



CAUTION

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Archives and Records Staff

MF114284

A-D

PSA00381 Cancelled

PSA00377

PARTIAL RELEASE

SEE ITEM #21

I-NUT 11611

I-NUT 11612

I-NUT - 12471

I-NUT - 12472

I-NUT - 12473

Leasing: Q

Analy: Q

Maps: JS

GIS: MC

DocuShare: _____

State Lease
MF114284

Control
07-109639

Base File
7412

County
REEVES

Survey T & P RY CO
Block 54
Block Name
Township 11
Section/Tra 28
Land Part ALL
Part Description
Acres 540
Depth Below

Name
Lease Date 6/15/2012
Primary Term
Bonus (\$) \$51.00
Rental (\$) \$0.00
Lease Royalty

Specified Depths
w/2: 0-11,534' E/2: 0-10880'

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1. RAL Review Sheet	7/2/12	10. SWR32 Exception Data Sheet	9/28/17
2. Lease (A-D)	7/24/12	scanned	Pt 9-28-2017
3. Cover Letter, Bonus, and Fees	7/5/12	11. Commingling Cancellation	4/26/2018
4. Final Letter	12/3/12	scanned	Pt 4-30-2018
Scanned KV 2/5/13		12. SWR 32 Data Sheet	5/7/18
(See MF056135 #114		scanned	Pt 5-11-2018
(for Assn #9347 7-2-15)		13. Water Payment	5-22-18
(See MF109880 #15 & #16		scanned	Pt 5-23-2018
(Assn ID #9417 & #9418 (5-19-15)		14. Completion Report API 384-3681	6/15/18
Permian-Sov & Silverback to Panther		scanned	Pt 7-2-2018
scanned	Pt 1-11-16	15. Refund Request Packet	8-17-2018
5. Division Order	4-14-16	16. Request for Partial Release	6/18/2019
(See MF109880 #18 ID #9598)		17. Directional Surveys	9/10/2019
(Panther to CP2	5-20-16)	18. RRC P-16's	9/10/2019
scanned	Pt 7-20-16	19. WPX Response Letter	9/10/2019
6. Agree to commingle	6/16/16 8/10/16	20. 2nd WPX Response Letter	12/31/2019
scanned	Pt 9-6-16	21. Partial Release	12/31/2019
(See MF040133 #80, Assign #9886)		scanned	sm 01/27/2020
(Petrohawk to Sovereign		22. PSA00381	05/02/2022
(See MF040133 #81, Assign #9887)		23. PSA00377	05/02/2022
(Sovereign to Permian		24. iNut 11611 API 42-389-39348	5/13/2022
scanned	Pt 12-2-16	25. iNut 11612 API 42-389-39349	5/13/2022
7. Agree to commingle	3/29/17	Scanned	KV 6-15-2022
(See MF075080 #50, Assn #10221		26. Division Order	1-13-2023
(Panther & CP2 (to) RKI 4-26-17)		scanned	WM 1-17-2023
scanned	Pt 5-25-2017	27. Shut in Affidavit + payment	Lse. A 2/7/23
8. Compl. Rpt. API 389-34865	6/28/17	28. Shut in Aff + payment	Lse B 2/7/23
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9. SWR 32 Exception Data Sheet	9/28/17	30. Shut in Aff + payment	Lse D 2/7/23

Contents of Mineral File Number: MF114284

31. Shut in Acceptance Letter 2/7/23

32. Division Order 2/14/2023

scanned sm 02/22/2023

33. Division Order 2/27/2023

34. Ltr in lieu of Division Order 2/27/2023

35. iNut 12471 - AP142-389-39949 3/21/2023

36. iNut 12472 - AP142-389-39948 3/21/2023

37. iNut 12473 - AP142-389-39950 3/21/2023

scanned WM 4.3.2023

38. Surface Damages 4/14/23

scanned WM 4.17.2023

39. Division Order 6/15/2023

scanned WM 6.26.2023

40. Corrected iNut 12473 7/10/2023

41. Division Order 7/10/2023

42. Comm' Gas Lift Approval 3/7/23 7/12/23

43. Comm' Gas Lift Approval 6/23/23 7/12/23

44. Comm' Gas Lift Approval 6/23/23 7/12/23

scanned sm 07/26/2023

45. Gas Lift Approval 10/18/23 10/26/23

scanned sm 10/31/2023

46. Recon Billing 6/18/2024

scanned WM 6.20.2024

RAL REVIEW SHEET

Transaction # 7623

Lessor: J. M. Thompson III

Lessee: Petrohawk Prop., LP

Geologist:

Lease Date: 6/16/2012

UL ☒

Gross Acres: 640

Net Acres: 106.667

LEASE DESCRIPTION

County	PM#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	07-109639	107412	All	28	54	04S	T & P RY CO	2862

TERMS OFFERED

Primary Term: 5 years

Bonus/Acre: \$1,600.00

Rental/Acre: \$0.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 5 years

Bonus/Acre: \$1,600.00

Rental/Acre: \$0.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF109360	Petro-Hunt, LLC	7/18/2008	3 years	\$400.00	\$1.00	1/4	Last Lease

Comments: Paid Up 2nd, 3rd & 5th yr // 4th yr \$1600.00 per ac.

Approved: DR 7.2.12

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

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

DATE: 02-Jul-12

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

Applicant:	Petrohawk Prop., LP	County:	REEVES
Prim. Term:	5 years	Bonus/Acre	\$1,600.00
Royalty:	1/4	Rental/Acre	\$0.00

Consideration

Recommended: RLA Date: 7/05/12

Not Recommended: _____

Comments: Paid Up 2nd, 3rd & 5th yr // 4th yr \$1600.00 per ac.

Lease Form

Recommended: RLA Date: 7/05/12

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner Date: 7/10/12

Recommended: RLA

Not Recommended: _____

Bill Warnick, General Counsel Date: 7/16/12

Recommended: WW

Not Recommended: _____

Larry Laine, Chief Clerk Date: 7/17/12

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner Date: 7/18/12

Approved: Jerry E. Patterson

Not Approved: _____

①

File No. 114284

DAL Sheet

Date Filed: 7/2/12

Jerry E. Patterson, Commissioner

By GH

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

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

114284 A

12-05300
FILED FOR RECORD
REEVES COUNTY, TEXAS
Jul 19, 2012 at 04:22:00 PM

The State of Texas



Austin, Texas



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

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 16th day of June, 2012, between the State of Texas, acting by and through its agent, JAMES CASH THOMPSON and KIMBERLY R. THOMPSON, husband and wife, dealing herein with their community property whose mailing address is 1816 MYALL ROAD, ARDMORE, OKLAHOMA 73401 said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP whose mailing address is 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

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

All of Section 28, Block 54, Township 4, Abstract 2862, T&P RR Co. Survey, Reeves County, Texas, containing 640.000 acres, more or less

containing 640.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: ONE HUNDRED SEVENTY THOUSAND SIX HUNDRED SIXTY SIX DOLLARS AND 67/100
Dollars (\$170,666.67)

To the owner of the soil: ONE HUNDRED SEVENTY THOUSAND SIX HUNDRED SIXTY SIX DOLLARS AND 67/100
Dollars (\$170,666.67)

Total bonus consideration: THREE HUNDRED FORTY ONE THOUSAND THREE HUNDRED THIRTY THREE DOLLARS
AND 34/100
Dollars (\$341,333.34)

The total bonus consideration paid represents a bonus of ONE THOUSAND SIX HUNDRED DOLLARS AND 00/100
Dollars (\$1600.00) per acre, on 213.33333333 net acres.

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

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

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

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

Total Delay Rental: _____
Dollars (\$ _____)

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

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

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

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

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

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

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

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

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

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

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

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

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

Attorney General, the Governor, or the representative of any of them.

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

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

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

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

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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

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

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

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

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

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

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a

conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

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

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

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

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

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

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

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

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

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

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

Original filed in
Reeves County
Clerks Office

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

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

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

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

ADDENDUM PROVISIONS - #40 AND 41

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of one thousand six hundred dollars (\$1600.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to June 16, 2015, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

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

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



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

LESSEE: PETROHAWK PROPERTIES, LP

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

BY: John W. Walsh, Attorney-in-Fact

Date: 7/9/2012

STATE OF TEXAS

BY: JAMES CASH THOMPSON
Individually and as Agent for the State of Texas

Date: 6/27/12

STATE OF TEXAS

BY: KIMBERLY R. THOMPSON
Individually and as Agent for the State of Texas

Date: 6-27-12

STATE OF TEXAS

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared John W. Walsh known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-in-Fact of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas limited partnership and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said limited partnership.

Given under my hand and seal of office this the 9th day of July, 2012.

Notary Public in and for Texas



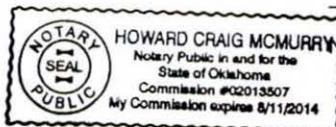
STATE OF OKLAHOMA

(ACKNOWLEDGMENT)

COUNTY OF Carter

BEFORE ME, the undersigned authority, on this day personally appeared JAMES CASH THOMPSON and KIMBERLY R. THOMPSON, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed, in the capacity stated and as their free act and deed.

Given under my hand and seal of office this the 27 day of June, 2012.



Howard Craig McMurry
Notary Public in and for Oklahoma



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

5
3
7
5

THE STATE OF TEXAS
COUNTY OF REEVES

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

Deed of Mar. Lease dated June 11, 2012,
filed for record in my office this 19th day of July, 2012 at

4:22 PM, under Clerk's File No. 12-05300, to be recorded in the
Official Public Records
Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 19th day of July, 2012.

By Mary Webb, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

114284 B

12-05297
FILED FOR RECORD
REEVES COUNTY, TEXAS
Jul 19, 2012 at 04:22:00 PM

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 16th day of June, 2012, between the State of Texas, acting

by and through its agent, ANN THOMPSON WHITE, wife of Rudy J. White, dealing herein with her separate property

whose mailing address is 901 COUNTRY CLUB ROAD, ARDMORE, OKLAHOMA 73401

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

whose mailing address is 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

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

All of Section 28, Block 54, Township 4, Abstract 2862, T&P RR Co. Survey, Reeves County, Texas, containing 640.000 acres, more or less

containing 640.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: ONE HUNDRED SEVENTY THOUSAND SIX HUNDRED SIXTY SIX DOLLARS AND 67/100
Dollars (\$170,666.67)

To the owner of the soil: ONE HUNDRED SEVENTY THOUSAND SIX HUNDRED SIXTY SIX DOLLARS AND 67/100
Dollars (\$170,666.67)

Total bonus consideration: THREE HUNDRED FORTY ONE THOUSAND THREE HUNDRED THIRTY THREE DOLLARS
AND 34/100
Dollars (\$341,333.34)

The total bonus consideration paid represents a bonus of ONE THOUSAND SIX HUNDRED DOLLARS AND 00/100
Dollars (\$1600.00) per acre, on 213.33333333 net acres.

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

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

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

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

Total Delay Rental: _____
Dollars (\$ _____)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

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

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

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

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

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

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a

conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADDENDUM PROVISIONS - #40 AND 41

40. **DELAY RENTALS.** As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of one thousand six hundred dollars (\$1600.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to June 16, 2015, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

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

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



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

STATE OF TEXAS

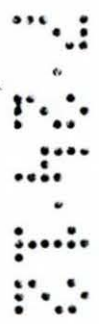
LESSEE: PETROHAWK PROPERTIES, LP
By: P-H Energy, LLC, Its General Partner

Ann Thompson White
BY: ANN THOMPSON WHITE
Individually and as Agent for the State of Texas

John W. Walsh
BY: John W. Walsh, Attorney-in-Fact

Date: June 27, 2012

Date: 7/9/2012



STATE OF TEXAS

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared John W. Walsh
known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-in-Fact
of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas limited partnership and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said limited partnership.

Given under my hand and seal of office this 9th day of July, 2012.

K. Stepanski
Notary Public in and for Texas



STATE OF OKLAHOMA

(ACKNOWLEDGMENT)

COUNTY OF Carter

BEFORE ME, the undersigned authority, on this day personally appeared ANN THOMPSON WHITE known to me to be the person whose
name is subscribed to the foregoing instruments and acknowledged to me that she executed the same for the purposes and consideration therein
expressed, in the capacity stated and as her free act and deed.

Given under my hand and seal of office this 27 day of June, 2012.

Angel Ayres
Notary Public in and for Oklahoma



THE STATE OF OKLAHOMA, County of Carter, I, Angel Ayres, Notary Public, do hereby certify that the foregoing is a true and correct copy of the original instrument as the same was presented to me for recording. Witness my hand and official seal at Pecos, Texas, this 20th day of June, 2012.

12-05297
DIANNE O. FLOREZ
COUNTY CLERK
2012 Jul 19 at 04:22 PM
REEVES COUNTY, TEXAS
By: AC Aurora C. DEPUTY

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
Deed of Mar. Lopez dated June 16, 2012
filed for record in my office this 19th day of July, 2012 at
4:27 PM, under Clerk's File No. 12-05297, to be recorded in the
Official Public Records

Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 19th day of July, 2012.

By Mary Clark, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

114204 C

12-05298
FILED FOR RECORD
REEVES COUNTY, TEXAS
Jul 19, 2012 at 04:22:00 PM

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 16th day of June, 2012, between the State of Texas, acting by and through its agent, JOHN M. THOMPSON, III, husband of Celia Thompson, dealing herein with his separate property whose mailing address is POST OFFICE BOX 247, ARDMORE, OKLAHOMA 73402 said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP whose mailing address is 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

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

All of Section 28, Block 54, Township 4, Abstract 2862, T&P RR Co. Survey, Reeves County, Texas, containing 640.000 acres, more or less

containing 640.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: EIGHTY FIVE THOUSAND THREE HUNDRED THIRTY THREE DOLLARS AND 34/100
Dollars (\$85,333.34)

To the owner of the soil: EIGHTY FIVE THOUSAND THREE HUNDRED THIRTY THREE DOLLARS AND 33/100
Dollars (\$85,333.33)

Total bonus consideration: ONE HUNDRED SEVENTY THOUSAND SIX HUNDRED SIXTY SIX DOLLARS AND 67/100
Dollars (\$170,666.67)

The total bonus consideration paid represents a bonus of ONE THOUSAND SIX HUNDRED DOLLARS AND 00/100
Dollars (\$1600.00) per acre, on 106.66666667 net acres.

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

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

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

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

Total Delay Rental: _____
Dollars (\$ _____)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADDENDUM PROVISIONS - #40 AND 41

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of one thousand six hundred dollars (\$1600.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to June 16, 2015, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

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

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



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

STATE OF TEXAS

LESSEE: PETROHAWK PROPERTIES, LP

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

BY: JOHN M. THOMPSON, III
Individually and as Agent for the State of Texas

BY: John W. Walsh, Attorney-in-Fact

Date: 6/27/12

Date: 7/12/2012

STATE OF TEXAS

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared John W. Walsh
known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-in-Fact
of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas limited partnership and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said limited partnership.

Given under my hand and seal of office this 9th day of July, 2012.

Notary Public in and for Texas



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

STATE OF OKLAHOMA

(ACKNOWLEDGMENT)

COUNTY OF Carter

BEFORE ME, the undersigned authority, on this day personally appeared JOHN M. THOMPSON, III known to me to be the person whose
name is subscribed to the foregoing instruments and acknowledged to me that he executed the same for the purposes and consideration therein
expressed, in the capacity stated and as his free act and deed.

Given under my hand and seal of office this 27 day of June, 2012.

Notary Public in and for Admore, OK Carter County



12-05298
DIANNE O. FLOREZ
COUNTY CLERK
2012 Jul 19 at 04:22 PM
REEVES COUNTY, TEXAS
By: AC Aurora C. DEPUTY

5133

THE STATE OF TEXAS
COUNTY OF REEVES

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

Order for Release dated June 16, 2012,
filed for record in my office this 19th day of July 2012 at

4:30 M, under Clerk's File No. 12-05228, to be recorded in the
Official Public Records
Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 19th day of July, 2012.

By Mary Allen, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

ELS-0103C

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

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

114284 D

12-05299
FILED FOR RECORD
REEVES COUNTY, TEXAS
Jul 19, 2012 at 04:22:00 PM

The State of Texas



Austin, Texas



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



OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 16th day of June, 2012, between the State of Texas, acting by and through its agent, JAMES CASH THOMPSON, husband of Kimberly R. Thompson, dealing herein with his separate property whose mailing address is 1816 MYALL ROAD, ARDMORE, OKLAHOMA 73401 said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP whose mailing address is 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

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

All of Section 28, Block 54, Township 4, Abstract 2862, T&P RR Co. Survey, Reeves County, Texas, containing 640.000 acres, more or less

containing 640.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: EIGHTY FIVE THOUSAND THREE HUNDRED THIRTY THREE DOLLARS AND 34/100
Dollars (\$85,333.34)

To the owner of the soil: EIGHTY FIVE THOUSAND THREE HUNDRED THIRTY THREE DOLLARS AND 33/100
Dollars (\$85,333.33)

Total bonus consideration: ONE HUNDRED SEVENTY THOUSAND SIX HUNDRED SIXTY SIX DOLLARS AND 67/100
Dollars (\$170,666.67)

The total bonus consideration paid represents a bonus of ONE THOUSAND SIX HUNDRED DOLLARS AND 00/100
Dollars (\$1600.00) per acre, on 106.66666667 net acres.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADDENDUM PROVISIONS - #40 AND 41

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of one thousand six hundred dollars (\$1600.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to June 16, 2015, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

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

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



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

STATE OF TEXAS

LESSEE: PETROHAWK PROPERTIES, LP

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

BY: JAMES CASH THOMPSON
Individually and as Agent for the State of Texas

BY: John W. Walsh, Attorney-in-Fact

Date: 6/27/12

Date: 7/9/2012



STATE OF TEXAS

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared John W. Walsh
known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-in-Fact
of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas limited partnership and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said limited partnership.

Given under my hand and seal of office this the 9th day of July, 2012.

Notary Public in and for Texas



STATE OF OKLAHOMA

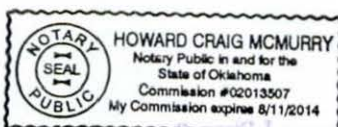
(ACKNOWLEDGMENT)

COUNTY OF Carter

BEFORE ME, the undersigned authority, on this day personally appeared JAMES CASH THOMPSON known to me to be the person whose
name is subscribed to the foregoing instruments and acknowledged to me that he executed the same for the purposes and consideration therein
expressed, in the capacity stated and as his free act and deed.

Given under my hand and seal of office this the 27 day of June, 2012.

Notary Public in and for Oklahoma



TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas,
this _____ day of _____, 20____.

12-05299
DIANNE O. FLOREZ
COUNTY CLERK
2012 Jul 19 at 04:22 PM
REEVES COUNTY, TEXAS
By: AC Aurora C. DEPUTY

91495

File No. 114284
Lease (A-D)
Date Filed: 7/24/12
Jerry E. Patterson, Commissioner
By GH

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Lease (A-D) dated June 11, 2012 filed for record in my office this 19th day of July, 2012, at 11:22 AM, under Clerk's File No. 12-0574 to be recorded in the Official Public Record Records of Reeves County, Texas.

THIS TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 19th day of July, 2012.

By Mary Clark, Deputy: DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

PETROHAWK ENERGY CORPORATION

1000 LOUISIANA STREET, SUITE 5680 • HOUSTON, TX 77002 832-204-2787

CHECK NO.

107344

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
AMB28JUNE201 2-2	6/28/12	CKREQ-GENERA L.LAND.OFFICE-0 6/29/12 SOIL OWNER: ANN THOMPSON WHITE 1/3, JOHN M THOMPSON	512,000.00			512,000.00
				12713795 <u>Bonus</u> MF114284A B 170,666.67 C 170,666.67 D 85,333.33 85,333.33 <u>512,000.00</u>	(P)	
VENDOR				CHECK DATE	TOTAL	121 \$512,000.00
478045 TEXAS GENERAL LAND OFFICE				06/29/12		

JULY 2, 2012 REQUEST

Section 18, Block 54, Township 4, T & P RR Co. Survey, Reeves County, Texas

THE SE/4 AND THE NW/4

Lessor	Gross Ac	Interest	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Petco Limited	320	1/2	160.00000000	\$1,600.00	\$128,000.00	\$128,000.00	\$256,000.00
TOTALS		1/2	160.00000000		\$128,000.00	\$128,000.00	\$256,000.00

Section 28, Block 54, Township 4, T & P RR Co. Survey, Reeves County, Texas

Lessor	Gross Ac	Interest	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Ann Thompson White ✓	640	1/3	213.33333333	\$1,600.00	\$170,666.67	\$170,666.67	\$341,333.33
John M. Thompson, III ✓	640	1/6	106.66666667	\$1,600.00	\$85,333.33	\$85,333.33	\$170,666.67
James Cash Thompson ✓	640	1/6	106.66666667	\$1,600.00	\$85,333.33	\$85,333.33	\$170,666.67
James Cash Thompson, et ux ✓	640	1/3	213.33333333	\$1,600.00	\$170,666.67	\$170,666.67	\$341,333.33
TOTALS		1	640.00000000		\$512,000.00	\$512,000.00	\$1,024,000.00

Section 18, Block 54, Township 4, T & P RR Co. Survey, Reeves County, Texas

THE SW/4 AND THE NE/4

Lessor	Gross Ac	Interest	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Dean Eric Skinner	320	1/16	20.00000000	\$1,600.00	\$16,000.00	\$16,000.00	\$32,000.00
Timothy A. Skinner	320	1/16	20.00000000	\$1,600.00	\$16,000.00	\$16,000.00	\$32,000.00
J&M Raymond, Ltd	320	1/3	106.66666667	\$1,600.00	\$85,333.33	\$85,333.33	\$170,666.67
Vaughan-McElvain Energy, Inc.	320	5/12	133.33333333	\$1,600.00	\$106,666.67	\$106,666.67	\$213,333.33
The Revocable Living Trust of E.P. Williams and Dorothy Jane Williams	320	1/8	40.00000000	\$1,600.00	\$32,000.00	\$32,000.00	\$64,000.00
TOTALS		1	320.00000000		\$256,000.00	\$256,000.00	\$512,000.00

EXPLORATION LAND SERVICES, LLC

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

July 2, 2012

Via FedEx

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

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

Dear Drew:

Enclosed herewith, please find five (5) checks, made payable to the Commissioner of the General Land Office, as well as a copy of each check. Also enclosed is a report prepared for you containing a calculated breakdown of the interests and property the checks cover.

<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
06/29/2012	107342	\$35,625.00
06/29/2012	107343	\$128,000.00
MF114284 A-D 06/29/2012	107344	\$512,000.00
06/29/2012	107345	\$256,000.00
06/29/2012	107346	\$106,000.00

Please sign and return the copies of the checks to me in the enclosed prepaid envelope.

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

Sincerely yours,


Natalie Holeman

encl.

EXPLORATION LAND SERVICES, LLC

Texas General Land Office

Date • Type Reference
7/23/2012 Bill Filing&ProcessingFee

Original Amt.
2,250.00

Balance Due
2,250.00

7/23/2012

Discount

Check Amount

Payment
2,250.00
2,250.00

4049

12714759
12/8

Iberia Bank

Filing Fees-26 Leases; Processing Fees- 16 Tra

X 2,250.00

EXPLORATION LAND SERVICES, LLC

Texas General Land Office

Date • Type Reference
7/23/2012 Bill Filing&ProcessingFee

Original Amt.
2,250.00

Balance Due
2,250.00

7/23/2012

Discount

Check Amount

Payment
2,250.00
2,250.00

4049

Iberia Bank

Filing Fees-26 Leases; Processing Fees- 16 Tra

2,250.00

EXPLORATION LAND SERVICES, LLC

Texas General Land Office

Date • Type Reference
7/23/2012 Bill Filing&ProcessingFee

Original Amt.
2,250.00

Balance Due
2,250.00

7/23/2012

Discount

Check Amount

Payment
2,250.00
2,250.00

4049

**Please sign and date the copy
of the check and return it in
the enclosed envelope.
Thanks!**

Received By: _____

Del. Basin Leasing

Iberia Bank

Filing Fees-26 Leases; Processing Fees- 16 Tra

2,250.00

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

December 3, 2012

Micah Strother
Petrohawk Properties
1360 Post Oak, Suite 150
Houston, Texas 77056

Re: **State Lease MF 114284**

Four RAL leases covering 640 ac., Sec. 28, Blk. 54, T-4, A-2862, T&P Ry Co. Survey, Reeves Co, TX

Dear Mr. Strother:

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

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

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

Your remittances are set out on Page 2 and have been applied to the State's portion of the cash bonus. We are also in receipt of the processing and filing fees.

Sincerely yours,

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

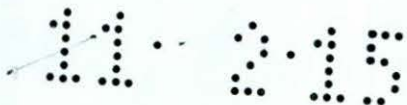
Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

<u>State Lease No.</u>	<u>Lessor as agent for State of TX</u>	<u>Dated</u>	<u>Recorded Vol/Page</u>	<u>Bonus Amount</u>
MF114284A	James & Kimberly Thompson	06/16/12	File 12-05300	\$170,666.67
MF114284B	Ann Thompson White	06/16/12	File 12-05297	\$170,666.67
MF114284C	John Thompson III	06/16/12	File 12-05298	\$85,333.34
MF114284D	James Cash Thompson	06/16/12	File 12-05299	\$85,333.34



TO: Panther Energy Company II, LLC
6100 S. Yale
Suite 600
Tulsa, OK 74136

DIVISION ORDER

Date: October 28, 2015
Effective Date: September 1, 2015

The undersigned certifies the ownership of their decimal of interest in production or proceeds as described hereinbelow payable by Panther Energy Company II, LLC (Panther II).

