TO
THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

RECORDED: REEVES Book :841 Page :⁵³~~47~~ Reception # :00109³

25704302

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING

THIS CHECK IS VOID WITHOUT A COLORED BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW



COTERRA ENERGY OPERATING CO.
RENTAL ACCOUNT
P O BOX 4544
HOUSTON, TX 77210-4544

JPMorgan Chase Bank, N.A.
Columbus, Ohio 43271

No. 513893

56-1544/441

25704302

VOID AFTER 90 DAYS

CHECK NUMBER	DATE	PAY EXACTLY
513893	Feb-07-2025	\$****114.58

\$114dols58cts

One Hundred Fourteen Dollars and 58 Cents

PAY
TO
THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Shawn Y...

0000513893

THE AMOUNT OF THIS CHECK IS FOR PAYMENT TYPE NOTED BELOW DUE PARTY OR PARTIES OF
THE INSTRUMENT DESCRIBED HEREIN FOR THE STATED PERIOD.

ON BEHALF OF:
COTERRA ENERGY OPERATING CO.
P O BOX 4544
HOUSTON, TX 77210-4544

PAYMENT TYPE: SHUT-IN ROYALTY
RIGHTS HELD: OIL & GAS

Page 1 of 1

DATE 02/07/2025

CHECK NO. 513898

		RENTAL PERIOD			
COUNTY	STATE	DATE OF LEASE	MONTHS	FROM	TO
REEVES	TX	08/28/2008	0	03/01/2025	03/01/2025
LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER		PAY EXACTLY	
42-0007667/L	704630-08	BURKHOLDER TIFFANI		\$****114.59	

TO
THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

RECORDED: REEVES Book :806 Page :180 Reception # :004513

25704301

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING

THIS CHECK IS VOID WITHOUT A COLORED BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW



COTERRA ENERGY OPERATING CO.
RENTAL ACCOUNT
P O BOX 4544
HOUSTON, TX 77210-4544

JPMorgan Chase Bank, N.A.
Columbus, Ohio 43271

No. **513898**

56-1544/441

25704301

\$114dols59cts

One Hundred Fourteen Dollars and 59 Cents

VOID AFTER 90 DAYS

CHECK NUMBER	DATE	PAY EXACTLY
513898	Feb-07-2025	\$****114.59

PAY
TO
THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Shawn Yee

⑈0000513898⑈

ON BEHALF OF:
COTERRA ENERGY OPERATING CO.
P O BOX 4544
HOUSTON, TX 77210-4544

PAYMENT TYPE: SHUT-IN ROYALTY
RIGHTS HELD: OIL & GAS

Page 1 of 1

DATE 02/07/2025

CHECK NO. 513895

		RENTAL PERIOD			
COUNTY	STATE	DATE OF LEASE	MONTHS	FROM	TO
REEVES	TX	08/28/2008	0	03/01/2025	03/01/2025
LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER			PAY EXACTLY
42-0007667/I	704630-08	KING TERA BURKHOLDER			\$****114.58

TO
THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

RECORDED: REEVES Book :806 Page :183 Reception # :004514

25704303

PAYEE DETACH THIS STATEMENT BEFORE DEPOSITING

THIS CHECK IS VOID WITHOUT A COLORED BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK . HOLD AT ANGLE TO VIEW



COTERRA ENERGY OPERATING CO.
RENTAL ACCOUNT
P O BOX 4544
HOUSTON, TX 77210-4544

JPMorgan Chase Bank, N.A.
Columbus, Ohio 43271

No. 513895

56-1544/441

VOID AFTER 90 DAYS

CHECK NUMBER	DATE	PAY EXACTLY
513895	Feb-07-2025	\$****114.58

25704303

\$114dols58cts

One Hundred Fourteen Dollars and 58 Cents

PAY
TO
THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Shawn Y...

⑈0000513895⑈

39.