Panther II 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.

OWNER NAME/ADDRESS

OWNER: TEX0026

TEXAS GENERAL LAND OFFICE
P O BOX 12873
AUSTIN TX 78711-2873

Panther II 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 Panther II any amount attributable to an interest to which the undersigned is not entitled.

Panther II may accrue proceeds until the total amount equals \$25.00 or pay annually, whichever occurs first, or as required by applicable state statutes.

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 Panther II may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: None

<u>PROPERTY</u>	<u>PROPERTY NAME</u>	<u>COUNTY/PARISH</u>	<u>ST</u>	<u>LEGAL DESCRIPTION</u>	<u>REVENUE</u> <u>INTEREST</u>	<u>INT</u> <u>TYPE</u>	<u>PROD</u>
4203-000012	CIRCE STATE 28-1H	REEVES	TX	SEC 28, BLK 54, T4S, T&P SUVERY	0.12500000	OTH	ALL
OPERATOR: PANTHER ENERGY COMPANY II LLC							

STATE LEASE ^{MF}114284, DRILLING PERMIT #08-806078 (API 42-389-34865)

IMPORTANT: TO AVOID DELAY IN PAYMENT, YOUR SOCIAL SECURITY NUMBER OR TAX IDENTIFICATION NUMBER MUST BE SHOWN BELOW. FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER WILL RESULT IN 28% WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW AND ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR. BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN.

WITNESSES/ATTEST:

OWNERS SIGN HERE

TAX I.D./SOCIAL SEC. NO.

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Daytime phone: _____ Fax: _____ Email: _____

INTEREST/FUNDS RELEASED FOR PAYMENT BY _____ DATE: _____ VERIFIED BY: _____ DATE: _____



Panther Energy Company II, LLC

6100 S. Yale, Ste 600
Tulsa, OK 74136
Main (918) 583-1396
Fax (918) 583-5396

October 28, 2015

The State of Texas
General Land Office
1700 N Congress Avenue
Austin TX 78701

Re: State Lease MF-114284
Circe State 28-1H Well
Section 28, Block 54, T4S, T&P Survey
Reeves Co TX
API #42-389-34865

Gentlemen:

Panther Energy Company II, LLC completed the Circe State 28-1H Well as a producer with first sales in September 2015.

Enclosed is our division order in duplicate for execution along with a W-9 form. Please sign a copy of each and return them to me. Revenues will be distributed in November.

Please contact me if you have any questions or concerns. Thank you.

Diane Wehrenberg

Diane Wehrenberg
Land Administrator
dianew@pantherenergy.us
918/551-7146 direct line

Enclosures



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 14, 2016

Diane Wehrenberg
Panther Energy Company II, LLC
6100 S. Yale, Ste 600
Tulsa, OK 74136

Re: State Lease No. MF114284 Circle State 28 1H

Dear Mrs. Wehrenberg:

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

File No. ME 114284

Division Order

Date Filed: 4-14-16

George P. Bush, Commissioner

By UH



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 16, 2016

Certified Mail: 7011 1150 0001 2416 7098

Mr. Steve Towns
Consultant for Panther Exploration, LLC
Towns & Hagemann, Inc.
1301 Nueces Street
Suite 102
Austin, Texas 78701

RE: Your Application Requesting Permission to Surface Commingle Oil and Gas Production from the Monroe State 32 Lease, Upland Fee Lease MF110731, the Circe State 28 Lease, RAL Lease MF114284, and the Maisie State 10 Lease, Upland Fee Lease MF110730, RRC Commingling Permit 08-7386, Reeves County, Texas.

Dear Mr. Towns:

Please reference your letter, with attachments, dated May 30, 2016 requesting permission to surface commingle the subject state leases at the Monroe State Central Production Facility (CPF).

Panther Exploration, LLC staff propose to separate then meter the gas, oil, and water production from each individual state unit utilizing dedicated three-phase production separators equipped with meters prior to commingling the production into common separation and storage at the Monroe State CPF. The purpose of the commingling permit is to allow commingling of the oil and gas production from multiple RRC leases and State leases into common separation and storage at the Monroe State CPF.

In this specific case, the production royalty shall be due based on the proportionate share of the gross or total energy content (MMBTUs) of gas and stock tank barrels of oil produced monthly as determined by the metered volumes obtained monthly by Panther Exploration staff. The gas volume and MMBTU amount produced at each well shall be adjusted to account for gas lift supply volumes where appropriate.

According to the narrative provided with the application, Panther Exploration staff propose to allocate the gas production of each state lease by application of the molecular balance method using the separated and metered gas volumes.

Since Panther Exploration staff has not requested permission to utilize gas lift and off-lease gas supply (buy-back gas) on the subject leases to date, pursuant to the terms of the State's leases, then I will address the gas lift operations in the scope of this letter.

Mr. Steve Towns
Consultant for Panther Exploration, LLC
Towns & Hagemann, Inc.
June 16, 2016
Page 2 of 3

Please be advised that the subject application is approved **subject to the following conditions.**

1. The Lessee is authorized to conduct gas lift operations and to utilize off-lease gas for gas lift purposes on condition that the gas lift supply gas is continuously metered and that the gas BTU content and component analysis obtained at each gas lift supply meter shall be determined by gas sample chromatographic analysis.
2. All lease oil production royalties shall be due based on the proportionate share of the total oil production (in stock tank barrels) that are allocated to each RRC Lease ID determined by the oil meter readings of the Coriolis type meters at the dedicated three-phase metering production separators serving each lease. The oil meter volumes shall be corrected from the indicated volumes to stock tank barrels per API MPMS methods. In this specific case the Lessee may pay monthly oil royalties per Texas Administrative Code (TAC) Title 31, Part 1, Chapter 9, Subchapter D, Rule §9.51.
3. All lease gas production royalties shall be due based on the proportionate share of the total gas production determined by the sum of: (1) the gas production volumes and energy content remaining after accounting for any applicable gas lift contribution as measured at the orifice meter located downstream of each well's dedicated metering separator, (2) the applicable separator flash gas as determined by the performance of laboratory flash separation tests or per industry standard correlations (i.e. Vasquez and Beggs) based on the proportionate share of the total monthly oil production allocated to each lease well; and 3) any other non-sales dispositions such as fuel, vent, and flare volumes. The gas BTU content and component analysis obtained at each well separator and facility gas meter shall be determined by gas sample chromatographic analysis or other industry-accepted practices.
4. Retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas analyses reports, and shrinkage/flash gas calculation records for all state lease wells in the scope of the commingle permit for a period of at least seven (7) years after creation of each report or record.
5. All measurement shall be in accordance with the American Gas Association (AGA) standards and all applicable chapters of the American Petroleum Institute (API) Manual of Petroleum Measurement Standard (MPMS).
6. All measuring equipment (oil and gas) shall be calibrated and adjusted as necessary by Lessee or as frequently as deemed necessary due to cleaning, repair, replacement, or any other condition that affects the accuracy, repeatability, and linearity of a meter, but not less frequently than once per calendar quarter, at intervals not to exceed 100 days.
7. All liquid hydrocarbon meters installed on each well/lease separator shall be proved/calibrated per API MPMS Chapter 12.2 either: (1) on-site while in service using the hydrocarbon liquids (oil/condensate) produced by that well, or (2) off-site at a suitable proving/calibration facility using a fluid as close to the viscosity of the produced fluid as practicable and (3) the prover flow rate shall be representative of the typical separator flow rate observed during an oil "dump" cycle in the field, and (4) the maximum allowable change in Meter Factor (MF) between two sequential proving results shall be less than or equal to two percent (2.0%).

Mr. Steve Towns
Consultant for Panther Exploration, LLC
Towns & Hagemann, Inc.
June 16, 2016
Page 3 of 3

8. Any changes to the flow process, metering scheme, or the addition of any wells that are not currently processed at the commingling facility shall require the Lessee to obtain permission from the GLO prior to making said changes.

If you have questions, please contact me at (512) 475-2230, or by FAX at (512) 475-1543. My e-mail address is matthew.scott@glo.state.tx.us

Sincerely,

A handwritten signature in black ink that reads "Matthew T. Scott". The signature is written in a cursive, flowing style.

Matthew T. Scott, P.E.
Petroleum Engineer
Energy Resources/Mineral Leasing

cc: Robert Hatter, Deputy Director of Energy Resources
Dale Sump, Director of Minerals Audit

6

File No. MF114284

REEVES County

AGREE TO COMMINGLE 6/16/16

Date Filed: 8/2/16

George P. Bush, Commissioner

By MTSCOTT



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 3, 2016

Certified Mail: 7016 2070 0000 7391 7512

Mr. Steve Towns
Consultant for Panther Exploration, LLC
Towns & Hagemann, Inc.
1301 Nueces Street
Suite 102
Austin, Texas 78701

RE: Your Application Requesting Permission to Surface Commingle Oil and Gas Production from the Monroe State 32 Lease, Upland Fee Lease MF110731, the Circe State 28 Lease, RAL Lease MF114284, the Louis State 24 Lease, Upland Fee Lease MF110728, and the Maisie State 10 Lease, Upland Fee Lease MF110730, RRC Commingling Permit 08-7386, Reeves County, Texas.

Dear Mr. Towns:

Please reference your letter, with attachments, dated October 20, 2016 requesting permission to amend commingling permit 08-7386 to add the Louis State 24 Lease (MF110728) to the scope of oil leases surface commingled at the Monroe State Production Facility (PF).

Panther Exploration, LLC staff propose to separate then meter the gas, oil, and water production from each individual state lease utilizing dedicated three-phase production separators equipped with meters prior to commingling the production into common separation and storage at the Monroe State PF. The purpose of the commingling permit is to allow commingling of the oil and gas production from multiple RRC leases and State leases into common separation and storage at the Monroe State PF.

In this specific case, the production royalty shall be due based on the proportionate share of the gross or total energy content (MMBTUs) of gas and stock tank barrels of oil produced monthly as determined by the metered volumes obtained monthly by Panther Exploration staff. The gas volume and MMBTU amount produced at each well shall be adjusted to account for gas lift supply volumes where appropriate.

According to the narrative provided with the application, Panther Exploration staff propose to allocate the gas production of each state lease by application of the molecular balance method using the separated and metered gas volumes.

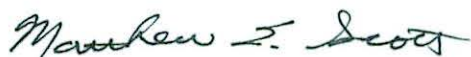
Please be advised that the subject application is approved **subject to the following conditions.**

1. All lease oil production royalties shall be due based on the proportionate share of the total oil production (in stock tank barrels) that are allocated to each RRC Lease ID determined by the oil meter readings of the Coriolis type meters at the dedicated three-phase metering production separators serving each lease. The oil meter volumes shall be corrected from the indicated volumes to stock tank barrels per API MPMS methods. In this specific case the Lessee may pay monthly oil royalties per Texas Administrative Code (TAC) Title 31, Part 1, Chapter 9, Subchapter D, Rule §9.51.
2. All lease gas production royalties shall be due based on the proportionate share of the total gas production determined by the sum of: (1) the gas production volumes and energy content remaining after accounting for any applicable gas lift contribution as measured at the orifice meter located downstream of the dedicated metering separator serving each lease, (2) the applicable separator flash gas as determined by the performance of laboratory flash separation tests or per industry standard correlations (i.e. Vasquez and Beggs) based on the proportionate share of the total monthly oil production allocated to each lease well; and (3) any other non-sales dispositions such as fuel, vent, and flare volumes. The gas BTU content and component analysis obtained at each well separator and facility gas meter shall be determined by gas sample chromatographic analysis or other industry-accepted practices.
3. Retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas analyses reports, and shrinkage/flash gas calculation records for all state lease wells in the scope of the commingling permit for a period of at least seven (7) years after creation of each report or record.
4. All measurement shall be in accordance with the American Gas Association (AGA) standards and all applicable chapters of the American Petroleum Institute (API) Manual of Petroleum Measurement Standard (MPMS).
5. All measuring equipment (oil and gas) shall be calibrated and adjusted as necessary by Lessee or as frequently as deemed necessary due to cleaning, repair, replacement, or any other condition that affects the accuracy, repeatability, and linearity of a meter, but not less frequently than once per calendar quarter, at intervals not to exceed 100 days.
6. All liquid hydrocarbon meters installed on each well/lease separator shall be proved/calibrated per API MPMS Chapter 12.2 either: (1) on-site while in service using the hydrocarbon liquids (oil/condensate) produced by that well, or (2) off-site at a suitable proving/calibration facility using a fluid as close to the viscosity of the produced fluid as practicable and (3) the prover flow rate shall be representative of the typical separator flow rate observed during an oil "dump" cycle in the field, and (4) the maximum allowable change in Meter Factor (MF) between two sequential proving results shall be less than or equal to two percent (2.0%).
7. Any changes to the flow process, metering scheme, or the addition of any wells that are not currently processed at the commingling facility shall require the Lessee to obtain permission from the GLO prior to making said changes.

Mr. Steve Towns
Consultant for Panther Exploration, LLC
Towns & Hagemann, Inc.
November 3, 2016
Page 3 of 3

If you have questions, please contact me at (512) 475-2230, or by FAX at (512) 475-1543. My e-mail address is matthew.scott@glo.state.tx.us

Sincerely,

A handwritten signature in cursive script that reads "Matthew T. Scott".

Matthew T. Scott, P.E.
Petroleum Engineer
Energy Resources/Mineral Leasing

cc: Robert Hatter, Deputy Director of Energy Resources
Dale Sump, Director of Minerals Audit

7

File No. ME114284

REEVES County

AGREE TO COMMINCE

Date Filed: 3/29/2017

George P. Bush, Commissioner

By M.T. SLATT



RAILROAD COMMISSION OF TEXAS

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

Status: Approved
Date: 01/11/2017
Tracking No.: 161102

Form vv-z

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION	
Operator Name: PANTHER EXPLORATION, LLC	Operator No.: 638506
Operator Address: 6100 S YALE SUITE 600 TULSA, OK 74136-0000	

WELL INFORMATION	
API No.: 42-389-34865	County: REEVES
Well No.: 1H	RRC District No.: 08
Lease Name: CIRCE STATE 28	Field Name: PHANTOM (WOLFCAMP)
RRC Lease No.: 48114	Field No.: 71052900
Location: Section: 28, Block: 54 T4S, Survey: T&P RR CO/CLAYTON, B, Abstract: 2862	
Latitude:	Longitude:
This well is located 16.3 miles in a NW direction from PECOS, which is the nearest town in the county.	

FILING INFORMATION		
Purpose of filing: Initial Potential		
Type of completion: New Well		
Well Type: Producing	Completion or Recompletion Date:	10/01/2015
Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	05/07/2015	806078
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION		
Spud date: 06/06/2015	Date of first production after rig released:	10/01/2015
Date plug back, deepening, recompletion, or drilling operation commenced: 06/06/2015	Date plug back, deepening, recompletion, or drilling operation ended:	07/08/2015
Number of producing wells on this lease in this field (reservoir) including this well: 1	Distance to nearest well in lease & reservoir (ft.):	0.0
Total number of acres in lease: 640.00	Elevation (ft.):	2836 GL
Total depth TVD (ft.): 11377	Total depth MD (ft.):	16200
Plug back depth TVD (ft.):	Plug back depth MD (ft.):	
Was directional survey made other than inclination (Form W-12)? Yes	Rotation time within surface casing (hours):	200.0
Recompletion or reclass? No	Is Cementing Affidavit (Form W-15) attached?	Yes
Type(s) of electric or other log(s) run: Combo of Induction/Neutron/Density	Multiple completion?	No
Electric Log Other Description:		
Location of well, relative to nearest lease boundaries	Off Lease : No	
of lease on which this well is located:	250.0 Feet from the	North Line and
	500.0 Feet from the	West Line of the
	CIRCE STATE 28 Lease.	

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type
PACKET:	N/A		

W2: N/A

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

GAU Groundwater Protection Determination

Depth (ft.): 2000.0

Date: 05/15/2015

SWR 13 Exception

Depth (ft.): 4040.0

INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION

Date of test: 11/16/2015

Production method: Gas Lift

Number of hours tested: 24

Choke size: 30

Was swab used during this test? No

Oil produced prior to test: 12360.00

PRODUCTION DURING TEST PERIOD:

Oil (BBLs): 573.00

Gas (MCF): 3297

Gas - Oil Ratio: 5753

Flowing Tubing Pressure: 578.00

Water (BBLs): 4814

CALCULATED 24-HOUR RATE

Oil (BBLs): 573.0

Gas (MCF): 3297

Oil Gravity - API - 60.: 50.0

Casing Pressure: 1866.00

Water (BBLs): 4814

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	9 5/8	12 1/4	3490			C	1550	2470.0	SURF	Circulated to Surface
2	Intermediate	7	8 3/4	11551			H	1150	2260.0	ACE 3300	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	4 1/2	6 1/8	10878	16173	H	800	1540.0	10878	Circulated to Surface

TUBING RECORD

Row	Size (in.)	Depth (ft.)	Packer Depth (ft.)/Type
1	3 1/2	10520	/

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 11620	16050.0

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

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 9000

Actual maximum pressure (PSIG) during hydraulic fracturing: 9484

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

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)
1	Fracture	5,724,900 LB 40/70; 2,909,700 LB MESH; 54,500 GAL ACID	11620 16050

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	No			No	PINCH-OUT
CASTILLE	No			No	PINCH-OUT
BELL CANYON	Yes	3968.0	3970.0	Yes	
DELAWARE	No			No	PINCH-OUT
DELAWARE CONSOLIDATED GAS	No			No	PINCH-OUT
CHERRY CANYON	Yes	4958.0	4960.0	Yes	
BRUSHY CANYON	Yes	6218.0	6220.0	Yes	
BONE SPRINGS	Yes	7407.0	7410.0	Yes	
PERMIAN	No			No	PINCH-OUT
WOLFCAMP	Yes	10426.0	10435.0	Yes	
PENNSYLVANIAN	No			No	NOT DEEP ENOUGH
MISSISSIPPIAN	No			No	NOT DEEP ENOUGH
DEVONIAN	No			No	NOT DEEP ENOUGH
FUSSELMAN	No			No	NOT DEEP ENOUGH
ELLENBURGER	No			No	NOT DEEP ENOUGH

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)? No

Is the completion being downhole commingled (SWR 10)? No

REMARKS

KOP @ 10975

RRC REMARKS**PUBLIC COMMENTS:**

[RRC Staff 2016-10-12 13:04:29.323] EDL=4430 feet, max acres=640, PHANTOM (WOLFCAMP) oil or gas well

CASING RECORD :**TUBING RECORD:****PRODUCING/INJECTION/DISPOSAL INTERVAL :****ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :**

SEE FRACFOCUS FOR MORE DETAILS

POTENTIAL TEST DATA:

OPERATOR'S CERTIFICATION

Printed Name: Rosaline Kinard

Title:

Telephone No.: (918) 551-5168

Date Certified: 01/09/2017

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

ELECTRIC LOG
STATUS REPORT

FORM L-1

Tracking No.: 161102

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: PANTHER EXPLORATION, LLC	District No. 08	Completion Date: 10/01/2015
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 806078	
Lease Name CIRCE STATE 28	Lease/ID No. 48114	Well No. 1H
County REEVES	API No. 42- 389-34865	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential. ☐

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion:

Lease or ID No(s). _____

Well No(s). _____

Rosaline Kinard

Signature

PANTHER EXPLORATION, LLC

Name (print)

Title

(918) 551-5168

Phone

10/10/2016

Date

-FOR RAILROAD COMMISSION USE ONLY-



This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 161102

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule CIRCE STATE 28		
3. Current operator name exactly as shown on P-5 Organization Report PANTHER EXPLORATION, LLC		4. Operator P-5 no. 638506	5. Oil Lse/Gas ID no. 48114	6. County REEVES
8. Operator address including city, state, and zip code 6100 S YALE SUITE 600 TULSA, OK 74136		9. Well no(s) (see instruction E) 1H		7. RRC district 08
10. Classification ☒ Oil ☐ Gas ☐ Other (see instruction A)				11. Effective Date 10/01/2015

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

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

☐ field name from _____
☐ lease name from _____

--- OR ---

b. New RRC Number for: ☒ oil lease ☐ gas well ☐ other well (specify) _____ Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil
☐ consolidation, unitization, or subdivision (oil lease only)

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

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X	X	ENERGY TRANSFER COMPANY(252017)	0001	100.0	

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

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take
SUNOCO PTNRS. MKTG.&TERMINALS LP(829626)	100.0

RRC USE ONLY: Reviewer's initials: RRC Staff Approval date: 01/11/2017

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

Name of Previous Operator _____	Signature _____
Name (print) _____	☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)
Title _____	Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

PANTHER EXPLORATION, LLC	Rosaline Kinard
Name (print) _____	Signature _____
Title _____	☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)
E-mail Address (optional) <u>Rosalinek@PantherEnergy.US</u>	<u>10/10/2016</u> (918) 551-5168
	Date _____ Phone with area code _____



Company: **Panther Exploration, LLC**

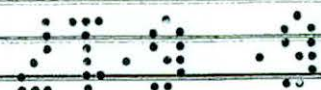
Well: **Circe State 28 #1H**

Field: **Phantom (Wolfcamp)**

County: **Reeves**

State: **Texas**

County: Reeves Field: Phantom (Wolfcamp) Location: 250' FNL x 500' FWL Well: Circe State 28 #1H Company: Panther Exploration, LLC	Array Induction Density / Neutron Gamma Ray Memory Log			
	250' FNL x 500' FWL SEC 28, BLK 54 T45, ABS 2862 T&P RR CD/ Clayton, B Survey		Elev: K B 2856.00 ft G L 2836.00 ft D F 2855.00 ft	
	Permanent Datum <u>GROUND LEVEL</u> Log Measured From <u>KELLY BUSHING</u> Drilling Measured From <u>KELLY BUSHING</u>		Elev: <u>2836.00 ft</u> 20.00 ft above Perm. Datum	
	API Serial No. 42389348650000		Section 28	Block 54 T45
Logging Date		6-Jul-2015		
Run Number		1A		
Depth Driller		16200 ft		
Schlumberger Depth		16142 ft		
Bottom Log Interval		16142 ft		
Top Log Interval		11556 ft		
Casing Driller Size @ Depth		7.000 in @ 11551 ft		
Casing Schlumberger		11556 ft		
Bt Size		6.125 in		
Type Fluid In Hole		OBM		
MUD	Density	Viscosity	12.1 lbm/gal	62 s
	Fluid Loss	PH		
	Source Of Sample		na	
RM @ Measured Temperature		@		@
RMF @ Measured Temperature		@		@
RMC @ Measured Temperature		@		@
Source RMP		RMC	na	na
RM @ MRT		RMF @ MRT	@ 166	@ 166 @
Maximum Recorded Temperature		186 degF		
Circulation Stopped		Time	6-Jul-2015	6:00
Logger On Bottom		Time	6-Jul-2015	10:00
Unit Number		Location	14	Midland
Recorded By		Richard Woods		
Witnessed By		Steve Biddick		



Groundwater
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date May 15, 2015

GAU File No.: 5801

API Number 38900000

Attention: LORI GREENWOOD

RRC Lease No. 000000

SC_638506_38900000_000000_5801.pdf

PANTHER EXPLORATION, LLC
15 E 5TH STREET
SUITE 2100
TULSA OK 74103

P-5# 638506

--Measured--

250 ft FNL

500 ft FWL

MRL: SURVEY

Digital Map Location:

X-coord/Long -103.702894

Y-coord/Lat 31.577625

Datum 27

Zone

County REEVES

Lease & Well No. CIRCE STATE 28 #1H

Purpose ND

Location SUR-T&P RR CO, A-2862, --[TD=11450], [RRC 08],

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

Water-bearing strata from the land surface to a depth of 1200 feet and the RUSTLER, which is estimated to occur from 1400 to 2000 feet must be protected.

Please send GAMMA/POROCITY log when it is available.

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

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

Sincerely,

George Dunfield

Digitally signed by George Dunfield
DN: cn=US, st=TEXAS, o=Austin, ou=Railroad
Commission of Texas, cn=George
Dunfield,
email=george.dunfield@rrc.state.tx.us
Date: 2015.05.15 16:32:34 -05'00'

George Dunfield, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL



The seal appearing on this document was authorized by George Dunfield on 5/15/2015
Note: Alteration of this electronic document will invalidate the digital signature.

Form GW-2
Rev. 02/2014

P.O. Box 12967 Austin, Texas 78711-2967 512-463-2741 Internet address: www.rrc.state.tx.us

119

**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

Status: APPROVED

Date: 05/28/2015

Application ID: 1485

Version No.: 2

Payment Trace No.:

455RM000BM64YU8

STATEWIDE RULE 13 EXCEPTION APPLICATION**PREPARER INFORMATION**

Preparer Name: Lori Greenwood Phone Number: 918-5517114
E-mail: LoriG@PantherEnergy.US Fax Number:

FILING INFORMATION

GW-1 Application ID: 5801 GAU Areal Extent: Radius Radius: 200
API Number: 38934865 Drilling Permit Number: 806078 DP Effective Date:
Is this a Tubing Exception Only Is this a First Time Tubing
Is this an area-wide Associated SWR13E application:

OPERATOR INFORMATION

Operator Name: PANTHER EXPLORATION, LLC Operator No.: 638506
Address Line 1: 15 E 5TH STREET SUITE 2100
Address Line 2: City: TULSA
State: OK Postal Code: 74103

WELL IDENTIFICATION INFORMATION

Field Name:
County: REEVES District: 08 Well Number: 1H
Lease Name: CIRCE STATE 28

GPS COORDINATES INFORMATION

NAD: NAD27 Format: State Plane Zone: Central
Latitude Degrees: 0 Longitude Degrees: 0
Latitude Minutes: Longitude Minutes:
Latitude Seconds: Longitude Seconds:
Decimal Degrees Latitude: 33.636692 Decimal Degrees Longitude: -102.697496
State Plane X-Coordinate: 950831 State Plane Y-Coordinate: 710892

SURVEY INFORMATION

Survey Name: T&P RR CO/CLAYTON, B Abstract No.: 2862
Block: 54 T4S Township: Section: 28
Tract: Lot: League:
Labor: Porcion: Share:

REFERENCE LINES INFORMATION

Reference Line:
First Distance: 250 First Direction: North
Second Distance: 500 Second Direction: West

ADDITIONAL INFORMATION

Nearest Town: Distance to Nearest Town: Direction to Nearest Town:
Total Vertical Depth: 11450 Measured Depth: 16750



APPLICATION INFORMATION

Application ID: 1485 Operator Name: PANTHER EXPLORATION, LLC
Well Number: 1H Lease Name: CIRCE STATE 28

REQUEST INFORMATION

Reason for this Request:

☐

Economic

☒

Technical

☐

Other

Additional Information for Other Reason for this Request:

Is this a proposed injection or disposal well? NO Is this a Minimum Separation well? NO

Are there any water wells within 1/4 mile of this proposed well location? NO

Are there any INJECTION or DISPOSAL wells within 1/4 mile of the proposed well location? NO

Have there been any blowouts within one mile of this wellsite ? NO

WATER WELLS

INJECTION OR DISPOSAL WELLS

BLOWOUTS

119 9

APPLICATION INFORMATION

Application ID: 1485

Operator Name: PANTHER EXPLORATION, LLC

Well Number: 1H

Lease Name: CIRCE STATE 28

REQUEST INFORMATION

Has the well drilled and completed? NO

Completion Tracking Number:

Remarks for the Application:

GAU INFORMATION

GAU Areal Extent: Radius

Radius Distance: 200

Base of Usable Quality Water (feet. determined by GAU):

Separation Points:

EXCEPTION INFORMATION

Exception Request:☐

Short Surface Casing

☒

Excess Surface Casing

☐

Single-string

☐

Tubing

Alternate Program Request:☐

Drilling Fluid

☐

Non-API Cement

☐

Other

Additional Information for Other Alternate Program Request:

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APPLICATION INFORMATION			
Application ID:	1485	Operator Name:	PANTHER EXPLORATION, LLC
Well Number:	1H	Lease Name:	CIRCE STATE 28

PROPOSED CASING AND CEMENTING PROGRAM

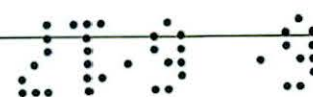
Casing Type	Hole Size(in.)	Casing O.D.(in.)	Grade	Weight (lb./ft.)	Shoe Setting Depth(ft.)	Multi-Stage Tool Depth(ft.)	No. of Centralizers
SURFACE_CASING	12.25	9.625	k55	40	4040	2210	21

Casing Type	Centralizers Placement
SURFACE_CASING	2 on 1st joint, then 1 every 4th to surfa

Casing Type	Tapered Hole Size(in.)	Tapered Casing O.D.(in.)	Tapered Grade	Tapered Weight	Tapered Setting Crossover Depth(ft.)
SURFACE_CASING					

Slurry Type	Cement Type	Free Water Content(mL water per 250 mL cement)	No. of Sacks	Yield (cu.ft./sk.)	24Hr Comp Strength (psi)	72Hr Comp Strength (psi)	Cement Height(ft.)	Percent excess Cement	Top of Cement(ft.)
TAIL	class C	1.0	350	1.33	1926	2312	714	50	1486
LEAD	class C	0	680	1.92	1498	1670	1486	50	0
TAIL	class C	1.0	720	1.33	1926	2312	905	50	3135
LEAD	class C	0	1130	1.92	1498	1670	925	50	2210

Slurry Type	Cement Additives
TAIL	class C
LEAD	class C, 6% Gel, 5% salt
TAIL	class C
LEAD	class C, 6% Gel, 5% salt





APPLICATION FOR APPROVAL OF SURFACE CASING > 3500 FEET
Statewide Rule 13(b)(1)(A)
RAILROAD COMMISSION OF TEXAS

Operator's Name and Address: Panther Exploration, LLC
15 E 5th Street, Suite 2100
Tulsa, OK 74103

P5 Number:

Area for review: 638506
Lease Name: CIRCE STATE 28-1H
Field Name: PHANTOM (WOLFCAMP) County: REEVES
Survey: T&P RR CO. Abstract: 2862
Drilling Permits: 806078
Note: Attach a map if the request is for more than one pad.

How will the operator maintain well control during drilling operations:

We will have the proper mud weight and employ a rotating head for pressure control.

How will the operator ensure cement is circulated to surface and that there is adequate bonding of cement:

We will run a DV tool in the casing string and pump 150% excess cement to ensure cement reached surface.

How will the operator prevent the migration of formation fluids thru the annular space:

The pumping of 150% excess cement and the pump rates ensure that >99% of annular space is filled with cement.

Signature: Steve Biddick Name: Steve Biddick Date: 5/14/15 Phone: (918) 551-7104

RRC Use Only▶

RRC District Office Action:			
☒ Approved	☐ Approved as Modified	☐ Denied	By: <u>Ally Maynor</u> Date: 5-28-15
Remarks/Modifications:			

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Date: mo. day yr.



RAILROAD COMMISSION OF TEXAS

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

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.
Operator: Fill in other items.

CEMENTING REPORT

OPERATOR INFORMATION

Operator Name: Panther Energy	Operator P-5 No.: 638506
Cementer Name: Cement Specialists LLC	Cementer P-5 No.: 141013

WELL INFORMATION

District No.: 8	County: Reeves	
Well No.: 1H	API No.: 42-389-34865	Drilling Permit No.: 806078
Lease Name: Circe State 28	Lease No.:	
Field Name: Phantom (Wolfcamp)	Field No.: 71052900	

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☒ Surface ☐ Intermediate ☐ Liner ☐ Production			
Drilled hole size (in.): 12 1/4"		Depth of drilled hole (ft.): 3490	
Est. % wash-out or hole enlargement: 1%			
Size of casing in O.D. (in.): 9 5/8"		Casing weight (lbs/ft) and grade:	
No. of centralizers used: 9			
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.		Setting depth shoe (ft.):	
		3490	
		Top of liner (ft.):	
		Setting depth liner (ft.):	
Hrs. waiting on cement before drill-out: 17		Calculated top of cement (ft.): Surface	
Cementing date: 6/8/2015			

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	1150	C	See Remarks	2208	7050
2	400	C	Neat	532	1699
3					
Total	1550			2740	8749

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings		
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:
Size of casing In O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)
Upper: Lower:		Upper: Lower:
Tapered string size of casing In O.D. (in.)	Tapered string casing weight(lbs/ft) and grade	Tapered string no. of centralizers used
Upper: Lower:	Upper: Lower:	Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO		Setting depth shoe (ft.):
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:

SLURRY

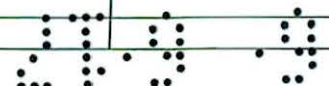
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings		
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:
Size of casing In O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)
Upper:	Lower:	Upper:
Tapered string size of casing In O.D. (in.)		Tapered string no. of centralizers used
Upper:	Lower:	Upper:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO		Setting depth tool (ft.):
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					



CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS

Lead 35/65 C + 6%Gel + 5%Salt + 0.2%C-19 + 3#Kol-Seal + 1/8#Cello-Flake
Tall Class C Neat
Circulated 291sx to pit

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Joel Soto, Engineer

Cement Specialist, LLC

Name and title of cementer's representative

Cementing Company

Signature

P.O. Box 11342

Midland

TX, 79702

(432) 617-4753

6/9/2015

Address

City,

State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Rosaline Kinard

Regulatory Analyst

Signature

Typed or printed name of operator's representative

Title

6100 S Yale Ave., Tulsa OK 74136

City,

State, Zip Code

918-551-7168

Tel: Area Code

Number

10/06/2016

Address

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dlr=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&tl=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dlr=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&tl=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.





RAILROAD COMMISSION OF TEXAS

1701 H. Congress
P.O. Box 12667
Austin, Texas 78701-2667

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION			
Operator Name: Panther Energy		Operator P-5 No.: 638506	
Cementer Name: Cement Specialists LLC		Cementer P-5 No.: 141013	

WELL INFORMATION			
District No.: 8		County: Reeves	
Well No.: 1H		API No.: 42-389-34865	Drilling Permit No.: 806078
Lease Name: Circe State 28		Lease No.:	
Field Name: Phantom (Wolfcamp)		Field No.: 71052900	

I. CASING CEMENTING DATA					
Type of Casing:	☐ Conductor	☐ Surface	☒ Intermediate	☐ Liner	☐ Production
Drilled hole size (in.):	8 3/4		Depth of drilled hole (ft.):	11551	
Size of casing in O.D. (in.):	7"		Casing weight (lbs/ft) and grade:	29	
Was cement circulated to ground surface (or bottom of cellar) outside casing?			Setting depth shot (ft.):	Top of liner (ft.): N/A	
☐ YES ☒ NO If no for surface casing, explain in Remarks.				Setting depth liner (ft.): N/A	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.): 3300		Cementing date: 6/24/2015	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	650	H	See remarks	1,625	10,812
2	500	H	See remarks	635	4,225
3					
Total	1150			2,260	15,037

II. CASING CEMENTING DATA					
Type of Casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered Production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):			Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement	
Size of casing in O.D. (in.):			Casing weight (lbs/ft) and grade:	No. of centralizers used:	
Tapered string drilled hole size (in.)			Tapered string depth off drilled hole (ft.)		
Upper: Lower:			Upper: Lower:		
Tapered string size of casing in O.D. (in.)			Tapered string casing weight (lbs/ft) and grade		
Upper: Lower:			Upper: Lower:		
Was cement circulated to ground surface (or bottom of cellar) outside casing?			☐ YES ☐ NO		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

III. CASING CEMENTING DATA					
Type of Casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered Production	☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.):			Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement	
Size of casing in O.D. (in.):			Casing weight (lbs/ft) and grade:	No. of centralizers used:	
Tapered string drilled hole size (in.)			Tapered string depth off drilled hole (ft.)		
Upper: Lower:			Upper: Lower:		
Tapered string size of casing in O.D. (in.)			Tapered string casing weight (lbs/ft) and grade		
Upper: Lower:			Upper: Lower:		
Was cement circulated to ground surface (or bottom of cellar) outside casing?			☐ YES ☐ NO		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

1199

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON

	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS

Class H 50/50 Poz 10% Gel, 5% Salt, 5 lb. Kolseal, .250 lb. Celloflake, .4% C-19, .3% C-20
 Class H 50/50 Poz 2% Gel, 5% Salt, 3 lb. Kolseal, .250 lb. Celloflake, .3 % C-12, .2% C-35, .2% C-20

CEMENTERS CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Joe Lopez Service Supervisor
 Name and Title of Cementer's Representative

Cement Specialists LLC
 Cementing Company

Signature

P.O Box 11342 **Midland** **TX** **79705**
 Address City State Zip Code

432-617-2243
 Tel: Area Code Number

6/24/2015
 Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Rosaline Kinard
 Typed or printed name of operator's representative

Regulatory Analyst
 Title

Signature

6100 S Yale Ave., Suite 600, Tulsa OK 74136
 Address City State Zip Code

918-551-7168
 Tel: Area Code Number

10/06/2016
 Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiphase Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
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- Estimated % wash-out:** If the estimated % wash out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoes. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiphase Completion. An Operator may be Required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

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RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.

Operator: Fill in other items.

OPERATOR INFORMATION

Operator Name: Panther Energy

Operator P-5 No.: 638506

Cementer Name: Cement Specialists LLC

Cementer P-5 No.: 141013

WELL INFORMATION

District No.: 8

County: Reeves

Well No.: 1H

API No.: 42-389-34865

Drilling Permit No.: 806078

Lease Name: Circe State 28

Lease No.:

Field Name: Phantom (Wolfcamp)

Field No.: 71052900

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☒ Liner ☐ Production

Drilled hole size (in.): 6 1/8"

Depth of drilled hole (ft.): 16173'

Est. % wash-out or hole enlargement: 1%

Size of casing in O.D. (in.): 4 1/2"

Casing weight (lbs/ft) and grade:

No. of centralizers used: 0

Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.

Setting depth shoe (ft.):

Top of liner (ft.): 10878'

Setting depth liner (ft.): 16173'

Hrs. waiting on cement before drill-out:

Calculated top of cement (ft.): 10879'

Cementing date: 7/8/2015

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	300	H	Remarks	750	7,962
2	500	H	Remarks	790	8,386
3					
Total	800			1540	16,348

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings

Drilled hole size (in.):

Depth of drilled hole (ft.):

Est. % wash-out or hole enlargement:

Size of casing in O.D. (in.):

Casing weight (lbs/ft) and grade:

No. of centralizers used:

Tapered string drilled hole size (in.)

Tapered string depth of drilled hole (ft.)

Upper:

Lower:

Upper:

Lower:

Tapered string size of casing in O.D. (in.)

Tapered string casing weight (lbs/ft) and grade

Tapered string no. of centralizers used

Upper:

Lower:

Upper:

Lower:

Upper:

Lower:

Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO

Setting depth shoe (ft.):

Hrs. waiting on cement before drill-out:

Calculated top of cement (ft.):

Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings

Drilled hole size (in.):

Depth of drilled hole (ft.):

Est. % wash-out or hole enlargement:

Size of casing in O.D. (in.):

Casing weight (lbs/ft) and grade:

No. of centralizers used:

Tapered string drilled hole size (in.)

Tapered string depth of drilled hole (ft.)

Upper:

Lower:

Upper:

Lower:

Tapered string size of casing in O.D. (in.)

Tapered string casing weight (lbs/ft) and grade

Tapered string no. of centralizers used

Upper:

Lower:

Upper:

Lower:

Upper:

Lower:

Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO

Setting depth tool (ft.):

Hrs. waiting on cement before drill-out:

Calculated top of cement (ft.):

Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

CEMENTER'S CERTIFICATE TO PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS
Lead: 60/60 H + 10%Gel + 0.6%C-19 + 0.3%C-20 + 0.2%C-35 + 1/4#Cello-Flake + 5#Kol-Seal Tail: Super H + 0.7%C-47B + 0.4%C-20 + 0.1%C-35 Circulated 270sx to surface

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Omar Ontiveros, Operations

Cement Specialist, LLC



Name and title of cementer's representative

Cementing Company

Signature

P.O. Box 11342

Midland

TX, 79702

(432) 617-4753

7/8/2015

Address

City

State

Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Rosaline Kinard

Regulatory Analyst

Signature

Typed or printed name of operator's representative

Title

6100 S Yale Ave., Suite 600, Tulsa OK 74136

918-551-7168

10/06/2016

Address

City

State

Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.



PANTHER EXPLORATION LLC

LEASE NAME & WELL NO.:
CIRCE STATE 28-1H "AS-DRILLED"

TOPOGRAPHY & VEGETATION:
NATURAL MESQUITE PASTURE

NEAREST TOWN IN COUNTY:
±16.3 MILES NORTHWEST OF PECOS, TEXAS

DESCRIPTION:
SECTION 28, BLOCK 54, T-4, T. & P. RR. CO. SURVEY, A-2862
REEVES COUNTY, TEXAS

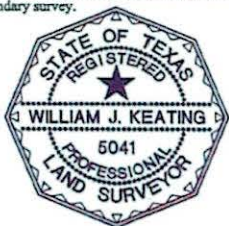
SPECIAL NOTES:

Original Document Size: 8.5"x14"

All Coordinates are in NAD 27 TX-C Zone unless otherwise noted.

CERTIFICATION:

This well location shown on this permit plat was surveyed under my direct supervision. All As-Drilled information provided by client. This plat is for Texas Railroad Commission permit purpose only and should not be considered a boundary survey.



William J. Keating
Texas Reg. No. 5041



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

2603 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 662-1653 OR (800) 787-1653 • FAX (432) 662-1743
WWW.TOPOGRAPHIC.COM

Texas FIRM Registration NO. 10042500

AD_CIRCE_STATE_28_1H_REV1

Surface Hole Location:

250' FNL & 500' FWL
SHL Ground Elevation: 2836'
X = 950831 Y = 710892
LAT.: N 31.5776262 LONG.: W 103.7028944
NAD 83 TX-C ZONE

X = 1247294 Y = 10553468
LAT.: N 31.5777567 LONG.: W 103.7033555

Penetration Point:

411' FNL & 482' FWL
X = 950808 Y = 710732
LAT.: N 31.5771837 LONG.: W 103.7029500

First Take Point:

628' FNL & 497' FWL
X = 950816 Y = 710514
LAT.: N 31.5765872 LONG.: W 103.7029027

Last Take Point:

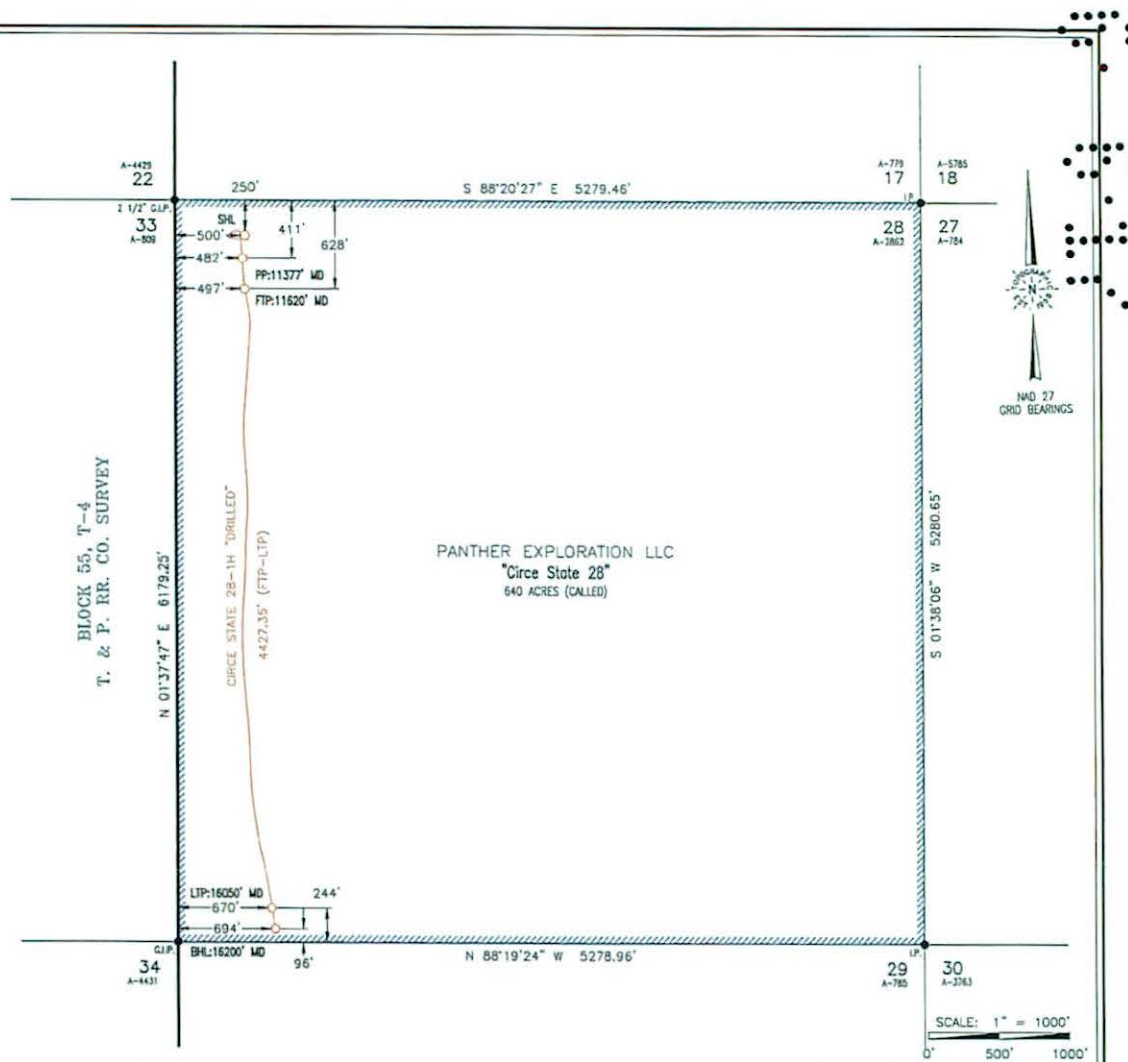
244' FSL & 670' FWL
X = 950864 Y = 706104
LAT.: N 31.5644719 LONG.: W 103.7023209

Bottom Hole Location:

96' FNL & 694' FWL
X = 950884 Y = 705955
LAT.: N 31.5640650 LONG.: W 103.7022432

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



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

CIRCE STATE 28-1H
MF-114284 A-D

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 806078	DATE PERMIT ISSUED OR AMENDED May 07, 2015	DISTRICT * 08
API NUMBER 42-389-34865	FORM W-1 RECEIVED Apr 29, 2015	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 640
OPERATOR PANTHER EXPLORATION, LLC 15 E 5TH STREET SUITE 2100 TULSA, OK 74103-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME CIRCE STATE 28		WELL NUMBER 1H
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 11450
Section, Block and/or Survey SECTION 28 BLOCK 54 T4S ABSTRACT 2862 SURVEY T&P RR CO/CLAYTON, B		
DISTANCE TO SURVEY LINES 250 ft. NORTH 500 ft. WEST		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. NORTH 500 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
PHANTOM (WOLFCAMP) CIRCE STATE 28	640.00 200	11,450 0
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 250.0 F NORTH L 500.0 F WEST L Terminus Location Lease Lines: 200.0 F SOUTH L 500.0 F WEST L Survey Lines: 200.0 F SOUTH L 500.0 F WEST L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data

REEVES (389) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
FORD-DELAWARE	2,500	2,500		1	12/17/2013
CASTILLE	2,800	2,800		2	12/17/2013
BELL CANYON	4,800	5,000		3	12/17/2013
DELAWARE	2,500	5,700		4	12/17/2013
DELAWARE CONSOLIDATED GAS	6,500	6,500		5	12/17/2013
CHERRY CANYON	3,800	7,800		6	12/17/2013
BONE SPRINGS	7,500	9,800		7	12/17/2013
PERMIAN	11,300	11,300		8	12/17/2013
WOLFCAMP	10,000	12,300		9	12/17/2013
PENNSYLVANIAN	11,000	14,900		10	12/17/2013
MISSISSIPPIAN	10,000	16,000		11	12/17/2013
DEVONIAN	13,600	17,800		12	12/17/2013
FUSSELMAN	14,000	17,800		13	12/17/2013
ELLENBURGER	15,000	20,800		14	12/17/2013

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.state.tx.us/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>



API No. <u>42-389-34865</u> Drilling Permit # <u>806078</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.				FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. 638506		2. Operator's Name (as shown on form P-5, Organization Report) PANTHER EXPLORATION, LLC			3. Operator Address (include street, city, state, zip): 15 E 5TH STREET SUITE 2100 TULSA, OK 74103-0000		
4. Lease Name CIRCE STATE 28		5. Well No. 1H					
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 11450		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. 08		12. County REEVES		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore			
14. This well is to be located <u>16.3</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 28	16. Block 54 T4S	17. Survey T&P RR CO/CLAYTON, B		18. Abstract No. A-2862	19. Distance to nearest lease line: 200 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 640	
21. Lease Perpendiculars: <u>250</u> ft from the <u>NORTH</u> line and <u>500</u> ft from the <u>WEST</u> line.							
22. Survey Perpendiculars: <u>250</u> ft from the <u>NORTH</u> line and <u>500</u> ft from the <u>WEST</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	
08	71052900	PHANTOM (WOLFCAMP)		Oil or Gas Well	11450	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [RRC STAFF May 7, 2015 1:08 PM]: Changed distance to nearest lease line to match plat.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. Lori Greenwood, Regulatory @ Production Analyst Name of filer <u>(918)5517114</u> Phone Date submitted <u>Apr 29, 2015</u> E-mail Address (OPTIONAL) <u>LoriG@PantherEnergy.US</u>			
RRC Use Only Data Validation Time Stamp: May 7, 2015 2:35 PM(Current Version)							