File No. MF ~~12~~ 114156
Reeves County
Shut in payments
Date Filed: 2/19/25
Commissioner Dawn Buckingham, M.D.
By: BSD



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

PDC Permian, Inc.
1099 18th St Ste 1500
Denver, CO 80202-2031

Billing Date: 4/17/2025
Billing Due Date: 5/17/2025
Customer Number: C000088142

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25I00648	MF114156	\$2,538.46	\$0.00	\$320.32	\$239.52	\$3,098.30
Total Due		\$2,538.46	\$0.00	\$320.32	\$239.52	\$3,098.30

Penalty and interest have been calculated thru 4/30/2025. Payment remitted after 4/30/2025 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing

PDC Permian, Inc.

Billing Date: 4/17/2025

Billing Due Date: 5/17/2025

Customer Number: C000088142

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25I00648	MF114156	\$2,538.46	\$0.00	\$320.32	\$239.52	\$3,098.30
Total Due		\$2,538.46	\$0.00	\$320.32	\$239.52	\$3,098.30
Amt. Paid						

Customer ID: C000088142
 Invoice Number:
 GLO Lease: MF114156
 GLO Review: PDC PERMAN, INC
 Review Period: Sept 2023 - Aug 2024

Category Gas
 Auditor/AE: Eric M
 Billing Date: 4/11/2025
 P&I Calculation Date: 4/30/2025
 Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Sep-23	08-289347	2811	1	\$1.904	1	\$5,351.08	\$334.44	\$0.00	\$334.44	532	8.50%	\$33.44	\$36.84	\$404.72
Oct-23	08-289347	3193	1	\$1.919	1	\$6,126.81	\$382.93	\$0.00	\$382.93	502	8.50%	\$38.29	\$39.50	\$460.72
Nov-23	08-289347	3671	1	\$1.756	1	\$6,445.64	\$402.85	\$0.00	\$402.85	471	9.50%	\$40.29	\$43.20	\$486.34
Dec-23	08-289347	3543	1	\$1.729	1	\$6,124.89	\$382.81	\$0.00	\$382.81	440	9.50%	\$38.28	\$37.96	\$459.05
Jan-24	08-289347	3408	1	\$2.113	1	\$7,202.67	\$450.17	\$0.00	\$450.17	411	9.50%	\$45.02	\$41.24	\$536.43
Feb-24	08-289347	2890	1	\$1.327	1	\$3,833.77	\$239.61	\$0.00	\$239.61	380	9.50%	\$25.00	\$20.02	\$284.63
Mar-24	08-289347	2014	1	\$0.585	1	\$1,178.60	\$73.66	\$0.00	\$73.66	350	9.50%	\$25.00	\$5.58	\$104.24
Apr-24	08-289347	2047	1	\$0.228	1	\$467.09	\$29.19	\$0.00	\$29.19	319	9.50%	\$25.00	\$1.98	\$56.17
May-24	08-289347	2017	1	\$0.619	1	\$1,248.85	\$78.05	\$0.00	\$78.05	289	9.50%	\$25.00	\$4.67	\$107.72
Jun-24	08-289347	2050	1	\$1.286	1	\$2,636.02	\$164.75	\$0.00	\$164.75	258	9.50%	\$25.00	\$8.53	\$198.28
TOTALS		27,644				\$40,615.42	\$2,538.46	\$0.00	\$2,538.46			\$320.32	\$239.62	\$3,098.30

COMMENTS: BILLING IS FOR UNDERREPORTED VOLUMES FOR RRC ID: 08-289347 08-283650

COLUMN (3) UNDERREPORTED VOLUMES REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC
 COLUMNS (5) & (6) AVERAGE PRICE IS CALCULATED AND USED IN THE CALCULATION
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.martinez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
 PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.martinez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

EMAIL: Sofia Raggi sofiaaggi@chevron.com James Magwe jmagwe@chevron.com

File No. MF 114 154

County _____

Recon Billing

Date Filed: 5/12/2025

Commissioner Dawn Buckingham, M.D.

By: VS