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

Form W-1H 07/2004
Supplemental Horizontal Well Information

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

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

Permit #	806078
Approved Date:	May 07, 2015

1. RRC Operator No. 638506	2. Operator's Name (exactly as shown on form P-5, Organization Report) PANTHER EXPLORATION, LLC	3. Lease Name CIRCE STATE 28	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 28	7. Block 54 T4S	8. Survey T&P RR CO/CLAYTON, B	9. Abstract 2862
		10. County of BHL REEVES	
11. Terminus Lease Line Perpendiculars 200 ft. from the South line. and 500 ft. from the West line			
12. Terminus Survey Line Perpendiculars 200 ft. from the South line. and 500 ft. from the West line			
13. Penetration Point Lease Line Perpendiculars 250 ft. from the North line. and 500 ft. from the West line			

CERTIFICATE OF COMPLIANCE
TRANSPORTATION AUTHORITY

P-4

5/02—www-1

CIRCE STATE 28-1H
MF-114284 A-D

INSTRUCTIONS ON BACK

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule CIRCE STATE 28					
3. Current operator name exactly as shown on P-5 Organization Report RKI EXPLORATION & PRODUCTION LLC		4. Operator P-5 no. 714221	5. Oil Lse/Gas ID no. 48114	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172		9. Well no(s) (see instruction E) 1H					
		10. Classification ☒ Oil ☐ Gas ☐ Other (see instruction A)		11. Effective Date 03/10/17			
12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G) a. Change of: ☒ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code ☐ field name from: _____ ☐ lease name from: _____ OR b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify) _____ Due to: ☐ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)							
13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full well stream
X	X	ENERGY TRANSFER COMPANY (252017)			0001	100	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)					Percent of Take	RRC USE ONLY Reviewer's initials: _____ Approval date: _____	
SUNOCO PTNRS MKTG & TERMINALS LP (829626)					100		
15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.							
PANTHER EXPLORATION, LLC							
Name of Previous Operator JAMES R. STONE Name (print) EXECUTIVE VICE PRESIDENT Title				Signature ☒ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G) (918) 551-7106 Date Phone with area code			
16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.							
MATTHEW HINSON Name (print) VP ASSET TEAM, PERMIAN ASSETS Title E-mail Address (optional)				Signature ☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G) (539) 573-0170 Date Phone with area code			



Lease Detail

[Drilling Permits](#) **Wellbore** [UIC](#) [Severance](#) [P4](#) [Oil Proration](#) [Gas Proration](#) [Inactive Well Aging](#) [Inactive Well](#) [P5 Renewal Status](#) [Orphan Well Aging](#) [Operator](#)

Lease Summary

Api Number: **38934865** District: **08**Oil Lease No./Gas Well ID No: **48114** Lease Name: **CIRCE STATE 28**Well Number: **1H**Well Type: **Oil**Field Number: **71052900**Field Name: **PHANTOM (WOLFCAMP)**Current Operator Number: **714221**Current Operator Name: **RKI EXPLORATION & PRODUCTION LLC**Operator Status: **Active**

Wellbore Results for District and Lease

1 results

Page: 1 of 1

Page Size: [View All](#) ▼

API No.	District	Lease No.	Lease Name	Well No.	Field Name	Operator Name	County	On Schedule	API Depth
38934865 Links ▼	08	48114 Links ▼	CIRCE STATE 28	1H	PHANTOM (WOLFCAMP)	RKI EXPLORATION & PRODUCTION LLC	REEVES	Y	11377

[Return](#)

RAILROAD COMMISSION OF TEXAS

CHRISTI CRADDICK, CHAIRMAN
RYAN SITTON, COMMISSIONER
WAYNE CHRISTIAN, COMMISSIONER



LORI WROTENBERY
DIRECTOR, O&G DIVISION

1701 N. CONGRESS

CAPITOL STATION - P.O. BOX 12967 AUSTIN, TEXAS 78711-2967

MARCH 29, 2017

PANTHER EXPLORATION, LLC
6100 S YALE SUITE 600

TULSA OK 74136

Dear Operator:

On MARCH 29, 2017 Commission staff approved a Form P-4(s) for the attached referenced lease(s) designating a new operator on Commission records. Effective 03/10/17, the operating responsibility for the well(s) designated on the proration schedule for the attached referenced lease(s) has been transferred in its entirety to RKI EXPLORATION & PRODUCTION LLC

By separate letter, the acquiring operator will receive notification of their responsibility for the regulatory compliance of the attached referenced lease(s) including plugging of well(s) pursuant to Rule 14 and the physical operation and control of each well designated on the proration schedule on the date of P-4 approval.

If you have any questions concerning this transfer of ownership, please contact the appropriate proration analyst as listed on the attachment.



OPERATOR NAME: PANTHER EXPLORATION, LLC

OPERATOR NUMBER: 638506

LEASES TRANSFERRED TO RKI EXPLORATION & PRODUCTION LLC

03/29/2017

DST/LEASE LEASE NAME

FIELD NAME

08 48114 CIRCE STATE 28

PHANTOM (WOLFCAMP)

** CONTACT FOR ABOVE LEASE: WELL COMPLIANCE (PRO (512) 463-697

279 9

Railroad Commission of Texas
Oil And Gas Division
Request for Clearance of Storage Tanks

Form P-8

Reference No. 35605

Prior to Potential Test

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report) PANTHER EXPLORATION, LLC 6100 S YALE SUITE 600 TULSA, OK 74136-0000 2. RRC Operator Number: <u>638506</u>		3. RRC District No. 08	
		4. County of Well Site REEVES	
		5. API No. 42-389-34865	
6. Field Name (Wildcat or exactly as shown on RRC records) PHANTOM (WOLFCAMP)		7. Drilling Permit No. 806078	8. Rule 37 Case No.
9. Lease Name CIRCE STATE 28		10. Oil lease No.	11. Well No. 1H
12. Drilling completed on <u>07/09/2015</u>		13. Completion report--Form W-2 or G-1--will be filed on <u>11/15/2015</u>	
14. Oil or condensate gatherer's name and address SUNOCO PTNRS. MKTG.&TERMINALS LP 3807 WEST CHESTER PIKE NEWTOWN SQ, PA 19073-2304 (215) 977-6164		15. Authorization to transport oil or condensate (mark one) ☒ Form P-4 attached ☒ Form P-4 Filed on <u>10/05/2016</u>	
		17. Amount of oil/condensate in tanks <u>280</u> barrels on <u>10/05/2016</u>	
16. This request is for <u>50000</u> barrels of ☒ crude oil OR ☐ condensate			
18. Storage capacity in bbls. Tank battery <u>2000</u> Test tanks <u>500</u> Total <u>2500</u>			
19. Previous request for clearance. Amount <u>70000</u> barrels granted on <u>05/16/2016</u>			
20. Reason for current request for clearance (explain briefly) Change of Gatherer - 100% of take Gathered by Sunoco. See attached P-4			
Lori Greenwood		REGULATORY/PRODUCTION ANALYST	
Name of operator's representative		Title of person	
(918) 551-7114		10/05/2016	
Telephone		Date	
RRC District Office Action			
Status: Approved		Barrels recommended <u>50000</u> RRC Staff <u>10/07/2016</u> Date	

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

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

☐ field name from: _____

☐ lease name from: _____

OR

b. New RRC Number for: ☐ oil lease ☐ gas well Due to: ☐ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil

☐ other well (specify) _____ ☐ consolidation, unitization, or subdivision (oil lease only)

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

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
x	x	Energy Transfer Company (Oper # 252017)	0001	100	

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

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take	RRC USE ONLY
Sunoco Ptnrs. Mktg. & Terminals LP (Oper #829626)	100	Reviewer's initials: _____
		Approval date: _____

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

Name of Previous Operator _____

Name (print) _____

Title _____

Signature _____

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

Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

Lori Greenwood

Name (print) _____

Regulatory/Production Analyst

Title _____

E-mail Address (optional) _____

Signature 

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

10/05/16 Date (918) 551-7114 Phone with area code

CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

P-4

5/02—WWW-1

READ INSTRUCTIONS ON BACK

1. Field name exactly as shown on proration schedule Phantom (Wolfcamp)		2. Lease name as shown on proration schedule Circe State 28					
3. Current operator name exactly as shown on P-5 Organization Report Panther Exploration, LLC		4. Operator P-5 no. 638506	5. Oil Lse/Gas ID no. n/a	6. County Reeves	7. RRC district 08		
8. Operator address including city, state, and zip code 6100 S Yale, Suite 600 Tulsa, OK 74136		9. Well no(s) (see instruction E) 1H					
		10. Classification ☒ Oil ☐ Gas ☐ Other (see instruction A)			11. Effective Date 10/05/16		
12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)							
a. Change of: ☐ operator ☒ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser.system code							
☐ field name from: _____							
☐ lease name from: _____							
OR							
b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify) _____							
Due to: ☐ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil							
☐ consolidation, unitization, or subdivision (oil lease only)							
13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
x	x	Energy Transfer Company (Oper # 252017)			0001	100	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)					Percent of Take	RRC USE ONLY	
Sunoco Ptnrs. Mktg. & Terminals LP (Oper #829626)					100	Reviewer's initials: _____	
						Approval date: _____	
15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.							
Name of Previous Operator				Signature			
Name (print)				☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)			
Title				Date		Phone with area code	
16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.							
Lori Greenwood				Signature 			
Name (print)				Signature			
Regulatory/Production Analyst				☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)			
Title				10/05/16		(918) 551-7114	
E-mail Address (optional)				Date		Phone with area code	

8.
File No. MF114284
Reeves County
Completion Report for API 389-34865
Date Filed: 06/28/2017
George P. Bush, Commissioner
By Jm

STATEWIDE RULE 32 EXCEPTION DATA SHEET

(05/2012)
Revised

(FILING FEE REQUIRED)

*\$ 375.00 PER RRC LEASE NUMBER OR \$375.00 PER RRC GAS ID NUMBER. IF SEVERAL LEASES ARE SURFACE COMMINGLED AND FLARED AT THE BATTERY, FEE IS \$375.00 PER COMMINGLING PERMIT NUMBER. (STATEWIDE RULE 78 AMENDMENT EFFECTIVE MAY 1, 2012)

Operator Number: 714221

Operator Name & Address: RRI EXPLORATION & PRODUCTION, LLC

3500 ONE WILLIAMS CENTER MD 35

TULSA, OK 74172

24 hr Emergency # (800) 667-6958

RRC DISTRICT 08

COUNTY REEVES

Well/Lease/Plant/System Name CIRCE STATE 28-2H

Field PHANTOM (WOLFCAMP)

Identification by ID# (Indicate Type):

API# Gas ID# Lease ID# Drilling Permit# 824859 Commingle Permit# Plant ID#

Number(s)

Type of gas to be flared/vented (mark box):



Casinghead Gas



Gas Well Gas

Is this well/lease/plant subject to Statewide Rule 36 (H₂S Area)?

Yes



No

If yes*, Form H-9 Certificate #

N/A

H₂S Concentration

N/A

ppm

*Proximity to populated areas-(Highways, Roads, Towns, House or Homes, Etc.) LOCATE ON MAP

Disposition of gas (mark box):



Flare

30'

Flare Stack/ Height



Flare Pit



Vent

Time period requested (days,months):

90 Days

Effective 09/21/17

Expiration 12/20/17

Volume to be flared/vented during time period requested:

3,820

MCF/D per well or

MCF/D per lease or

MCF/D per plant/system or

MCF total for time period

Method of Measurement: Orifice Meter

Purpose of Filing (circle): No Pipeline ☐ System Upset ☐ Clean Up/Test Well ☐ Size Compressor ☐ Other ☒

*If no, distance to nearest pipeline _____ mile(s) - attach map showing location of site and nearest pipeline(s).

Explanation: Working on getting additional compression to sell into high pressured line.

Before an exception can be granted, the following information must be submitted with this data sheet:

* Explanation as to why the operations cannot be shut-in and the gas must be vented or flared

See above.

* If gas is vented, explain why the gas cannot be safely and continuously burned and that the gas can be safely vented

N/A

* Explanation of how all legal uses for casinghead gas have been investigated and exhausted

See above.

* Distance to nearest pipeline and operating conditions (e.g. sweet or sour, line pressure etc.)

See above.

OPERATOR'S CERTIFICATION

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

Caitlin O'Hair

Permit Technician II

Typed or printed name of operator's representative

539-573-3527

08/21/2017

Telephone: Area Code - Number

Date

Title

Signature

☐ Does the applicant request to receive all Commission correspondence concerning the administrative review of this application VIA EMAIL ONLY: If yes, indicate email address caitlin.ohair@wpenergy.com

RRC USE ONLY

Administrative action:

Approved _____

Denied _____

Permit Number _____

Effective Date _____

Expiration Date _____

ALL PRODUCTION SHOULD BE ACCURATELY MEASURED WITH DISPOSITION OF GAS REPORTED TO CODE 4 ON MONTHLY PR

Return to:

RAILROAD COMMISSION OF TEXAS
TERRY EDWARDS
PO BOX 12967
AUSTIN TX 78711

File No. MF114284
Reeves County
SWR.32 Exception Data Sheet
Date Filed: 09/28/2017
By gm George P. Bush, Commissioner

STATEWIDE RULE 32 EXCEPTION DATA SHEET

(05/2012)
Revised

(FILING FEE REQUIRED)

*\$ 375.00 PER RRC LEASE NUMBER OR \$375.00 PER RRC GAS ID NUMBER. IF SEVERAL LEASES ARE SURFACE COMMINGLED AND FLARED AT THE BATTERY, FEE IS \$375.00 PER COMMINGLING PERMIT NUMBER. (STATEWIDE RULE 78 AMENDMENT EFFECTIVE MAY 1, 2012)

Operator Number: 714221

Operator Name & Address: RRI EXPLORATION & PRODUCTION, LLC

3500 ONE WILLIAMS CENTER MD 35

TULSA, OK 74172

24 hr Emergency # (800) 667-6958

RRC DISTRICT 08

COUNTY REEVES

Well/Lease/Plant/System Name CIRCE STATE 28-1H

Field PHANTOM (WOLFCAMP)

Identification by ID# (Indicate Type):

API# Gas ID# Lease ID# 48114 Drilling Permit# Commingle Permit# Plant ID#
Number(s)

Type of gas to be flared/vented (mark box):



Casinghead Gas



Gas Well Gas

Is this well/lease/plant subject to Statewide Rule 36 (H₂S Area)?

Yes



No

If yes*, Form H-9 Certificate #

N/A

H₂S Concentration

N/A

ppm

*Proximity to populated areas-(Highways, Roads, Towns, House or Homes, Etc.) LOCATE ON MAP

Disposition of gas (mark box):



Flare 30'

Flare Stack/ Height



Flare Pit



Vent

Time period requested (days,months):

29 Days

Effective 04/01/17

Expiration 05/31/17

Volume to be flared/vented during time period requested:

5,379

MCF/D per well or

MCF/D per lease or

MCF/D per plant/system or

MCF total for time period

Method of Measurement: Orifice Meter

Purpose of Filing (circle): No Pipeline ☐ System Upset ☐ Clean Up/Test Well ☐ Size Compressor ☐ Other ☒

*If no, distance to nearest pipeline _____ mile(s) - attach map showing location of site and nearest pipeline(s).

Explanation: Flare intermittently due to pipeline ESD and compressors going down.

Before an exception can be granted, the following information must be submitted with this data sheet:

* Explanation as to why the operations cannot be shut-in and the gas must be vented or flared

See above.

* If gas is vented, explain why the gas cannot be safely and continuously burned and that the gas can be safely vented

N/A

* Explanation of how all legal uses for casinghead gas have been investigated and exhausted

See above.

* Distance to nearest pipeline and operating conditions (e.g. sweet or sour, line pressure etc.)

See above.

OPERATOR'S CERTIFICATION

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

Caitlin O'Hair

Permit Technician II

Typed or printed name of operator's representative

Title

539-573-3527

8/23/2017

Caitlin O'Hair

Telephone: Area Code - Number

Date

Signature

☐ Does the applicant request to receive all Commission correspondence concerning the administrative review of this application VIA EMAIL ONLY: If yes, indicate email address caitlin.ohair@wpenergy.com

RRC USE ONLY

Administrative action:

Approved _____

Denied _____

Permit Number _____

Effective Date _____

Expiration Date _____

ALL PRODUCTION SHOULD BE ACCURATELY MEASURED WITH DISPOSITION OF GAS REPORTED TO CODE 4 ON MONTHLY PR

Return to:

RAILROAD COMMISSION OF TEXAS

TERRY EDWARDS

PO BOX 12967

AUSTIN TX 78711

File No. MF114284

Reeves County

SWR32 Exception Data Sheet

Date Filed: 09/28/2017

By Jm George P. Bush, Commissioner



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 26, 2018

CERTIFIED MAIL: 7011 1150 0001 2420 5387

Ms. Caitlin O'Hair
Permit Technician II
RKI Exploration and Production, LLC
3500 One Williams Center MD35
Tulsa, OK 74172

RE: Cancellation of Application to Surface Commingle Oil and Gas Production from State Mineral Leases MF114284, MF110730, and MF110731 (Circe State 28, Maisie State 10, Monroe State 32) in Conjunction with Railroad Commission of Texas Commingling Permit 08-7386 in Reeves County, Texas

Dear Ms. O'Hair

The Texas General Land Office (GLO) has received your application, dated October 27, 2017 as revised on December 12, 2017, to surface commingle oil and gas production from the above State Mineral Leases. GLO staff have performed a preliminary technical and administrative review of your application, sending RKI Exploration and Production, LLC a request for additional information by email on January 8, 2018.

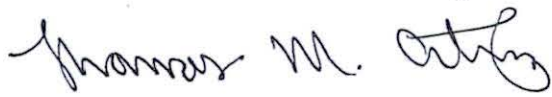
On March 28, 2018, RKI Exploration and Production, LLC submitted a letter stating that the above leases were no longer surface commingled as of February 2018, and enclosed therewith supporting documentation in the form of updated process flow diagrams, process narratives, and an amended Railroad Commission of Texas Form P-17.

Based on GLO staff review of your March 28, 2018 submittal, GLO concludes that written permission to surface commingle is no longer required on the above leases as of this date. Therefore, your application to surface commingle the above leases is hereby cancelled.

Ms. Caitlin O'Hair
April 26, 2018
Page #2

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 that reads "Thomas M. Ortiz". The signature is written in a cursive, flowing style.

Thomas Manuel Ortiz, Ph.D., P.E.
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit

File No. MF 114284

Reeves County

Commingling Cancellation

Date Filed: 4/26/2018

George P. Bush, Commissioner

By Thomas M. O'Leary

WI/
ALAMO✓

MF 114284

42-389-35841

STATEWIDE RULE 32 EXCEPTION DATA SHEET

(05/2012)
Revised

(FILING FEE REQUIRED)

*\$ 375.00 PER RRC LEASE NUMBER OR \$375.00 PER RRC GAS ID NUMBER. IF SEVERAL LEASES ARE SURFACE COMMINGLED AND FLARED AT THE BATTERY, FEE IS \$375.00 PER COMMINGLING PERMIT NUMBER. (STATEWIDE RULE 78 AMENDMENT EFFECTIVE MAY 1, 2012)

Operator Number: 714221

Operator Name & Address: RRI EXPLORATION & PRODUCTION, LLC

3500 ONE WILLIAMS CENTER MD 35
TULSA, OK 74172

24 hr Emergency # (800) 667-6958

RRC DISTRICT 08

COUNTY REEVES

Well/Lease/Plant/System Name CIRCE STATE 28-2H

Field PHANTOM (WOLFCAMP)

Identification by ID# (Indicate Type):

API# Gas ID# Lease ID# Drilling Permit# 824859 Commingle Permit# Plant ID#
Number(s)

Type of gas to be flared/vented (mark box):

☒ Casinghead Gas

☐ Gas Well Gas

Is this well/lease/plant subject to Statewide Rule 36 (H₂S Area)?

☐ Yes

☒ No

If yes*, Form H-9 Certificate #

N/A

H₂S Concentration

N/A

ppm

*Proximity to populated areas-(Highways, Roads, Towns, House or Homes, Etc.) LOCATE ON MAP

Disposition of gas (mark box): ☒ Flare 30' Flare Stack/ Height

☐ Flare Pit

☐ Vent

Time period requested (days,months):

90 Days

Effective 06/22/17

Expiration 09/20/17

Volume to be flared/vented during time period requested:

3,820

MCF/D per well or

MCF/D per lease or

MCF/D per plant/system or

MCF total for time period

Method of Measurement: Orifice Meter

Purpose of Filing (circle): No Pipeline ☐ System Upset ☐ Clean Up/Test Well ☐ Size Compressor ☐ Other ☒

*If no, distance to nearest pipeline _____ mile(s) - attach map showing location of site and nearest pipeline(s).

Explanation: Working on getting additional compression to sell into high pressured line.

Before an exception can be granted, the following information must be submitted with this data sheet:

* Explanation as to why the operations cannot be shut-in and the gas must be vented or flared

See above.

* If gas is vented, explain why the gas cannot be safely and continuously burned and that the gas can be safely vented

N/A

* Explanation of how all legal uses for casinghead gas have been investigated and exhausted

See above.

* Distance to nearest pipeline and operating conditions (e.g. sweet or sour, line pressure etc.)

See above.

OPERATOR'S CERTIFICATION

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

Caitlin O'Hair

Permit Technician II

Typed or printed name of operators's representative

Title

539-573-3527

6/5/2017

Caitlin O'Hair

Telephone: Area Code - Number

Date

Signature

☐ Does the applicant request to receive all Commission correspondence concerning the administrative review of this application VIA EMAIL ONLY: If yes, indicate email address caitlin.ohair@wpenergy.com

RRC USE ONLY

Administrative action:

Approved _____

Denied _____

Permit Number _____

Effective Date _____

Expiration Date _____

ALL PRODUCTION SHOULD BE ACCURATELY MEASURED WITH DISPOSITION OF GAS REPORTED TO CODE 4 ON MONTHLY PR

Return to:

RAILROAD COMMISSION OF TEXAS
TERRY EDWARDS
PO BOX 12967
AUSTIN TX 78711

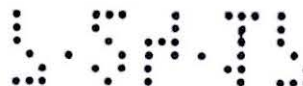


**CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY**

READ INSTRUCTIONS ON BACK

P-4
5/02—www-1

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule CIRCE STATE 28					
3. Current operator name exactly as shown on P-5 Organization Report RKI EXPLORATION & PRODUCTION, LLC		4. Operator P-5 no. 714221	5. Oil Lse/Gas ID no.	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172		9. Well no(s) (see instruction E) 2H					
		10. Classification ☒ Oil ☐ Gas ☐ Other (see instruction A)			11. Effective Date 06/01/2017		
12. Purpose of Filing (Complete section a or b below.) (See instructions B and G)							
a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code ☐ field name from: _____ ☐ lease name from: _____							
OR							
b. New RRC Number for: ☒ oil lease ☐ gas well ☐ other well (specify) _____ Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)							
13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
☒		STATELINE GATHERING, LLC (816094)				100	
	☒	DELAWARE BASIN MIDSTREAM, LLC (211476)			001	86	
	☒	MEDALLION DELAWARE BASIN, LLC (558223)			001	10	
	☒	ETC PIPELINE, LTD (252017)			001	4	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)					Percent of Take	RRC USE ONLY	
RIO ENERGY INTERNATIONAL, INC. (712543)					100	Reviewer's initials: _____ Approval date: _____	
15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.							
Name of Previous Operator				Signature			
Name (print)				☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)			
Title				Date Phone with area code			
16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.							
Caitlin O'Hair				Signature <i>Caitlin O'Hair</i>			
Name (print)				Title			
Permit Technician II				☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)			
Title				Date			
caitlin.ohair@wpenergy.com				06/14/2017			
E-mail Address (optional)				539-573-3527			
				Phone with area code			



Railroad Commission of Texas
Oil And Gas Division
Request for Clearance of Storage Tanks
Prior to Potential Test

Form P-8

Reference No. 38194

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report) RKI EXPLORATION & PRODUCTION LLC 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172-0000		3. RRC District No. 08
2. RRC Operator Number: <u>714221</u>		4. County of Well Site REEVES
6. Field Name (Wildcat or exactly as shown on RRC records) PHANTOM (WOLFCAMP)		7. Drilling Permit No. 824859
9. Lease Name CIRCE STATE 28		8. Rule 37 Case No.
10. Oil lease No.		11. Well No. 2H
12. Drilling completed on <u>05/28/2017</u>		13. Completion report--Form W-2 or G-1--will be filed on <u>09/02/2017</u>
14. Oil or condensate gatherer's name and address RIO ENERGY INTERNATIONAL, INC. 5718 WESTHEIMER SUITE 1806 HOUSTON, TX 77057 (713) 977-5718		15. Authorization to transport oil or condensate (mark one) ☒ Form P-4 attached ☒ Form P-4 Filed on <u>06/14/2017</u>
16. This request is for <u>80000</u> barrels of ☒ crude oil OR ☐ condensate		17. Amount of oil/condensate in tanks <u>0</u> barrels on <u>06/14/2017</u>
18. Storage capacity in bbls. Tank battery <u>6000</u> Test tanks <u>0</u> Total <u>6000</u>		
19. Previous request for clearance. Amount _____ barrels granted on _____		
20. Reason for current request for clearance (explain briefly) New well completion.		
Caitlin OHair Name of operator's representative		PERMIT TECHNICIAN II Title of person
(539) 573-3527 Telephone		06/14/2017 Date
RRC District Office Action		
Status: Approved	Barrels recommended <u>80000</u>	RRC Staff <u>06/14/2017</u> Date

214221

File No. MF 114284

Reeves County

SWR 32 Data Sheet

Date Filed: 5/7/18

George P. Bush, Commissioner
By m. B. Baunstone

WPXENERGY

WPX ENERGY PERMIAN, LLC

PO BOX 21358

TULSA, OK 74121-1358

COMPANY NUMBER: 3035

CHECK NUMBER: 3035015532

PAY DATE	SUPPLIER NO.	SUPPLIER NAME	CHECK TOTAL
May 15, 2018	401460	TEXAS GENERAL LAND OFFICE	\$4,655.70

Invoice Date	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
May 8, 2018	Inv Num: 08-MAY-2018C Inv Desc: PAYMENT FOR FRESH WATER VOLUMES (62,076 BARRELS @ \$0.15/BBL) FROM THE CIRCE STAT	\$4,655.70	\$0.00	\$4,655.70
		18711704		
Supplier Support 1-866-581-4981		Page Totals	\$0.00	\$4,655.70

Via Federal Express: 7722 6362 5579

May 17, 2018



Garrett Guinn

Landman

garrett.guinn@wpxenergy.com

3500 One Williams Center, MD 35

Tulsa, OK 74172

(539) 573-3551

Texas General Land Office
Attn: George Martin
1700 North Congress Avenue
Austin, TX 78701-1495

Re: Water Use Payment
Grantor: James C. Thompson, et al
Grantee: WPX Energy Permian, LLC
Section 28, Block 54, T-4, T&P RR Co. Survey
Reeves County, Texas

Mr. Martin,

Please find enclosed check number 3035015532 in the amount of \$4,655.70 representing full and final payment for the water used in conducting operations on Circe State 28-2H (API # 42389358410000) located in Section 28, Block 54, T-4, T&P RR Co. Survey, Reeves County, Texas (MF114284). Pursuant to the Water Access Letter Agreement between the landowners and Operator, we will pay \$0.15/bbl * 62,076 bbl used, which equals \$9,311.40. Furthermore, because James C. Thompson, et al owns the soil, James C. Thompson, et al is entitled to ½ of the payment and will receive \$4,655.70.

Please acknowledge receipt of said payment below and return a copy of the letter; a pre-paid envelope is enclosed for your convenience. If you should have any questions, please do not hesitate to contact me at (539) 573-3551 or garrett.guinn@wpxenergy.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "Garrett Guinn".

Garrett Guinn

Landman

Received this ____ day of _____, 2018.

Check No. 3035015532

Amount: \$4,655.70

Texas General Land Office

Enclosures

13

File No. MF 114284

Water Payment Court

Date Filed: 5/22/18

George P. Bush, Commissioner

By _____

25779

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

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

Status: Submitted
Date: 09/22/2017
Tracking No.: 179418

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

Operator Name: RKI EXPLORATION & PRODUCTION LLC Operator No.: 714221
Operator Address: 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172-0000

WELL INFORMATION

API No.: 42-389-35841 County: REEVES
Well No.: 2H RRC District No.: 08
Lease Name: CIRCE STATE 28 Field Name: PHANTOM (WOLFCAMP)
RRC Gas ID No.: Field No.: 71052900
Location: Section: 28, Block: 54, Survey: T&P RR CO/CLAYTON, B, Abstract: 2862
Latitude: 31.57777 Longitude: -103.68915
This well is located 15.6 miles in a NORTHWEST
direction from PECOS,
which is the nearest town in the county.

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing Completion or Recompletion Date: 06/27/2017
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or Deepen 04/03/2017 824859
Rule 37 Exception
Fluid Injection Permit
O&G Waste Disposal Permit
Other:

COMPLETION INFORMATION

Spud date: 05/07/2017 Date of first production after rig released: 06/27/2017
Date plug back, deepening, recompletion, or drilling operation commenced: 05/07/2017 Date plug back, deepening, recompletion, or drilling operation ended: 05/28/2017
Number of producing wells on this lease in this field (reservoir) including this well: 2 Distance to nearest well in lease & reservoir (ft.): 4238.0
Total number of acres in lease: 640.00 Elevation (ft.): 2807 GL
Total depth TVD (ft.): 10761 Total depth MD (ft.): 15647
Plug back depth TVD (ft.): 10761 Plug back depth MD (ft.): 15553
Was directional survey made other than inclination (Form W-12)? Yes Rotation time within surface casing (hours): 42.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No Multiple completion? No
Type(s) of electric or other log(s) run: Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: No
of lease on which this well is located: 294.0 Feet from the North Line and
359.0 Feet from the East Line of the
CIRCE STATE 28 Lease.

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

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

G1: N/A
 PACKET: N/A

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

GAU Groundwater Protection Determination Depth (ft.): 1900.0 Date: 03/29/2017
 SWR 13 Exception Depth (ft.):

GAS MEASUREMENT DATA

Date of test: 09/04/2017 Gas measurement method(s):
 Gas production during test (MCF): 1656 Orifice Meter
 Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	4.027	2.5000	50933.30	174.7	8.0	103.5	0.9606	0.8876	1.020	1656.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.761 Gravity (liquid hydrocarbons) (Deg. API): 47.7
 Gas-Liquid Hydro Ratio (CF/Bbl): 3305 Gravity (mixture): Gmix= 0.656
 Avg. shut in temp. (°F): 124.0 Bottom hole temp. and depth: 174.0 °F@ 10000.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	1440	39/64	2700	210.0
1	4320	39/64	700	150.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	13 3/8	17 1/2	1971		C	1580	2769.6	0	Circulated to Surface
2	Intermediate	9 5/8	12 1/4	4069		50:50 C	690	1696.0	0	Circulated to Surface
3	Intermediate	7	8 3/4	11081		50:50 C / H	869	2485.0	3569	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	4 1/2	6 1/8	10071	15647	H	10	10.0	1007 1	Calculation

TUBING RECORD

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

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 10722	15506

01.00.1

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

Was hydraulic fracturing treatment performed?

Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 10500

Actual maximum pressure (PSIG) during hydraulic fracturing: 10152

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

Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)
1	Fracture	13,034,202 TOTAL FLUID; 14,812,387 TOTAL PROPPANT	10722.0 15506.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	No			No	NOT GEOLOGICALLY PRESENT
CASTILLE	No			No	NOT GEOLOGICALLY PRESENT
BELL CANYON	Yes	10.0	4068.0	Yes	
DELAWARE	No			No	NOT GEOLOGICALLY PRESENT
DELAWARE CONSOLIDATED GAS	No			No	NOT GEOLOGICALLY PRESENT
CHERRY CANYON	Yes	10.0	5046.0	Yes	
BONE SPRINGS	Yes	10.0	7576.0	Yes	
PERMIAN	No			No	NOT GEOLOGICALLY PRESENT
WOLFCAMP	Yes	10.0	10456.0	Yes	
PENNSYLVANIAN	No			No	DID NOT DRILL INTO THIS FORMATION
MISSISSIPPIAN	No			No	DID NOT DRILL INTO THIS FORMATION
DEVONIAN	No			No	DID NOT DRILL INTO THIS FORMATION
FUSSELMAN	No			No	DID NOT DRILL INTO THIS FORMATION
ELLENBURGER	No			No	DID NOT DRILL INTO THIS FORMATION

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

No

Is the completion being downhole commingled (SWR 10)?

No

REMARKS

KOP(10,230' MD)

07.00.1

RRC REMARKS
PUBLIC COMMENTS:
CASING RECORD :
TUBING RECORD: SWR 13 APPROVED - WAITING TO RECEIVE COPY FROM MIDLAND OFFICE
PRODUCING/INJECTION/DISPOSAL INTERVAL :
ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :
GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION	
Printed Name: Jessica DeMarce	Title: Regulatory Technician
Telephone No.: (539) 573-3521	Date Certified: 09/22/2017

09.22.17

Tracking No.: 179418

OPERATOR NAME AND ADDRESS including city, state and zip

RKI EXPLORATION & PRODUCTION LLC

3500 ONE WILLIAMS CENTER MD 35
TULSA, OK 74172**GAS WELL
STATUS REPORT**RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967*This facsimile G-10 was generated electronically
from data submitted to the RRC.*

Reason for Filing



Survey



Retest



Initial Test



Correction

Operator P-5 Organization No.

714221

RRC Dist. No.

08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME * LEASE NAME	RRC IDENT NO.	DATE TESTED MO/DAY/YR	GAS PRODUCED MCF/DAY **		CONDENSATE PRODUCED		WATER PROD BBL/DAY		***SIWH PRESSURE PSIA
	WELL NO.	MARK X FOR SHUT-IN WELL	GAS SPEC. GRAVITY		CONDENSATE GRAVITY (API)		X BOTTOMHOLE PRESSURE PSIA		***FLOWING PRESSURE PSIA
PHANTOM (WOLFCAMP)		09/04/2017	1656	MCF	501.0	BBL	1236.0	BBL	2700
CIRCE STATE 28	2H		0.761		47.7		3447		700
				MCF		BBL		BBL	
				MCF		BBL		BBL	
				MCF		BBL		BBL	
				MCF		BBL		BBL	
				MCF		BBL		BBL	
				MCF		BBL		BBL	
				MCF		BBL		BBL	

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

ENERGY PRECISION TESTING

Signature: DAVID MONTOYA

Title:

Phone: (806) 665-0750

Date: 09/22/2017

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

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

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

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

ELECTRIC LOG
STATUS REPORT

FORM L-1

Tracking No.: 179418

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: RKI EXPLORATION & PRODUCTION LLC	District No. 08	Completion Date: 06/27/2017
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 824859	
Lease Name CIRCE STATE 28	Lease/ID No.	Well No. 2H
County REEVES	API No. 42- 389-35841	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):
- ☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____
- Check here if attached log is being submitted after being held confidential. ☐
- ☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.
- ☐ (c) Form W-4, Application for Multiple Completion:
- Lease or ID No(s). _____
- Well No(s). _____

Jessica DeMarce

Signature

RKI EXPLORATION & PRODUCTION LLC

Name (print)

Regulatory Technician

Title

(539) 573-3521

Phone

09/15/2017

Date

-FOR RAILROAD COMMISSION USE ONLY-

07.09.17

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL
CLASSIFICATION REPORT

Form G-5

Tracking No.: 179418

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

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report) RKI EXPLORATION & PRODUCTION LLC		3. RRC DISTRICT NO. 08	4. OIL LEASE NO OR GAS WELL ID NO.																
2. MAILING ADDRESS 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172		5. WELL NO. 2H	6. API NO. 42- 389-35841																
		7. COUNTY OF WELL SITE REEVES																	
8. FIELD NAME (as per RRC Records) PHANTOM (WOLFCAMP)	9. LEASE NAME CIRCE STATE 28																		
10. LOCATION (Section, Block and Survey) 28 , 54 , T&P RR CO/CLAYTON, B , A-2862	11. PIPELINE CONNECTION OR USE OF GAS MONROE FACILITY																		
PRODUCTION TEST AT RATE ELECTED BY OPERATOR (data on 24-hour basis)		A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.																	
A. Date of Test <u>09/04/2017</u> B. Gas Volume <u>1656.0</u> (Mcf) C. Oil or Condensate Volume <u>501.0</u> (Bbl) D. Water Volume <u>1236.0</u> (Bbl) E. Gas/Liquid Hydrocarbon Ratio <u>3305</u> (Cf/Bbl) F. Flowing Tubing Pressure <u>0</u> (psia) G. Choke Size <u>39/64</u> (in.) H. Casing Pressure <u>700.0</u> (psia) I. Shut-in Wellhead Pressure-- Tubing <u>2700</u> (psia) J. Separator Operating Pressure <u>45.0</u> (psia) K. Color of Stock Tank Liquid <u>Yellow</u> L. Gravity of Separator Liquid <u>47.4</u> °API M. Gravity of Stock Tank Liquid <u>47.7</u> °API N. Specific Gravity of the Gas (Air = 1) <u>0.761</u>		Date Liquid Sample Obtained <u>09/04/2017</u> Where Obtained: ☐ Separator ☒ Stock Tank <table style="width:100%; border: none;"> <tr> <td style="width:50%; text-align: center;">% Over Temp. (deg. F)</td> <td style="width:50%; text-align: center;">% Over Temp. (deg. F)</td> </tr> <tr> <td>Initial Boiling Temp. <u>72.0</u></td> <td>60 <u>506.0</u></td> </tr> <tr> <td>10 <u>106.0</u></td> <td>70 <u>602.0</u></td> </tr> <tr> <td>20 <u>188.0</u></td> <td>80 <u>665.0</u></td> </tr> <tr> <td>30 <u>268.0</u></td> <td>90 <u>710.0</u></td> </tr> <tr> <td>40 <u>340.0</u></td> <td>95 <u>766.0</u></td> </tr> <tr> <td>50 <u>420.0</u></td> <td>End Point <u>784.0</u></td> </tr> <tr> <td colspan="2"> Total Recovery <u>97.0</u> percent Residue <u>1.0</u> percent Loss <u>2.0</u> percent </td> </tr> </table>		% Over Temp. (deg. F)	% Over Temp. (deg. F)	Initial Boiling Temp. <u>72.0</u>	60 <u>506.0</u>	10 <u>106.0</u>	70 <u>602.0</u>	20 <u>188.0</u>	80 <u>665.0</u>	30 <u>268.0</u>	90 <u>710.0</u>	40 <u>340.0</u>	95 <u>766.0</u>	50 <u>420.0</u>	End Point <u>784.0</u>	Total Recovery <u>97.0</u> percent Residue <u>1.0</u> percent Loss <u>2.0</u> percent	
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40 <u>340.0</u>	95 <u>766.0</u>																		
50 <u>420.0</u>	End Point <u>784.0</u>																		
Total Recovery <u>97.0</u> percent Residue <u>1.0</u> percent Loss <u>2.0</u> percent																			
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge. <u>09/22/2017</u> DATE		RRC USE ONLY																	
				NAME (Type or Print) <u>RKI EXPLORATION & PRODUCTION LLC</u>															
				SIGNATURE <u>Jessica DeMarce</u> TITLE <u>Regulatory Technician</u>															
CONTACT PERSON 		PHONE NUMBER <u>(539) 573-3521</u>																	

CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 179418

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule CIRCE STATE 28					
3. Current operator name exactly as shown on P-5 Organization Report RKI EXPLORATION & PRODUCTION LLC		4. Operator P-5 no. 714221	5. Oil Lse/Gas ID no	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172		9. Well no(s) (see instruction E) 2H					
		10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)			11. Effective Date 06/27/2017		
12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G) a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code ☐ field name from _____ ☐ lease name from _____ OR b. New RRC Number for: ☐ oil lease ☒ gas well Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ other well (specify) _____ ☐ consolidation, unitization, or subdivision (oil lease only)							
13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X		STATELINE GATHERING, LLC(816094)				100.0	
	X	DELAWARE BASIN MIDSTREAM, LLC(211476)			0001	86.0	
	X	MEDALLION DELAWARE BASIN, LLC(558223)			0001	10.0	
	X	ENERGY TRANSFER COMPANY(252017)			0001	4.0	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)						Percent of Take	
RIO ENERGY INTERNATIONAL, INC.(712543)						100.0	
RRC USE ONLY: Reviewer's initials: _____ Approval date: _____							
15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.							
Name of Previous Operator _____ Name (print) _____ Title _____				Signature _____ ☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G) _____ Date _____ Phone with area code _____			
16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.							
RKI EXPLORATION & PRODUCTION LLC Name (print) Regulatory Technician Title jessica.demarce@wpenergy.com E-mail Address (optional)				Jessica DeMarce Signature ☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G) 09/15/2017 Date (539) 573-3521 Phone with area code			

01.05.17

RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 1

Rev. 01/2016

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: RKI Exploration & Production, LLC	Operator P-5 No.: 714221
Operator Address: 3500 One Williams Center MD-35, Tulsa, OK 74172	

SECTION II. WELL INFORMATION

District No.: 8	County: Reeves	Purpose of Filing: ☐ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.: 2H	API No.: 42-389-35841	
Total Lease Acres: 640	Drilling Permit No.: 824859	
Lease Name: Circe State 28	Lease No.: 48114	
Field Name: Phantom (Wolfcamp)	Field No.: 71052900	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	2	640	< A. Total Assigned Horiz. Acreage	640	< C. Total Assigned Acreage
		0	< Total Remaining Horiz. Acreage	0	< Total Remaining Acreage
			< B. Total Assigned Vert./Dir. Acreage		
			< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

--

Attach Additional Pages As Needed. ☒ No additional pages ☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Jessica DeMarce

Jessica DeMarce

Jessica.DeMarce@wpxenergy.com

Signature

Name and title (type or print)

Email (include email address *only* if you affirmatively consent to its public release)

3500 One Williams Center MD-35

Tulsa OK 74172
City, State, Zip Code

539-573-3521

9/15/17

Address

Tel: Area Code

Number

Date: mo. day yr.



RAILROAD COMMISSION OF TEXAS

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

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementor: Fill in shaded areas.
Operator: Fill in other items.

I. OPERATOR INFORMATION					
Operator Name: WPX ENERGY RRI		Operator P-5 No.: 714221			
Cementor Name: O - Tex Pumping, LLC		Cementor P-5 No.: 617021			
II. WELL INFORMATION					
District No.: 08		County: LOVING			
Well No.: 2H		API No.: 42-389-35841		Drilling Permit No.: 824859	
Lease Name: CIRCLE STATE 28		Lease No.:			
Field Name: Phantom (wdfcamp)		Field No.: 71052900			
III. CASING CEMENTING DATA					
Type of casing:	☐ Conductor	☒ Surface	☐ Intermediate	☐ Liner	☐ Production
Drilled hole size (in.):	17.5		Depth of drilled hole (ft.):	1971	
Size of casing in O.D. (in.):	13.375		Casing weight (lbs/ft) and grade:	54.5# J55	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):	1971	
Trs. waiting on cement before drill-out: 32			Calculated top of cement (ft.):	SURFACE	
Cementing date:			5/9/2017		
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	1165	C	REMARK 1	2213.5	1170.49
2	415	C	REMARK 2	556.1	801
3					
Total	1580			2769.6	1971.49
IV. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):			Depth of drilled hole (ft.):		
Size of casing in O.D. (in.):			Casing weight (lbs/ft) and grade:		
Tapered string drilled hole size (in.)			Tapered string depth of drilled hole (ft.)		
Upper:	Lower:		Upper:	Lower:	
Tapered string size of casing in O.D. (in.)			Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used	
Upper:	Lower:		Upper:	Lower:	Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO ☐			Setting depth shoe (ft.):		
Trs. waiting on cement before drill-out:			Calculated top of cement (ft.):	Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
V. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement/BV tool ☐ Multiple parallel strings
Drilled hole size (in.):			Depth of drilled hole (ft.):		
Size of casing in O.D. (in.):			Casing weight (lbs/ft) and grade:		
Tapered string drilled hole size (in.)			Tapered string depth of drilled hole (ft.)		
Upper:	Lower:		Upper:	Lower:	
Tapered string size of casing in O.D. (in.)			Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used	
Upper:	Lower:		Upper:	Lower:	Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO ☐			Setting depth shoe (ft.):		
Trs. waiting on cement before drill-out:			Calculated top of cement (ft.):	Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

01.05.17

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG A TO ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							
REMARKS							
REMARK 1: 6% GEL+1/4 #/SX PLEXFIBER-A+3 #/SX GILSONITE C+5% SALT							
REMARK 2: 1% CACL2							

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

EDGAR MONTES SERVICE SUPERVISOR

Name and title of cementer's representative

OTEX PUMPING

Cementing Company

[Signature]
Signature

2611 E. 1-20

Address

MIDLAND, TX, 79706

City, State, Zip Code

432-686-8559

Tel: Area Code

Number

5/9/2017

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Wilber Wood
Typed or printed name of operator's representative

Consultant
Title

Wilber Wood
Signature

One Williams Center Tulsa, OK 74103
Address City, State, Zip Code

539-573-0161
Tel: Area Code Number

5/25/2017
Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

A. What to file: An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.

The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. How to file: An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System

(<https://webapps.erc.state.tx.us/security/ogchdo>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78712967).

01.02.17



RAILROAD COMMISSION OF TEXAS

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

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: <u>WPK Energy - RY</u>		Operator P-5 No.: <u>714221</u>			
Cementer Name: <u>O - Tex Pumping, LLC</u>		Cementer P-5 No.: <u>617021</u>			
WELL INFORMATION					
District No.: <u>08</u>		County: <u>Loving</u>			
Well No.: <u>2H</u>		API No.: <u>42-389-35841</u>		Drilling Permit No.: <u>824859</u>	
Lease Name: <u>Circle State 28</u>		Lease No.:			
Field Name: <u>Phantom (Wolfcamp)</u>		Field No.: <u>71052905</u>			
I. CASING CEMENTING DATA					
Type of Casing:	☐ Conductor	☐ Surface	☒ Intermediate	☐ Uner	☐ Production
Drilled hole size (in.):	<u>12 1/4</u>	Depth of drilled hole (ft.):	<u>4,088</u>	Est. % wash-out or hole enlargement: <u>15%</u>	
Size of casing in O.D. (in.):	<u>9 5/8</u>	Casing weight (lbs/ft) and grade:	<u>40# 555</u>	No. of centralizers used:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):	Top of liner (ft.):	
			<u>4,069</u>		
Hrs. waiting on cement before drill-out: <u>9.5</u>		Calculated top of cement (ft.):	<u>Surface</u>	Cementing date: <u>5/13/2017</u>	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	490	59:50 C	Remarks 1	1430	4121
2	200	Class C	Remarks 2	266	797
3					
Total	690			1696	4918
II. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):	Cementing date:		
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
III. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement/OV tool ☐ Multiple parallel strings
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):	Cementing date:		
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

01.05.17





RAILROAD COMMISSION OF TEXAS

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

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION	
Operator Name: WPX ENERGY RKL	Operator P-5 No.: 714221
Cementer Name: O-Tex Pumping, LLC	Cementer P-5 No.: 617021

WELL INFORMATION	
District No.: 08	County: LOVING
Well No.: 2H	API No.: 42-389-35841 Drilling Permit No.: 824859
Lease Name: CIRCLE STATE 08	Lease No.:
Field Name: Phantom (Wolfcamp)	Field No.: 71052900

I. CASING CEMENTING DATA	
Type of Casing: ☐ Conductor ☐ Surface ☒ Intermediate ☐ Liner ☐ Production	
Drilled hole size (in.): 8.75	Depth of drilled hole (ft.): 11,099 Est. % wash-out or hole enlargement: 15%
Size of casing in O.D. (in.): 7 11	Casing weight (lbs/ft) and grade: 29# P110 No. of centralizers used:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO If no for surface casing, explain in Remarks.	Setting depth shoe (ft.): 11,081 Top of liner (ft.):
Hrs. waiting on cement before drill-out: 29.5	Calculated top of cement (ft.): 3,569 Cementing date: 5/20/2017

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	640	50:50:C	REMARKS1	2215	14734
2	229	H	REMARKS2	270	1796
3					
Total	869			2485	16530

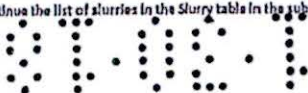
II. CASING CEMENTING DATA	
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings	
Drilled hole size (in.):	Depth of drilled hole (ft.):
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)
Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade
Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐	Setting depth shoe (ft.):
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):
	Cementing date:

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

III. CASING CEMENTING DATA	
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings	
Drilled hole size (in.):	Depth of drilled hole (ft.):
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)
Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade
Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐	Setting depth shoe (ft.):
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):
	Cementing date:

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

07.05.1





RAILROAD COMMISSION OF TEXAS

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

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: RKI Exploration and Production, LLC			Operator P-5 No.: 714221		
Cementer Name: O - Tex Pumping, LLC			Cementer P-5 No.: 617021		
WELL INFORMATION					
District No.: 08		County: Reeves			
Well No.: 28-2H		API No.: 42-989-35841		Drilling Permit No.: 824859	
Lease Name: Crcs State		Lease No.:			
Field Name: Phantom (Wolfcamp)		Field No.: 71052900			
I. CASING CEMENTING DATA					
Type of Casing:	☐ Conductor	☐ Surface	☐ Intermediate	☒ Liner	☐ Production
Drilled hole size (in.):	6.125	Depth of drilled hole (ft.):	15,647	Est. % wash-out or hole enlargement: 16%	
Size of casing in O.D. (in.):	4.5	Casing weight (lbs/ft) and grade:	13.5# P110	No. of centralizers used: 45	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):	Top of liner (ft.): 10,072	
			15,647	Setting depth liner (ft.): 15,647	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):	10072	Cementing date: 5/27/2017	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	640	50/50:H	Remarks 1	2627	8320
2					
3					
Total	640			2627	8320
II. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☒			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):	Cementing date:		
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
III. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☒			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):	Cementing date:		
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

01.00.1

PLUGGING, SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							
REMARKS							
1). 2% GEL + 1/2% O-TX47A + 35/100% O-TX20 + 2/10% SMS							

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Anthony Polvon - Service Supervisor
Name and title of cementer's representative

O-Tex Pumping, LLC
Cementing Company

[Signature]
Signature

2601 E I-20
Address

Midland, TX, 79706
City, State, Zip Code

432-686-8559
Tel: Area Code Number

5/27/2017
Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Keith Allen
Typed or printed name of operator's representative

Eng Tech
Title

[Signature]
Signature

One Williams Center Tulsa, OK 74103
Address City, State, Zip Code

539-573-0161
Tel: Area Code Number

1-18-2018
Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

A. **What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.

The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. **How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System

(<https://webapps.mrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12367, Austin, Texas 78712367)

C. **Surface casings:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

To plug and abandon a well, operators must use only cements approved by the Commission's Director of Field Operations in accordance with SWR 14 (http://info.sos.state.tx.us/pub/readatext.asp?Page711&app=98&p_dir=5p_rloc=5p_loc=5p_ploc=5p_pg=1&p_tac=5p_i=16&pi=1&ch=3&rl=14). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

D. **Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.

E. **Multi-stage cements:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.

F. **Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.

G. **Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

07.05.17

CHRISTI CRADDICK, CHAIRMAN
RYAN SITTON, COMMISSIONER
WAYNE CHRISTIAN, COMMISSIONER



LORI WROTENBERY
DIRECTOR, OIL AND GAS DIVISION

D. CRAIG PEARSON
DISTRICT DIRECTOR

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

OPERATOR Name: RKI EXPLORATION & PRODUCTION
Address1: 3500 ONE WILLIAMS CENTER MD 35
Address2:
City: TULSA
State: OK

RE: Lease: CIRCE STATE 28
Well No: 2H
Sec: 28 **Block:** 54
County: REEVES
Survey Name: T&P RR CO/CLAYTON, B

SWR13EX Application Number: 19842

Drilling Permit No: 824859

SWR 13 CASING EXCEPTION APPLICATION/ALTERNATIVE REQUEST APPROVED

An extension to omit the installation of tubing in the above-referenced well is approved for a period of up to 180 days from the date the application was received or the date the well began producing, whichever occurred last.

RRC APPROVAL BY: Erik Hanson

DATE: 09/27/2017

D. CRAIG PEARSON
DISTRICT DIRECTOR

07.09.17

5" = 100' TVD

COMPANY : WPX ENERGY WELL : CIRCE STATE 28-2H FIELD : WOLF CAMP COUNTY : REEVES STATE : TEXAS COUNTRY : U.S.A. UWI : 42-389-35841										COMPANY : WPX ENERGY WELL : CIRCE STATE 28-2H FIELD : WOLF CAMP COUNTY : REEVES STATE : TEXAS COUNTRY : U.S.A. UWI : 42-389-35841									
WELL LOCATION LAT:31°34'40.474"N LONG:103°41'22.608"W N:10553394.00 ft E:1251573.00 ft SEC:- TWP:- RANGE:-										OTHER SERVICES NAD83 DIRECTIONAL ROP									
DEPTH REF. : RKB HEIGHT : 30.000 ft GROUND LEVEL : 2807.000 ft										RKB to Ground Level G.L. to MEAN SEA LEVEL									
BOREHOLE RECORD										DEVIATION RECORD									
HOLE SIZE in	FROM ft	TO ft	INCLINATION deg		FROM ft	TO ft			FROM ft	TO ft									
17.5	0	1969	0 (+/- 3)		0				10186										
12.25	1969	4088	0 - 90		10186				11099										
8.75	4088	11099	90 (+/- 3)		11099				15647										
6.125	11099	15647																	
CASING RECORD																			
CASING SIZE in	FROM ft	TO ft																	
13.375	0	1969																	
9.625	1969	4088																	
7	4088	11099																	
DRILLING CO. : LATSHAW RIG: 15																			
LMD UNIT NO. : 86-MP4-63 DISTRICT : MIDLAND																			
SPUD DATE: 07MAY2017																			
LMD START DATE: 11MAY2017										DEPTH: 3500 ft									
LMD END DATE: 26MAY2017										DEPTH: 15647 ft									
										TOTAL DEPTH: 15647 ft									

API No. <u>42-389-35841</u> Drilling Permit # <u>824859</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: <u>Approved</u>	
1. RRC Operator No. <u>714221</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>RKI EXPLORATION & PRODUCTION LLC</u>		3. Operator Address (include street, city, state, zip): <u>3500 ONE WILLIAMS CENTER MD 35</u> <u>TULSA, OK 74172-0000</u>			
4. Lease Name <u>CIRCE STATE 28</u>		5. Well No. <u>2H</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>16000</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>15.6</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>28</u>		16. Block <u>54</u>		17. Survey <u>T&P RR CO/CLAYTON, B</u>		18. Abstract No. <u>A-2862</u>	
				19. Distance to nearest lease line: <u>200</u> ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>640</u>	
21. Lease Perpendiculars: <u>200</u> ft from the <u>NORTH</u> line and <u>500</u> ft from the <u>EAST</u> line.							
22. Survey Perpendiculars: <u>200</u> ft from the <u>NORTH</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	
<u>08</u>	<u>71052900</u>	<u>PHANTOM (WOLFCAMP)</u>		<u>Oil or Gas Well</u>	<u>16000</u>	<u>4255.00</u>	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks 				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>JOSH WALKER, Regulatory Specialist</u> <u>Mar 28, 2017</u> Name of filer Date submitted <u>(539)573-0108</u> <u>josh.walker@wpenergy.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: <u>Apr 3, 2017 3:46 PM('As Approved' Version)</u>							

Permit Status: Approved

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

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

Form W-1H 07/2004
Supplemental Horizontal Well Information

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

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

Permit # 824859

Approved Date: Apr 03, 2017

1. RRC Operator No. 714221	2. Operator's Name (exactly as shown on form P-5, Organization Report) RKI EXPLORATION & PRODUCTION LLC	3. Lease Name CIRCE STATE 28	4. Well No. 2H
-------------------------------	--	---------------------------------	-------------------

Lateral Drainhole Location Information

5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section 28	7. Block 54 T4S	8. Survey T&P RR CO/CLAYTON, B	9. Abstract 2862	10. County of BHL REEVES
------------------	--------------------	-----------------------------------	---------------------	-----------------------------

11. Terminus Lease Line Perpendiculars 100 ft. from the South line. and 330 ft. from the East line
Terminus Survey Line Perpendiculars 100 ft. from the South line. and 330 ft. from the East line
13. Penetration Point Lease Line Perpendiculars 50 ft. from the North line. and 330 ft. from the East line

GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 29 March 2017

GAU Number: 169650

Attention: RKI EXPLORATION &
3500 ONE WILLIAMS CENTER
TULSA, OK 74172

API Number:
County: REEVES
Lease Name: Circe State 28

Operator No.: 714221

Lease Number:
Well Number: 2H
Total Vertical Depth: 16000
Latitude: 31.577778
Longitude: -103.689152
Datum: NAD27

Purpose: New Drill

Location: Survey-T&P RR CO; Abstract-2862; Block-54; Township-4; Section-28

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

The interval from the land surface to a depth of 1000 feet, and the Rustler, the top of which is estimated to occur from 1100 to 1200 feet depth and the base of which is estimated to occur from 1800 to 1900 feet depth by reconnaissance-level evaluation, must be protected.

This recommendation is applicable to all wells within a radius of 1800 feet of this location.

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

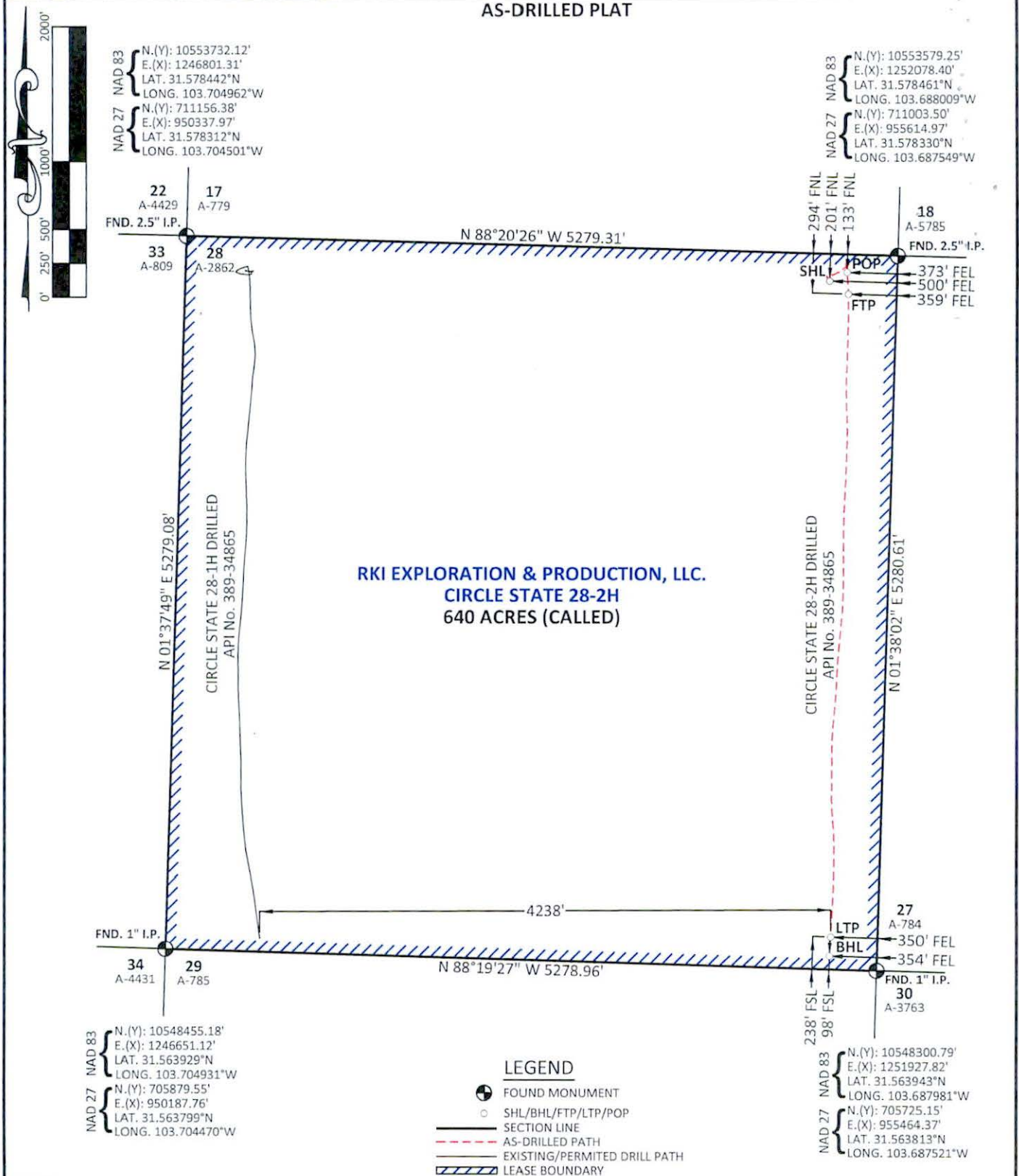
This determination is based on information provided when the application was submitted on 03/29/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014

01-02-17

AS-DRILLED PLAT



NOTES:
 UNGRADED GROUND ELEVATION AT SHL: 2807.66'
 THIS LOCATION IS APPROXIMATELY 15.6 MILES N.46°W. OF PECOS, TEXAS.
 BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°44'26.50" AND A COMBINED SCALE FACTOR OF 0.99980519 BASED ON CONTROL POINT S 510 55 T-4 AT N. 10564429.832' - E. 1244642.724'.
 UNITS REPRESENTED ON THIS PLAT ARE IN US SURVEY FEET.

SURFACE HOLE		POINT OF PENETRATION		FIRST TAKE POINT		LAST TAKE POINT		BOTTOM HOLE	
FOOTAGE: 201' FNL & 500' FEL		FOOTAGE: 133' FNL & 373' FEL		FOOTAGE: 294' FNL & 359' FEL		FOOTAGE: 238' FSL & 350' FEL		FOOTAGE: 98' FSL & 354' FEL	
GEOGRAPHIC	LAT.	GEOGRAPHIC	LAT.	GEOGRAPHIC	LAT.	GEOGRAPHIC	LAT.	GEOGRAPHIC	LAT.
DEC. DEG.	LONG.	DEC. DEG.	LONG.	DEC. DEG.	LONG.	DEC. DEG.	LONG.	DEC. DEG.	LONG.
NAD 83	31.577907°N	NAD 83	31.578093°N	NAD 83	31.577652°N	NAD 83	31.564597°N	NAD 83	31.564213°N
NAD 27	103.689615°W	NAD 27	103.689206°W	NAD 27	103.689162°W	NAD 27	103.689105°W	NAD 27	103.689119°W
STATE PLANE	31.577776°N	STATE PLANE	31.577962°N	STATE PLANE	31.577522°N	STATE PLANE	31.564466°N	STATE PLANE	31.564082°N
TEXAS CENT.	103.689155°W	TEXAS CENT.	103.688746°W	TEXAS CENT.	103.688701°W	TEXAS CENT.	103.688645°W	TEXAS CENT.	103.688659°W
NAD 27	10553392.94	NAD 27	10553456.71	NAD 27	10553296.27	NAD 27	10548548.99	NAD 27	10548409.39
EAST	1251572.46	EAST	1251701.77	EAST	1251710.74	EAST	1251585.21	EAST	1251576.48
NORTH	710817.20	NORTH	710880.96	NORTH	710720.53	NORTH	705973.35	NORTH	705833.75
EAST	955109.04	EAST	955238.35	EAST	955247.32	EAST	955121.77	EAST	955113.03



TEXAS FIRM REGISTRATION No. 10193907

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY. IF ANY ALTERATIONS ARE MADE, (HAND DRAWN, HANDWRITTEN OR DIGITAL ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

Chad R. Breuer 09-07-17

CHAD R. BREUER TEXAS RPLS No. 6141 DATE
 DRAWN BY: CED CHECKED BY: CRB SURVEY DATE: 09/07/2017
 SCALE: 1"=1000' JOB NUMBER: 17021 SHEET 1 OF 1



LEASE NAME AND WELL NUMBER:
CIRCLE STATE 28-2H
 DESCRIPTION:
 SECTION 28, BLOCK 54, T4,
 T.&P. RR COMPANY SURVEY,
 REEVES COUNTY, TEXAS

File No. MF114284 14
Reeves County
Completion Report API 389-35841
Date Filed: 6/15/18
By gm George P. Bush, Commissioner



REFUND REQUEST FORM

TEXAS GENERAL LAND OFFICE
TEXAS VETERANS LAND BOARD

P.O. BOX 12873

Austin, Texas 78711-2873

Requester Info:

Date: 04/30/2018

Requested By: Colby Eaves

Phone Number: 512-463-5326

Refund to:

Comptroller Payee #: 1-20-3176229-2

Name: WPX Energy Permian, LLC.

Address: Attn. Duke Dresser

3500 One Williams Center, MD35

Tulsa, OK, 74172

REGISTER NUMBER	DATE RECEIVED	FILE NUMBER	REFUND AMOUNT	REASON FOR REFUND	WARRANT NUMBER
17712632	05/12/2017		\$32,411.50	Payment submitted in error	
17715030	06/28/2017	N/A	\$16,282.90	Payment submitted in error	
17716842	08/02/2017	N/A	\$15,519.85	Payment submitted in error	
17718401	08/30/2017	N/A	\$17,339.55	Payment submitted in error	
18701171	09/27/2017	N/A	\$17,082.60	Payment submitted in error	
18702406	10/24/2017	N/A	\$8,129.25	Payment submitted in error	
18703691	11/28/2017	N/A	\$10,727.15	Payment submitted in error	
18705156	01/03/2018	N/A	\$11,175.90	Payment submitted in error	
18706309	01/30/2018	N/A	\$9,282.45	Payment submitted in error	
18707635	02/28/2018	N/A	\$4,020.05	Payment submitted in error	
18709147	03/28/2018	N/A	\$10,038.15	Payment submitted in error	
TOTAL REFUND			\$152,009.35		

Program Area Energy Resources

Date refund completed _____

Requested by Colby Eaves

Date warrant mailed _____

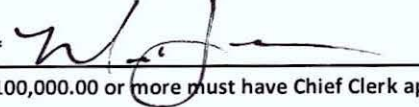
Supervisor approval 

Printed Name Robert Hatter

Deputy Director approval* 

Printed Name Robert Hatter 5/6/18

*Refunds requested for \$1,000.00 or more must have Deputy Director approval.

Chief Clerk approval** 

**Refunds requested for \$100,000.00 or more must have Chief Clerk approval.

CC Chief Clerk on refund requests between \$10,000.00 - \$99,999.99



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

Date: June 25, 2018

To: Chief Clerk Mark A. Havens

From: Colby Eaves *CE*

Through: Robert Hatter, Brian Carter, Ken Miller *BC* *KM*

Subject: WPX Energy Permian, LLC Refund Request

Attached is a Refund Request for your approval and signature on the indicated page.

This refund is being issued upon the request of the WPX Energy Permian, LLC (WPX) for payments made to GLO in error. Since May of 2017 WPX has submitted payments to GLO for salt water injected by WPX into a salt water disposal well (SWD).

WPX operates a SWD on Relinquishment Act Land under a Salt Water Injection/Disposal Agreement between the surface owner and WPX. The agreement requires payment to the surface owner, at a per barrel rate, for salt water injected by WPX into the SWD. In error, WPX assumed that GLO is entitled to half of these considerations. GLO is not entitled to these considerations because the injected salt water was produced off lease.

Staff recommends approval of this refund.

Colby Eaves

From: Dresser, Duke <Duke.Dresser@wpxenergy.com>
Sent: Thursday, April 26, 2018 9:04 AM
To: Colby Eaves
Cc: Justin Thomas
Subject: RE: Circe State SWD #1- checks and wells
Attachments: TX GLO Circe State SWD #1 Checks.pdf

Colby,

Any update on this? Will WPX be able to get a refund so we can pay 100% to the surface owners.

Duke

Duke Dresser, RPL
Contractor- Permian Land
WPX Energy Permian, LLC
539-573-3560 office
918-688-6059 cell
duke.dresser@wpxenergy.com

From: Dresser, Duke
Sent: Thursday, April 19, 2018 3:07 PM
To: 'Colby Eaves' <Colby.Eaves@glo.texas.gov>
Subject: Circe State SWD #1- checks and wells

Colby,

Attached are the checks that were paid to the GLO on the Circe State SWD #1.

The wells that are injecting water into the Circe State SWD #1 are as follows.

- Mac State 20-1H- well located in Section 20, Blk 55 T4
- Mac State 20-2H- well located in Section 20, Blk 55 T4
- Fiver State 18-1H- well located in Section 18, Blk 54 T4
- Monroe 32-2H- well located in Section 32, Blk 55 T4
- Monroe 32-1H- well located in Section 32, Blk 55 T4

Thanks Duke

Duke Dresser, RPL
Contractor- Permian Land
WPX Energy Permian, LLC
539-573-3560 office
918-688-6059 cell
duke.dresser@wpxenergy.com

From: Dresser, Duke
Sent: Thursday, April 12, 2018 3:40 PM
To: 'Colby Eaves' <Colby.Eaves@glo.texas.gov>

Cc: Robinson, Beth <Beth.Robinson2@wpxenergy.com>; Hicks, Steve <Steven.Hicks@wpxenergy.com>; Warren, Justin <Justin.Warren@wpxenergy.com>

Subject: RE: Circe State SWD #1

Colby,

I got your phone message. I will send you copies of the payments and the checks. I'm thinking we should have them. I will also send you the names of the wells currently being disposed into the Circe State SWD #1.

You also stated you would like us to stop payment so I will ask our accounting to not make the March payment to the GLO. I will get back to you with all the documentation you are needing.

Thank you for looking into this issue. Hopefully we can get it all resolved in the near future.

Duke

Duke Dresser, RPL
Contractor- Permian Land
WPX Energy Permian, LLC
539-573-3560 office
918-688-6059 cell
duke.dresser@wpxenergy.com

From: Dresser, Duke

Sent: Thursday, April 12, 2018 11:32 AM

To: Colby Eaves <Colby.Eaves@glo.texas.gov>

Cc: Robinson, Beth <Beth.Robinson2@wpxenergy.com>; Hicks, Steve <Steven.Hicks@wpxenergy.com>; Warren, Justin <Justin.Warren@wpxenergy.com>

Subject: Circe State SWD #1

Colby,

I enjoyed talking to you this morning concerning the Circe State SWD #1 well operated by WPX Energy Permian, LLC formerly RKI Exploration & Production, LLC.

- In our discussion I told you about or SWD well located in Section 28, Block 54 T4, Ab.2862, in Reeves County, Texas. (I attached the SWD agreement dated 11/15/2016 and plats in NE corner of Sec. 28)
- The agreement states Operator shall pay the sum of \$0.10 per barrel of Salt Water injected by Operator into the SWD well
- There are four (4) Oil and Gas Leases with the General Land Office State of Texas dated June 16, 2012 and the four members of the Thompson family
- We have drilled two wells in this Section 28 and the GLO is receiving royalty payments, but those two wells "on lease" do not inject salt water into the Circe State SWD #1
- The Circe State SWD #1 well has been taking SWD water since February 2017 to date from wells not in Section 28. Therefore all the water is coming from "off lease" and not "on lease"
- We received a call from our surface owners stating we should be paying 100% to the Thompsons and not paying the GLO 50%
- To date we have paid the GLO 50% of the injected water being a total of \$152,009.35 as of February 2018 (attached below)
- We can stop our March payment by April 17th if I get something in writing back stating you agree with our findings.
- We are requesting the \$152,009.35 be refunded back to WPX Energy Permian, LLC, and we will pay the Thompson family members or paid directly to the Thompson family members.

Vendor Name	Amount	Month Number	Invoice Date	Invoice Description
TEXAS GENERAL LAND OFFICE	\$32,411.50	201705	03-MAY-17	
TEXAS GENERAL LAND OFFICE	\$16,282.90	201706	31-MAY-17	MAY 2017 SWD 325658 BBLs AT \$.10 = 32565.80 OWNER PORTION 50% \$ 16,282.90
TEXAS GENERAL LAND OFFICE	\$15,519.85	201707	30-JUN-17	JUNE 2017 SWD 310397 BBLs AT \$.10 = 31039.7 OWNER PORTION 50% \$15,519.85
TEXAS GENERAL LAND OFFICE	\$17,339.55	201708	31-JUL-17	JULY 2017 SWD 346791 BBLs AT \$.10 = 34679.1 OWNER PORTION 50% \$17,339.55
TEXAS GENERAL LAND OFFICE	\$17,082.60	201709	31-AUG-17	August 2017 SWD 341652 BBLs AT \$.10 = 34165.2 OWNER PORTION 50% \$17,082.60
TEXAS GENERAL LAND OFFICE	\$8,129.25	201710	30-SEP-17	SEPTEMBER 2017 SWD 162585 BBLs AT \$.10 = 16258.5 OWNER PORTION 50% \$8,129.25
TEXAS GENERAL LAND OFFICE	\$10,727.15	201711	31-OCT-17	OCT 2017 SWD CIRCE STATE SWD 1 214543 BBLs AT \$.10 = 21454.3 OWNER PORTION 50% \$10,727.15
TEXAS GENERAL LAND OFFICE	\$11,175.90	201712	30-NOV-17	NOV 2017 SWD CIRCE STATE SWD 1 223518 BBLs AT \$.10 = 22351.8 OWNER PORTION 50% \$11,175.90
TEXAS GENERAL LAND OFFICE	\$9,282.45	201801	31-DEC-17	DEC 2017 SWD CIRCE STATE SWD 1 185649 BBLs AT \$.10 = 18564.9 OWNER PORTION 50% \$9,282.45
TEXAS GENERAL LAND OFFICE	\$4,020.05	201802	31-JAN-18	JAN 2018 SWD CIRCE STATE SWD 1 80401 BBLs AT \$.10 = 8040.1 OWNER PORTION 50% \$4,020.05
TEXAS GENERAL LAND OFFICE	\$10,038.15	201803	28-FEB-18	FEB 2018 SWD CIRCE STATE SWD 1 200763 BBLs AT \$.10 = 20076.3 OWNER PORTION 50% \$10,038.15
	\$152,009.35			

Please let me know your thoughts and if you need additional backup.

Best Regards,

Duke

Duke Dresser, RPL
Contractor- Permian Land
WPX Energy Permian, LLC
539-573-3560 office
918-688-6059 cell
duke.dresser@wpxenergy.com

Acct #: 9403908

Check #: 3035007815

Amount: 32,411.50

Seq#: 9570523257

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.		CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.	
WPXENERGY	HKI EXPLORATION & PRODUCTION, LLC	JPMorgan Chase Bank, N.A. Chicago, IL	75-222719
PO BOX 21358 TULSA, OK 74121-1358 Company Number: 3035		17712632 Check Number: 3035007815 Check Date: May 8, 2017	
Thirty-Two Thousand Four Hundred Eleven Dollars And Fifty Cents			
Pay To The Order Of TEXAS GENERAL LAND OFFICE 1700 N CONGRESS AVE STE 600 AUSTIN, TX 78701 US		PAY (USD) \$32,411.50	
00000000000009403908		Authorized Signature	
3035007815			

No Image

Acct #:9403908

Check #:3035008723

Amount:16,282.90

Seq#:9570396999

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

WPXENERGY RKI EXPLORATION & PRODUCTION, LLC
PO BOX 21358
TULSA, OK 74121-1358
Company Number: 3035

JPMorgan Chase Bank, N.A.
Chicago, IL

17715030
Check Number: 3035008723
Check Date: Jun'22, 2017

Sixteen Thousand Two Hundred Eighty-Two Dollars And Ninety Cents

Pay To The Order Of
TEXAS GENERAL LAND OFFICE
1700 N CONGRESS AVE
STE 600
AUSTIN, TX 78701 US

PAY (USD) \$16,282.90

00000000000009403908

Authorized Signature

WPX checks (12/11)

3035008723

7004412350
TX State Controller
66/2572617

PAY STATE TREASURER
GENERAL LAND OFFICE
COMMISSIONER
OR
VETERANS LAND BOARD
CHAIRMAN

Acct #: 9403908
Seq#: 9570449981

Check #: 3035009358

Amount: 15,519.85

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.		CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.	
WPXENERGY	RKI EXPLORATION & PRODUCTION, LLC	JP Morgan Chase Bank, N.A. Chicago, IL	70-2322718
P.O. BOX 21358 TULSA, OK 74121-1358 Company Number: 3035		17716842 Check Number: 3035009358 Check Date: Jul 24, 2017	
Fifteen Thousand Five Hundred Nineteen Dollars And Eighty-Five Cents			
Pay To The Order Of TEXAS GENERAL LAND OFFICE 1700 N CONGRESS AVE STE 600 AUSTIN, TX 78701 US		PAY (USD) \$15,519.85	
00000000000009403908		 Authorized Signature	
3035009358			

Mod 1027540
08/0272017

PAY STATE TREASURER
GENERAL LAND OFFICE
COMMISSIONER
OR
VETERANS LAND BOARD
CHAIRMAN

Acct #: 9403908

Check #: 3035010052

Amount: 17,339.55

Seq#: 9570357031

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.		CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.	
WPXENERGY	RKI EXPLORATION & PRODUCTION, LLC	JPMorgan Chase Bank, N.A. Chicago, IL	70-2322/119
PO BOX 21358	TULSA, OK 74121-1358	Check Number: 3035010052	17718401
Company Number: 3035		Check Date: Aug 24, 2017	
Seventeen Thousand Three Hundred Thirty-Nine Dollars And Fifty-Five Cents			
Pay To The Order Of TEXAS GENERAL LAND OFFICE 1700 N CONGRESS AVE STE 600 AUSTIN, TX 78701 US		PAY (USD) \$17,339.55	
00000000000009403908		 Authorized Signature	
⑈ 3035010052 ⑈			

6003295670
TX State Comptroller
08/30/2017

PAY STATE TREASURER
GENERAL LAND OFFICE
COMMISSIONER
OR
VETERANS LAND BOARD
CHAIRMAN

Acct #: 9403908

Check #: 3035010636

Amount: 17,082.60

Seq#: 4570375022

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

WPX ENERGY RKI EXPLORATION & PRODUCTION, LLC
PO BOX 21358
TULSA, OK 74121-1358
Company Number: 3035

JPMorgan Chase Bank, N.A.
Chicago, IL

18701171
Check Number: 3035010636
Check Date: Sep 20, 2017

Seventeen Thousand Eighty-Two Dollars And Sixty Cents****

Pay To The Order Of
TEXAS GENERAL LAND OFFICE
1700 N CONGRESS AVE
STE 600
AUSTIN, TX 78701 US

PAY (USD) \$17,082.60

0000000000009403908

Authorized Signature

WPX checks (12/11)

3035010636

17110731

7000314530
TX SIGS Controller
09/27/2017

PAY STATE TREASURER
GENERAL LAND OFFICE
COMMISSIONER
OR
VETERANS LAND BOARD
CHAIRMAN

Acct #: 9403908

Check #: 3035011251

Amount : 8,129.25

Seq#: 4570434993

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.		CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.	
WPXENERGY	RKI EXPLORATION & PRODUCTION, LLC	JP Morgan Chase Bank, N.A. Chicago, IL	18702406
PO BOX 21358	TULSA, OK 74121-1358	Check Number: 3035011251	Check Date: Oct 20, 2017
Company Number: 3035			
Eight Thousand One Hundred Twenty-Nine Dollars And Twenty-Five Cents: *****			
Pay To The Order Of TEXAS GENERAL LAND OFFICE 1700 N CONGRESS AVE STE 600 AUSTIN, TX 78701 US		PAY (USD) \$8,129.25	
0000000000009403908		 Authorized Signature	
⑈ 3035011251 ⑈			

80450781

7002175520
TX State Controller
10/24/2017

PAY STATE TREASURER
GENERAL LAND OFFICE
COMMISSIONER
OR
VETERAN LAND BOARD
CHAIRMAN

Acct #: 9403908

Check #: 3035011864

Amount: 10,727.15

Seq#: 4570562650

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.		CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.	
WPXENERGY	RKI EXPLORATION & PRODUCTION, LLC	JPMorgan Chase Bank, N.A.	18703691
	PO BOX 21358	Chicago, IL	
	TULSA, OK 74121-1358		Check Number: 3035011864
	Company Number: 3035		Check Date: Nov 20, 2017
Ten Thousand Seven Hundred Twenty-Seven Dollars And Fifteen Cents			
Pay To The Order Of TEXAS GENERAL LAND OFFICE 1700 N CONGRESS AVE STE 600 AUSTIN, TX 78701 US		PAY (USD)	\$10,727.15
0000000000009403908		 Authorized Signature	
⑈3035011864⑈			

7800223060
TX State Comptroller
11/28/2017

PAY STATE TREASURER
GENERAL LAND OFFICE
COMMISSIONER
OR
VETERANS LAND BOARD
CHAIRMAN

Acct #:9403908

Check #:3035012524

Amount :11,175.90

Seq#:9980535833

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.		CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.	
WPXENERGY	RKI EXPLORATION & PRODUCTION, LLC	JPMorgan Chase Bank, N.A.	18703156
	PO BOX 21358	Chicago, IL	Check Number: 3035012524
	TULSA, OK 74121-1358		Check Date: Dec 20, 2017
	Company Number: 3035		
Eleven Thousand One Hundred Seventy-Five Dollars And Ninety Cents			
Pay To The Order Of TEXAS GENERAL LAND OFFICE 1700 N CONGRESS AVE STE 600 AUSTIN, TX 78701 US		PAY (USD) \$11,175.90	
00000000000009403908		Authorized Signature	
3035012524			

18703156	
7906270514 TO: 81010, Comptroller 01/03/2018	
	PAY STATE TREASURER GENERAL LAND OFFICE COMMISSIONER OR VETERANS LAND BOARD CHAIRMAN

Acct #: 9403908
Seq#: 4570507699

Check #: 3035013175

Amount: \$9,282.45

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

WPXENERGY **RKI EXPLORATION & PRODUCTION, LLC**
PO BOX 21358
TULSA, OK 74121-1358
Company Number: 3035

JP Morgan Chase Bank, N.A.
Chicago, IL

18706309
Check Number: 3035013175
Check Date: Jan 22, 2018

Nine Thousand Two Hundred Eighty-Two Dollars And Forty-Five Cents

Pay To The Order Of
TEXAS GENERAL LAND OFFICE
1700 N CONGRESS AVE
STE 600
AUSTIN, TX 78701 US

PAY (USD) \$9,282.45

0000000000009403908

Authorized Signature

WPX checks (12/11)

3035013175

3035013175

7000213056
12/31/10 Controller
01/30/2018

PAY STATE TREASURER
GENERAL LAND OFFICE
COMMISSIONER
OR
VETERANS LAND BOARD
CHAIRMAN

Acct #: 9403908

Check #: 3035013711

Amount : 4,020.05

Seq#: 4570439079

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

WPXENERGY RKI EXPLORATION & PRODUCTION, LLC
PO BOX 21358
TULSA, OK 74121-1358
Company Number: 3035

JP Morgan Chase Bank, N.A. 703322/719
Chicago, IL 18707635

Check Number: 3035013711
Check Date: Feb 21, 2018

Four Thousand Twenty Dollars And Five Cents

Pay To The Order Of
TEXAS GENERAL LAND OFFICE
1700 N CONGRESS AVE
STE 600
AUSTIN, TX 78701 US

PAY (USD) \$4,020.05

00000000000009403908

Authorized Signature

WPX checks (12/11)

18707635

18707635

7015112339
TX State General Land Office
02/20/2018

PAY STATE TREASURER
GENERAL LAND OFFICE
COMMISSIONER
OR
VETERANS LAND BOARD
CHAIRMAN

Amount :10,038.15

Seq#:104570415017

WPX checks (12/11)

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

WPXENERGY RKI EXPLORATION & PRODUCTION, LLC
PO BOX 21358
TULSA, OK 74121-1358
Company Number: 8035

JPMorgan Chase Bank, N.A.
Chicago, IL

18709147
Check Number: 3035014305
Check Date: Mar 20, 2018

Ten Thousand Thirty-Eight Dollars And Fifteen Cents*****

Pay To The Order Of
TEXAS GENERAL LAND OFFICE
1700 N CONGRESS AVE
STE 600
AUSTIN, TX 78701 US

00000000000009403908

PAY (USD) \$10,038.15

[Signature]
Authorized Signature

11 3035014305

74180781

7012102910
TJ 51416 Control roller
03/28/2018

PAY STATE TREASURER
GENERAL LAND OFFICE
COMMISSIONER
OR
VETERANS LAND BOARD
CHAIRMAN

OFFICE OF THE SECRETARY OF STATE



**AMENDED CERTIFICATE OF REGISTRATION
OF
LIMITED LIABILITY COMPANY**

WHEREAS, the Amended Application for Registration of

WPX ENERGY PERMIAN, LLC

organized under the laws of the State of DELAWARE has filed in the office of the Secretary of State duly authenticated evidence of its organization and application for registration to transact business in this State, as provided by the laws of the State of Oklahoma.

NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this Amended Certificate evidencing the registration of said limited liability company to transact business in this state.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.



*Filed in the city of Oklahoma City this
26th day of March, 2018.*

[Signature]

Secretary of State

03/26/2018 02:49 PM

OKLAHOMA SECRETARY OF STATE



SOS



3654828002

AMENDED OR CORRECTED APPLICATION FOR REGISTRATION

(Foreign Limited Liability Company)

Filing Fee: \$100.00

DATE

EFFECTIVE APRIL 1, 2018

Oklahoma City, Oklahoma 73103
(405) 522-2520

I hereby execute the following articles for the purpose of amending or correcting the registration of a foreign limited liability company pursuant to the provisions of Title 18, Section 2046:

1. A) Name of the limited liability company:

RKI Exploration & Production, LLC

B) If different, the fictitious name which the company transacts business under in the state of Oklahoma:

C) AS AMENDED: Name of the limited liability company:

WPX Energy Permian, LLC

(NOTE: The new name must contain either the words limited liability company or limited company or the abbreviations LLC, LC, L.L.C. or L.C. The word limited may be abbreviated as Ltd. and the word company may be abbreviated as Co.)

2. State or other jurisdiction of its formation: Delaware
3. Date the company was originally formed: June 21, 2005
4. AS AMENDED: NAME and street address of the registered agent for service of process in the state of Oklahoma, if any:

❖ The registered agent shall be an individual resident of Oklahoma or a domestic or qualified foreign corporation, limited liability company or limited partnership.

Name	Street Address (P.O. BOXES ARE <u>NOT</u> ACCEPTABLE)	City	State <u>Oklahoma</u>	Zip Code
------	--	------	--------------------------	----------

5. AS AMENDED: Address of the office required to be maintained in the state of its organization by the laws of that state or, if not so required, the principal office of the foreign limited liability company:

Street Address	City	State	Zip Code
----------------	------	-------	----------

RECEIVED

MAR 26 2018

(SOS FORM 0082-07/12)

OKLAHOMA SECRETARY
OF STATE

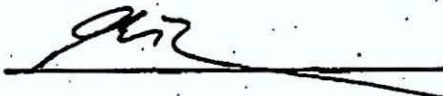
6. **E-MAIL** address of the primary contact for the registered business:

WPXTaxAdmin@wpxenergy.com

- ❖ Notice of the Annual Certificate will **ONLY** be sent to the limited liability company at its last known electronic mail address of record.

7. Set forth clearly any and all amendments or corrections to the application for registration:

The amended or corrected application for registration must be signed by a manager, member, or other person.

- Signature:  Dated: March 26, 2018
- Printed Name: Stephen E. Brilz, Vice President and Secretary, WPX Energy Permian, LLC

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "RKI EXPLORATION & PRODUCTION, LLC", CHANGING ITS NAME FROM "RKI EXPLORATION & PRODUCTION, LLC" TO "WPX ENERGY PERMIAN, LLC", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF MARCH, A.D. 2018, AT 2:40 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF AMENDMENT IS THE FIRST DAY OF APRIL, A.D. 2018 AT 12 O'CLOCK A.M.

A handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line.

Jeffrey W. Bullock, Secretary of State

3988470 8100
SR# 20182182469

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202412931
Date: 03-28-18

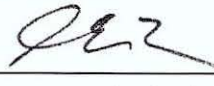
**STATE OF DELAWARE
CERTIFICATE OF AMENDMENT**

1. Name of Limited Liability Company: RKI Exploration & Production, LLC

2. The Certificate of Formation of the limited liability company is hereby amended as follows:

"FIRST. The name of the limited liability company is WPX Energy Permian, LLC."

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 26 day of March, A.D. 2018.

By: 

Authorized Person(s)

Name: Stephen E. Brilz

Print or Type

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:40 PM 03/26/2018
FILED 02:40 PM 03/26/2018
SR 20182182469 - File Number 3988470

**CERTIFICATE OF AMENDMENT
OF
RKI EXPLORATION & PRODUCTION, LLC**

The undersigned, WPX Energy, Inc. acting as the sole member of RKI Exploration & Production, LLC, does hereby execute the following Certificate of Amendment:

1. The name of the limited liability company is RKI Exploration & Production, LLC (the "Company").
2. The Certificate of Formation of the Company is hereby amended as follows:
"FIRST. The name of the limited liability company is WPX Energy Permian, LLC."
3. This Certificate of Amendment shall be effective April 1, 2018 at 12:00 AM Eastern time.

IN WITNESS WHEREOF, this Certificate of Amendment has been executed as of this 26 day of March 2018.

WPX Energy, Inc.

By: 
Name: Stephen E. Brilz
Title: Vice President and Secretary



Office of the Secretary of State

March 27, 2018

CT Corporation System
701 Brazos, Ste. 720
Austin, TX 78701 USA

RE: WPX Energy Permian, LLC
File Number: 800727692

It has been our pleasure to file the Application for Amended Registration for the referenced entity.
Enclosed is the certificate evidencing filing. Payment of the filing fee is acknowledged by this letter.

If we may be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555

Enclosure



Office of the Secretary of State

**CERTIFICATE OF AMENDED REGISTRATION
OF**

WPX Energy Permian, LLC
800727692

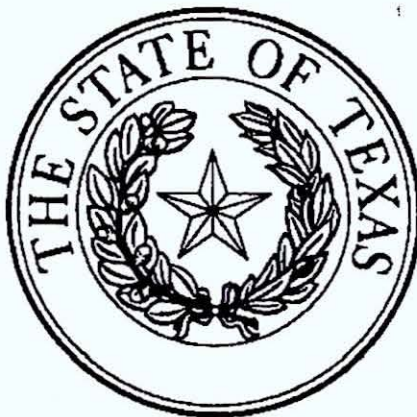
[formerly: RKI Exploration & Production, LLC]

The undersigned, as Secretary of State of Texas, hereby certifies that an Application for Amended Registration to transact business in this state for the above named entity has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this Certificate of Amended Registration to transact business in this state under the name of:

WPX Energy Permian, LLC

Dated: 03/26/2018
Effective: 04/01/2018



A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos
Secretary of State

Form 406**(Revised 05/11)**

Submit in duplicate to:

Secretary of State

P.O. Box 13697

Austin, TX 78711-3697

512 463-5555

FAX: 512/463-5709

Filing Fee: See instructions**Amendment to Registration**

This space reserved for office use.

FILED
In the Office of the
Secretary of State of Texas**MAR 26 2018****Corporations Section****Entity Information**

1. The legal name of the filing entity is:

RKI Exploration & Production, LLC*State the name of the entity as currently shown in the records of the secretary of state.*

2. If the entity attained its registration under an assumed name, the qualifying assumed name as shown on the records of the secretary of state is:

3. The registration was issued to the entity on:

10/31/2006*mm/dd/yyyy*The file number issued to the filing entity by the secretary of state is: 800727692**Amendments to Application**

4. The registration is amended to change the legal name of the entity as amended in the entity's jurisdiction of formation. The new name is:

WPX Energy Permian, LLC

5. The new name of the entity is not available for use in Texas or fails to include an appropriate organizational designation. Or, the entity wishes to amend the qualifying assumed name stated on its application for registration or amended registration. The assumed name the entity elects to adopt for purposes of maintaining its registration is:

6. The registration is amended to change the business or activity stated in its application for registration or amended registration. The business or activity that the entity proposes to pursue in this state is:

The entity certifies that it is authorized to pursue the same business or activity under the laws of the entity's jurisdiction of formation.

Other Changes to the Application for Registration

7. The foreign filing entity desires to amend its application for registration to make changes other than or in addition to those stated above. Statements contained in the original application or any amended application are identified by number or description and changed to read as follows:

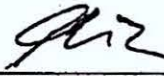
Effectiveness of Filing (Select either A, B, or C.)

- A. ☐ This document becomes effective when the document is filed by the secretary of state.
- B. ☒ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: April 1, 2018
- C. ☐ This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____
- The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: March 26, 2018



Signature of authorized person (see instructions)

Stephen E. Brilz - Vice President and Secretary

Printed or typed name of authorized person.

Form 509
(Revised 06/15)

Submit with relevant filing
instrument.

Filing Fee: None



**Consent to Use
of Similar Name**

(1) WPX Energy Marketing, LLC

Name and file number of the entity or individual who holds the existing name on file with the secretary of state

consents to the use of

(2) WPX Energy Permian, LLC

Proposed name

as the name of a filing entity or foreign filing entity in Texas for the purpose of submitting a filing instrument to the secretary of state.

(3) The undersigned certifies to being authorized by the holder of the existing name to give this consent. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: March 26, 2018

A handwritten signature in black ink, appearing to read "S. Brilz".

Signature of Authorized Person

Stephen E. Brilz

Name of Authorized Person (type or print)

Vice President and Secretary

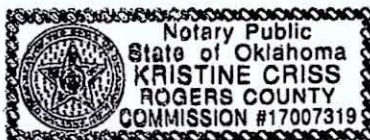
Title of Authorized Person, if any (type or print)

State of Oklahoma

County of Tulsa

This instrument was acknowledged before me on 3/26/18 by Stephen E. Brilz
(date) (name of authorized person)

(Seal)



EXPIRES August 7, 2021

A handwritten signature in black ink, appearing to read "Kristine Criss".

Notary Public's signature

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Go to www.irs.gov/FormW9 for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

WPX Energy Permian, LLC fka RKI Exploration & Production, LLC

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☒ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) 5

Exemption from FATCA reporting code (if any) D

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

3500 One Williams Center

6 City, state, and ZIP code

Tulsa, OK 74172-0135

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

or

Employer identification number

2 0 3 1 7 6 2 2 9

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of U.S. person ▶

James R. Repley, Tax Director

Date ▶

4/26/18

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What Is Backup Withholding*, later.

File No. MF114284

Reeves County

Refund Request Packet

Date Filed: 8-17-2018

George P. Bush, Commissioner

By CE



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 18, 2019

Certified USPS # 7011 1150 0001 2420 6711

WPX Energy Permian, LLC
Attn: Geoff Pool
3500 One Williams Center MD-35
Tulsa, OK 74172

Re: Partial Release of State Lease No. MF114284
Circe State 28 Well No. 1H Well / API No. 42-389-34865 / RRC Lease No. 08-48114
Circe State 28 Well No. 2H Well / API No. 42-389-35841 / RRC Lease No. 08-283277
640 acres, being all of Section 28, Block 54, Township 4, Abstract No. 2862, T&P RR Co.
Survey, Reeves County, Texas.

Dear Geoff Pool:

The Texas General Land Office (GLO) has completed a review of the above captioned State Lease of which WPX Energy Permian, LLC is the current listed operator. The review of our internal records indicated the GLO has not received a Partial Release as required under the Retained Acreage Clause located in Paragraph No. 16 of the above referenced State Lease.

In accordance with Paragraph 16(B), it appears the above referenced State Lease terminated as to:

- 1) 11,533.1' subsurface in the W/2 of Section 28, being 100' below the deepest well drilled in the 320 acre proration unit for the Circe State 28 Well No. 1H (API No. 42-389-34865), as reflected on the EOW Completion Report dated July 5, 2015 by Panther Energy LLC;
- 2) 10,879.63' subsurface in the E/2 of Section 28, being 100' below the deepest well drilled in the 320 acre proration unit for the Circe State 28 Well No. 2H (API No. 42-389-35841) as reflected on the Survey Report dated May 6, 2017 by Scientific Drilling.

Please provide the GLO with a Partial Release of the above referenced State Lease as to the terminated depths as required under Paragraph No. 16, effective as of the date of said termination. Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of the Partial Release, along with a filing fee of twenty-five dollars (\$25.00) for each State Lease affected by said Partial Release, is to be filed with our office.

Should you disagree with this assessment please provide evidence to the GLO at the address shown below within thirty (30) days of receipt of this letter. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total F

MF114284

Postmark
Here

WPX Energy Permian, LLC
Attn: Geoff Pool

Sent To

3500 One Williams Center MD-35
Tulsa, OK 74172

Street, A
or PO B

City, Sta

7011 1150 0001 2420 6711

Certified Mail Provides:

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

Important Reminders:

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

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

PS Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047

Best,

COPY

Dustin Brian Oslick

Mineral Leasing, Energy Resources

512-475-0593

Dustin.Oslick@glo.texas.gov

(16)

File No. MF 114284
Reeves County
Request for Ptl Release
Date Filed: 18 June 2019
George P. Bush, Commissioner
By [Signature] DBS



Panther Energy LLC

Reeves County, Texas
Sec 28 Blk 54 - T4S - T&P RR Co
Circe State 28-1H
Original Wellpath

Design: As Drilled

EOW Completion Report

06 July, 2015



Scientific Drilling



EOW Completion Report



Company: Panther Energy LLC
Project: Reeves County, Texas
Site: Sec 28 Blk 54 - T4S - T&P RR Co
Well: Circe State 28-1H
Wellbore: Original Wellpath
Design: As Drilled

Local Co-ordinate Reference: Well Circe State 28-1H
TVD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
MD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: Oklahoma District

Project	Reeves County, Texas, Reeves County, Texas		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Texas Central 4203		

Site Sec 28 Blk 54 - T4S - T&P RR Co, SHL of Circe State 28

Site Position:
From: Map **Northing:** 710,892.00 usft **Latitude:** 31° 34' 39.454 N
Position Uncertainty: 0.0 usft **Easting:** 950,831.00 usft **Longitude:** 103° 42' 10.414 W
Slot Radius: 13-3/16" **Grid Convergence:** -1.74 °

Well Circe State 28-1H

Well Position **+N/-S** 0.0 usft **Northing:** 710,892.00 usft **Latitude:** 31° 34' 39.454 N
+E/-W 0.0 usft **Easting:** 950,831.00 usft **Longitude:** 103° 42' 10.414 W
Position Uncertainty 0.0 usft **Wellhead Elevation:** 2,856.0 usft **Ground Level:** 2,836.0 usft

Wellbore Original Wellpath

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	BGGM2015	6/5/2015	7.32	59.50	47,824

Design As Drilled

Audit Notes:

Version: 1.0 **Phase:** ACTUAL **Tie On Depth:** 0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	181.64

Survey Program Date 7/6/2015

From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description
100.0	8,000.3	Survey #1 Gyro (Original Wellpath)	Standard Keeper 104	Standard Wireline Keeper ver 1.0.4
8,152.0	16,200.0	Survey #2 MWD (Original Wellpath)	SDI MWD	Scientific Drilling Intl. MWD - Standard ver 1.0.1

Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00
100.0	0.07	100.07	100.0	0.0	0.1	0.0	0.07
200.0	0.08	116.24	200.0	-0.1	0.2	0.0	0.02
300.0	0.04	158.46	300.0	-0.1	0.3	0.1	0.06
400.0	0.22	259.66	400.0	-0.2	0.1	0.2	0.23
500.0	0.48	274.71	500.0	-0.2	-0.5	0.2	0.27
600.0	0.44	278.65	600.0	-0.1	-1.3	0.1	0.05
700.0	0.52	274.42	700.0	0.0	-2.2	0.1	0.09
800.0	1.10	272.30	800.0	0.1	-3.6	0.0	0.58
900.0	1.14	276.19	900.0	0.2	-5.5	-0.1	0.09
1,000.0	1.00	273.61	999.9	0.4	-7.4	-0.2	0.15



EOW Completion Report



Company: Panther Energy LLC
Project: Reeves County, Texas
Site: Sec 28 Blk 54 - T4S - T&P RR Co
Well: Circe State 28-1H
Wellbore: Original Wellpath
Design: As Drilled

Local Co-ordinate Reference: Well Circe State 28-1H
TVD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
MD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: Oklahoma District

Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)
1,100.0	0.85	265.17	1,099.9	0.4	-9.0	-0.1	0.20
1,200.0	0.91	256.35	1,199.9	0.1	-10.5	0.2	0.15
1,300.0	0.87	256.43	1,299.9	-0.2	-12.0	0.6	0.04
1,400.0	0.86	251.54	1,399.9	-0.7	-13.5	1.0	0.07
1,500.0	0.84	254.10	1,499.9	-1.1	-14.9	1.5	0.04
1,600.0	0.64	252.82	1,599.9	-1.5	-16.1	1.9	0.20
1,700.0	0.81	267.82	1,699.9	-1.7	-17.3	2.1	0.25
1,800.0	1.20	276.16	1,799.9	-1.6	-19.1	2.1	0.42
1,900.0	1.82	278.68	1,899.8	-1.2	-21.7	1.8	0.62
2,000.0	2.00	278.90	1,999.8	-0.7	-25.0	1.4	0.18
2,100.0	2.10	279.37	2,099.7	-0.1	-28.5	1.0	0.10
2,200.0	2.47	279.28	2,199.6	0.5	-32.5	0.4	0.37
2,300.0	3.04	282.78	2,299.5	1.4	-37.2	-0.4	0.59
2,400.0	3.29	282.30	2,399.3	2.6	-42.6	-1.4	0.25
2,500.0	3.20	282.93	2,499.2	3.9	-48.1	-2.5	0.10
2,600.0	2.60	282.27	2,599.1	5.0	-53.0	-3.5	0.60
2,700.0	1.58	284.22	2,699.0	5.8	-56.6	-4.2	1.02
2,800.0	0.53	327.39	2,799.0	6.5	-58.2	-4.9	1.25
2,900.0	0.41	19.46	2,899.0	7.3	-58.3	-5.6	0.43
3,000.0	0.16	94.31	2,999.0	7.6	-58.0	-5.9	0.40
3,100.0	0.74	232.26	3,099.0	7.2	-58.4	-5.5	0.87
3,200.0	0.64	213.17	3,199.0	6.3	-59.2	-4.6	0.25
3,300.0	1.20	132.24	3,299.0	5.1	-58.8	-3.5	1.27
3,400.0	1.09	128.23	3,398.9	3.9	-57.2	-2.2	0.14
3,500.0	1.51	109.38	3,498.9	2.8	-55.2	-1.2	0.59
3,600.0	2.46	97.56	3,598.8	2.1	-51.9	-0.6	1.03
3,700.0	2.91	96.66	3,698.7	1.5	-47.2	-0.2	0.45
3,800.0	3.02	95.97	3,798.6	1.0	-42.1	0.2	0.12
3,900.0	2.79	97.83	3,898.5	0.4	-37.1	0.7	0.25
4,000.0	2.00	104.37	3,998.4	-0.4	-33.0	1.3	0.83
4,100.0	1.87	107.18	4,098.3	-1.3	-29.7	2.2	0.16
4,200.0	1.79	103.50	4,198.3	-2.2	-26.6	2.9	0.14
4,300.0	1.42	101.86	4,298.2	-2.8	-23.9	3.5	0.37
4,400.0	1.38	101.32	4,398.2	-3.3	-21.5	3.9	0.04
4,500.0	1.17	107.30	4,498.2	-3.8	-19.3	4.4	0.25
4,600.0	1.13	108.34	4,598.2	-4.4	-17.4	4.9	0.05
4,700.0	0.99	129.62	4,698.1	-5.3	-15.8	5.7	0.41
4,800.0	0.86	136.54	4,798.1	-6.4	-14.7	6.8	0.17
4,900.0	0.77	146.83	4,898.1	-7.5	-13.8	7.9	0.17
5,000.0	0.56	167.12	4,998.1	-8.5	-13.3	8.9	0.31
5,100.0	0.52	187.84	5,098.1	-9.5	-13.2	9.8	0.20
5,200.0	0.32	191.82	5,198.1	-10.2	-13.4	10.6	0.20
5,300.0	0.33	214.58	5,298.1	-10.7	-13.6	11.1	0.13
5,400.0	0.34	201.13	5,398.1	-11.2	-13.9	11.6	0.08



EOW Completion Report



Company: Panther Energy LLC
Project: Reeves County, Texas
Site: Sec 28 Blk 54 - T4S - T&P RR Co
Well: Circe State 28-1H
Wellbore: Original Wellpath
Design: As Drilled

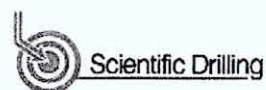
Local Co-ordinate Reference: Well Circe State 28-1H
TVD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
MD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: Oklahoma District

Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)
5,500.0	0.31	220.50	5,498.1	-11.7	-14.1	12.1	0.11
5,600.0	0.16	143.71	5,598.1	-12.0	-14.2	12.4	0.31
5,700.0	0.22	129.06	5,698.1	-12.2	-14.0	12.6	0.08
5,800.0	0.27	142.64	5,798.1	-12.5	-13.7	12.9	0.08
5,900.0	0.31	151.59	5,898.1	-13.0	-13.4	13.4	0.06
6,000.0	0.47	176.32	5,998.1	-13.6	-13.3	14.0	0.23
6,100.0	0.55	170.17	6,098.1	-14.5	-13.2	14.9	0.10
6,200.0	0.69	180.87	6,198.1	-15.6	-13.1	15.9	0.18
6,300.0	0.57	202.32	6,298.1	-16.6	-13.3	17.0	0.26
6,400.0	0.56	197.42	6,398.1	-17.6	-13.6	18.0	0.05
6,500.0	1.01	209.79	6,498.1	-18.8	-14.2	19.2	0.48
6,600.0	1.03	223.28	6,598.1	-20.2	-15.3	20.6	0.24
6,700.0	0.95	245.36	6,698.0	-21.2	-16.6	21.7	0.39
6,800.0	0.69	262.53	6,798.0	-21.6	-18.0	22.1	0.35
6,900.0	0.69	256.28	6,898.0	-21.9	-19.2	22.4	0.08
7,000.0	0.74	237.68	6,998.0	-22.4	-20.3	22.9	0.24
7,100.0	0.92	240.23	7,098.0	-23.1	-21.5	23.7	0.18
7,200.0	1.46	251.13	7,198.0	-23.9	-23.4	24.6	0.58
7,300.0	2.15	259.22	7,297.9	-24.7	-26.5	25.4	0.73
7,400.0	2.59	265.24	7,397.8	-25.2	-30.6	26.1	0.50
7,500.0	2.96	270.19	7,497.7	-25.4	-35.4	26.4	0.44
7,600.0	3.59	275.70	7,597.6	-25.1	-41.1	26.2	0.70
7,700.0	4.38	276.21	7,697.3	-24.3	-48.0	25.7	0.79
7,800.0	4.86	278.72	7,797.0	-23.3	-56.0	24.9	0.52
7,900.0	5.19	279.67	7,896.6	-21.9	-64.7	23.7	0.34
8,000.0	5.89	280.42	7,996.1	-20.2	-74.2	22.3	0.70
8,000.3	5.89	280.43	7,996.4	-20.2	-74.2	22.3	0.35
8,152.0	6.64	278.18	8,147.2	-17.5	-90.5	20.1	0.52
8,246.0	6.61	284.74	8,240.6	-15.4	-101.1	18.3	0.81
8,341.0	6.64	289.39	8,335.0	-12.2	-111.6	15.4	0.57
8,435.0	4.84	305.86	8,428.5	-8.0	-120.0	11.5	2.58
8,530.0	2.50	284.61	8,523.3	-5.2	-125.2	8.8	2.81
8,625.0	0.92	8.41	8,618.3	-3.9	-127.1	7.5	2.70
8,720.0	3.03	38.78	8,713.2	-1.2	-125.4	4.8	2.40
8,815.0	2.89	48.18	8,808.1	2.4	-122.1	1.1	0.53
8,910.0	3.87	50.99	8,902.9	6.0	-117.8	-2.6	1.05
9,005.0	3.39	55.17	8,997.7	9.6	-113.0	-6.4	0.58
9,100.0	2.73	57.88	9,092.6	12.4	-108.8	-9.3	0.71
9,195.0	2.87	51.12	9,187.5	15.1	-105.0	-12.1	0.38
9,290.0	3.20	60.84	9,282.3	17.9	-100.8	-15.0	0.64
9,385.0	3.34	66.96	9,377.2	20.3	-96.0	-17.5	0.40
9,479.0	3.34	73.59	9,471.0	22.1	-90.8	-19.5	0.41
9,670.0	1.71	76.15	9,661.8	24.4	-82.7	-22.0	0.86
9,860.0	2.34	65.25	9,851.7	26.7	-76.4	-24.5	0.39
10,050.0	2.24	72.75	10,041.6	29.4	-69.4	-27.4	0.17



EOW Completion Report



Company: Panther Energy LLC
Project: Reeves County, Texas
Site: Sec 28 Blk 54 - T4S - T&P RR Co
Well: Circe State 28-1H
Wellbore: Original Wellpath
Design: As Drilled

Local Co-ordinate Reference: Well Circe State 28-1H
TVD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
MD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: Oklahoma District

Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)
10,144.0	2.45	67.09	10,135.5	30.7	-65.8	-28.8	0.33
10,239.0	1.90	75.51	10,230.4	31.9	-62.4	-30.1	0.67
10,334.0	2.23	77.65	10,325.4	32.7	-59.0	-31.0	0.36
10,429.0	2.66	80.83	10,420.3	33.4	-55.1	-31.9	0.47
10,524.0	2.99	84.09	10,515.2	34.1	-50.4	-32.6	0.39
10,619.0	1.93	88.34	10,610.1	34.4	-46.4	-33.0	1.13
10,714.0	1.12	78.44	10,705.0	34.6	-43.9	-33.3	0.89
10,809.0	0.74	68.48	10,800.0	35.0	-42.4	-33.8	0.43
10,839.0	0.88	79.52	10,830.0	35.1	-42.0	-33.9	0.70
10,871.0	0.75	70.87	10,862.0	35.2	-41.5	-34.0	0.56
10,902.0	0.74	60.86	10,893.0	35.4	-41.2	-34.2	0.42
10,934.0	1.89	140.21	10,925.0	35.1	-40.6	-33.9	5.93
10,966.0	5.80	160.93	10,956.9	33.1	-39.8	-32.0	12.77
10,997.0	10.33	166.94	10,987.6	29.0	-38.6	-27.8	14.84
11,029.0	14.10	166.98	11,018.9	22.4	-37.1	-21.3	11.78
11,060.0	18.27	167.68	11,048.7	13.9	-35.2	-12.9	13.47
11,092.0	22.65	170.45	11,078.6	3.0	-33.1	-2.0	14.01
11,124.0	26.70	173.99	11,107.7	-10.3	-31.3	11.2	13.47
11,155.0	29.82	174.85	11,135.0	-24.9	-29.9	25.7	10.15
11,186.0	32.02	174.58	11,161.6	-40.7	-28.5	41.5	7.11
11,218.0	33.80	174.49	11,188.5	-58.1	-26.8	58.8	5.56
11,249.0	34.72	174.50	11,214.1	-75.4	-25.1	76.1	2.97
11,281.0	38.61	176.66	11,239.7	-94.5	-23.7	95.1	12.81
11,313.0	41.82	178.24	11,264.2	-115.1	-22.8	115.7	10.52
11,344.0	44.49	179.47	11,286.8	-136.3	-22.3	136.9	9.03
11,376.0	49.02	179.80	11,308.7	-159.6	-22.2	160.2	14.18
11,408.0	54.36	179.30	11,328.5	-184.7	-22.0	185.3	16.73
11,439.0	57.98	178.69	11,345.8	-210.4	-21.5	211.0	11.79
11,471.0	61.92	178.43	11,361.8	-238.1	-20.8	238.6	12.33
11,494.0	65.02	178.96	11,372.1	-258.7	-20.4	259.2	13.63
11,580.0	73.50	176.97	11,402.5	-339.0	-17.5	339.4	10.09
11,611.0	77.68	173.91	11,410.2	-368.9	-15.1	369.2	16.53
11,642.0	80.56	172.53	11,416.1	-399.1	-11.5	399.3	10.27
11,674.0	80.44	172.20	11,421.4	-430.4	-7.3	430.5	1.08
11,737.0	88.59	168.67	11,427.4	-492.2	3.1	491.9	14.09
11,769.0	91.85	171.83	11,427.3	-523.7	8.5	523.3	14.19
11,800.0	93.44	174.20	11,425.8	-554.5	12.3	553.9	9.20
11,831.0	93.67	177.99	11,423.9	-585.3	14.4	584.7	12.22
11,863.0	94.11	179.51	11,421.7	-617.2	15.1	616.6	4.93
11,894.0	91.78	183.43	11,420.1	-648.2	14.3	647.5	14.70
11,926.0	88.28	187.26	11,420.1	-680.0	11.3	679.4	16.21
11,957.0	87.88	187.46	11,421.2	-710.8	7.4	710.3	1.44
11,988.0	87.64	187.07	11,422.4	-741.5	3.4	741.1	1.48
12,020.0	84.33	186.88	11,424.6	-773.2	-0.4	772.9	10.36



EOW Completion Report



Company: Panther Energy LLC
Project: Reeves County, Texas
Site: Sec 28 Blk 54 - T4S - T&P RR Co
Well: Circe State 28-1H
Wellbore: Original Wellpath
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Local Co-ordinate Reference: Well Circe State 28-1H
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Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)
12,051.0	84.59	186.10	11,427.6	-803.8	-3.9	803.6	2.64
12,083.0	84.85	183.42	11,430.6	-835.6	-6.6	835.4	8.38
12,115.0	87.65	183.28	11,432.7	-867.5	-8.4	867.3	8.76
12,146.0	90.67	184.06	11,433.1	-898.4	-10.4	898.3	10.06
12,241.0	91.81	187.48	11,431.0	-992.9	-20.0	993.0	3.79
12,335.0	90.40	184.71	11,429.2	-1,086.3	-29.9	1,086.7	3.31
12,429.0	90.24	185.47	11,428.7	-1,179.9	-38.3	1,180.5	0.83
12,524.0	91.88	185.30	11,427.0	-1,274.5	-47.2	1,275.3	1.74
12,619.0	90.34	181.54	11,425.1	-1,369.3	-52.9	1,370.2	4.28
12,713.0	91.95	179.76	11,423.2	-1,463.3	-53.9	1,464.2	2.55
12,808.0	91.24	177.44	11,420.6	-1,558.2	-51.6	1,559.0	2.55
12,903.0	91.11	177.19	11,418.6	-1,653.1	-47.1	1,653.7	0.30
12,998.0	90.40	178.84	11,417.4	-1,748.0	-43.9	1,748.5	1.89
13,092.0	91.58	180.92	11,415.8	-1,842.0	-43.7	1,842.5	2.54
13,186.0	90.50	181.53	11,414.1	-1,935.9	-45.7	1,936.4	1.32
13,281.0	91.24	186.55	11,412.6	-2,030.7	-52.4	2,031.3	5.34
13,375.0	90.60	185.14	11,411.1	-2,124.1	-61.9	2,125.0	1.65
13,470.0	91.07	181.62	11,409.7	-2,219.0	-67.5	2,220.0	3.74
13,565.0	89.09	182.77	11,409.6	-2,313.9	-71.2	2,315.0	2.41
13,659.0	90.81	182.81	11,409.7	-2,407.8	-75.7	2,408.9	1.83
13,754.0	90.80	185.83	11,408.3	-2,502.5	-82.9	2,503.8	3.18
13,848.0	90.87	184.88	11,407.0	-2,596.1	-91.7	2,597.6	1.01
13,943.0	91.07	186.20	11,405.4	-2,690.6	-100.8	2,692.4	1.41
13,974.0	91.04	183.98	11,404.8	-2,721.5	-103.6	2,723.3	7.16
14,038.0	89.97	183.82	11,404.2	-2,785.3	-107.9	2,787.3	1.69
14,132.0	91.58	178.56	11,403.0	-2,879.2	-109.9	2,881.2	5.85
14,226.0	90.44	179.33	11,401.3	-2,973.2	-108.2	2,975.1	1.46
14,321.0	90.97	180.38	11,400.1	-3,068.2	-107.9	3,070.0	1.24
14,415.0	90.30	176.89	11,399.1	-3,162.2	-105.7	3,163.9	3.78
14,510.0	90.17	176.27	11,398.7	-3,257.0	-100.0	3,258.5	0.67
14,605.0	90.57	178.15	11,398.1	-3,351.9	-95.4	3,353.2	2.02
14,699.0	90.50	178.80	11,397.2	-3,445.8	-92.9	3,447.1	0.70
14,793.0	90.91	176.94	11,396.0	-3,539.8	-89.4	3,540.9	2.03
14,888.0	91.14	179.83	11,394.3	-3,634.7	-86.7	3,635.7	3.05
14,982.0	89.63	180.38	11,393.7	-3,728.7	-86.9	3,729.6	1.71
15,077.0	89.70	178.35	11,394.3	-3,823.7	-85.8	3,824.6	2.14
15,171.0	91.81	177.23	11,393.0	-3,917.6	-82.2	3,918.3	2.54
15,266.0	90.30	176.09	11,391.3	-4,012.4	-76.7	4,013.0	1.99
15,360.0	90.91	174.14	11,390.3	-4,106.1	-68.7	4,106.3	2.17
15,454.0	91.07	174.04	11,388.7	-4,199.5	-59.0	4,199.5	0.20
15,548.0	90.91	171.77	11,387.0	-4,292.8	-47.4	4,292.4	2.42
15,642.0	90.27	169.09	11,386.1	-4,385.5	-31.8	4,384.6	2.93
15,736.0	91.08	167.92	11,385.0	-4,477.6	-13.0	4,476.1	1.51
15,831.0	90.64	171.19	11,383.5	-4,571.0	4.2	4,569.0	3.47



EOW Completion Report



Company: Panther Energy LLC
Project: Reeves County, Texas
Site: Sec 28 Blk 54 - T4S - T&P RR Co
Well: Circe State 28-1H
Wellbore: Original Wellpath
Design: As Drilled

Local Co-ordinate Reference: Well Circe State 28-1H
TVD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
MD Reference: Latshaw 14: 2836' GL + 20 KB @ 2856.0usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: Oklahoma District

Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)
15,925.0	91.38	172.16	11,381.9	-4,664.0	17.8	4,661.6	1.30
16,019.0	91.47	173.30	11,379.5	-4,757.2	29.7	4,754.4	1.22
16,138.0	90.20	172.10	11,377.8	-4,875.2	44.8	4,871.9	1.47
16,200.0	89.69	172.10	11,377.9	-4,936.6	53.3	4,933.1	0.82

PTB

Design Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
16,200.0	11,377.9	-4,936.6	53.3	PTB

Checked By: _____ Approved By: _____ Date: _____



Panther Energy LLC

Circe State 28-1H
Reeves County, Texas
Northing: 710892.00
Easting: 950831.00
As Drilled



Azimuths to Grid North
 True North: 1.74°
 Magnetic North: 9.05°
 Magnetic Field
 Strength: 47824.0 nT
 Dip Angle: 59.50°
 Date: 6/5/2015
 Model: BGGM2015



Scientific Drilling

Genie Lightfoot
 16:46, July 06 2015
 Scientific Drilling
 11220 NW 10th Street
 Yukon OK 73099

Latshow 14: 2836' GL + 20 KB @ 2856.0usft
 Gr: 2836.0

WELL DETAILS Circe State 28-1H

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.0	0.0	710892.00	950831.00	31° 34' 39.454 N	103° 42' 10.414 W

SITE DETAILS: Sec 28 Bk 54 - T4S - T&P RR Co

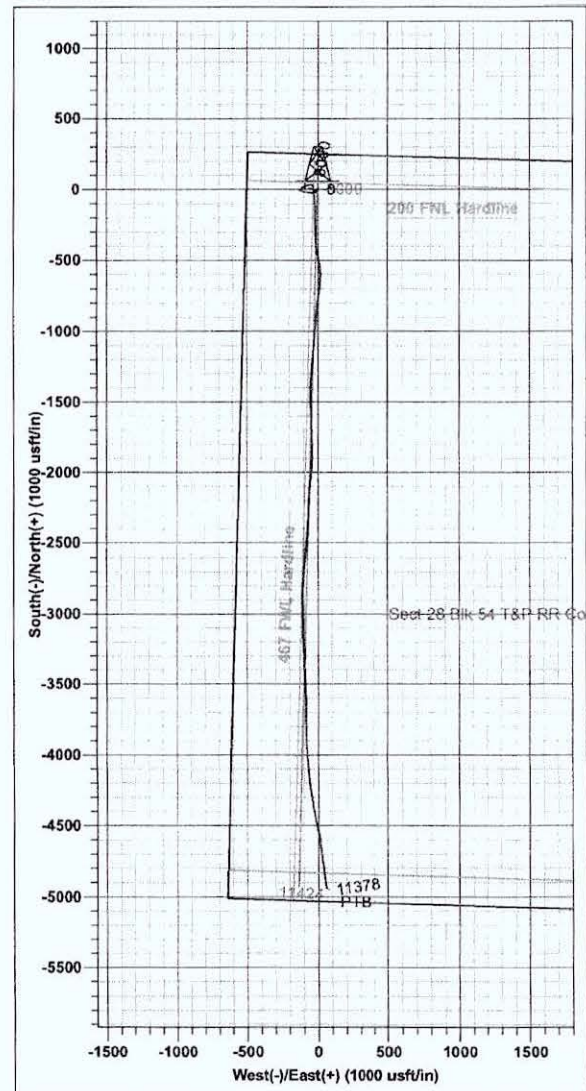
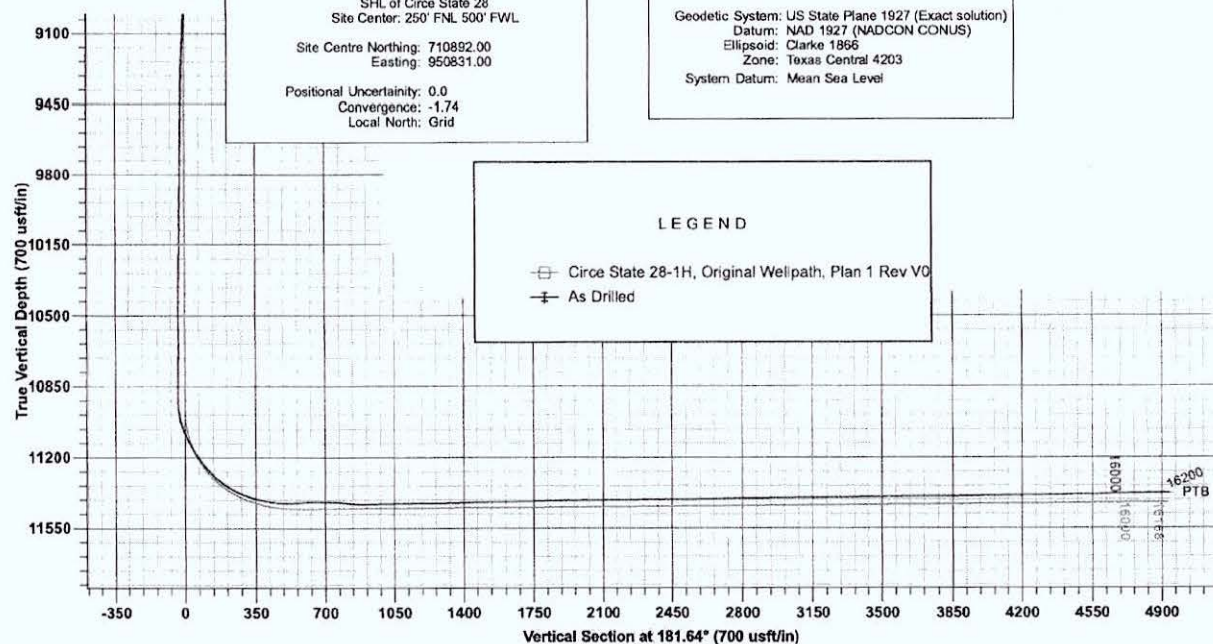
SHL of Circe State 28
 Site Center: 250' FNL 500' FWL
 Site Centre Northing: 710892.00
 Easting: 950831.00
 Positional Uncertainty: 0.0
 Convergence: -1.74
 Local North: Grid

PROJECT DETAILS: Reeves County, Texas

Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: Texas Central 4203
 System Datum: Mean Sea Level

LEGEND

- Circe State 28-1H, Original Wellpath, Plan 1 Rev V0
- +— As Drilled



PANTHER EXPLORATION LLC

LEASE NAME & WELL NO.:
CIRCE STATE 28-1H

TOPOGRAPHY & VEGETATION:
NATURAL MESQUITE PASTURE

NEAREST TOWN IN COUNTY:
±16.3 MILES NORTHWEST OF PECOS, TEXAS

DESCRIPTION:
SECTION 28, BLOCK 54, T-4, T. & P. RR. CO. SURVEY, A-2862
REEVES COUNTY, TEXAS

SPECIAL NOTES:

Original Document Size: 8.5"x14"
All Coordinates are in NAD 27 TX--C Zone unless otherwise noted.

CERTIFICATION:

This well location shown on this permit plat was surveyed on ground under my direct supervision. This plat is for Texas Railroad Commission permit purpose only and should not be considered a boundary survey.



Texas Reg. No.

5041



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

2905 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 797-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM
Texas FIRM Registration NO. 10042500

Surface Hole Location:

250' FNL & 500' FWL
SHL Ground Elevation: 2638'
X = 950831 Y = 710892
LAT.: N 31°34'39.45" LONG.: W 103°42'10.42"
NAD 83 TX-C ZONE

First Take Point Location:

250' FNL & 500' FWL
X = 950831 Y = 710892
LAT.: N 31°34'39.45" LONG.: W 103°42'10.42"

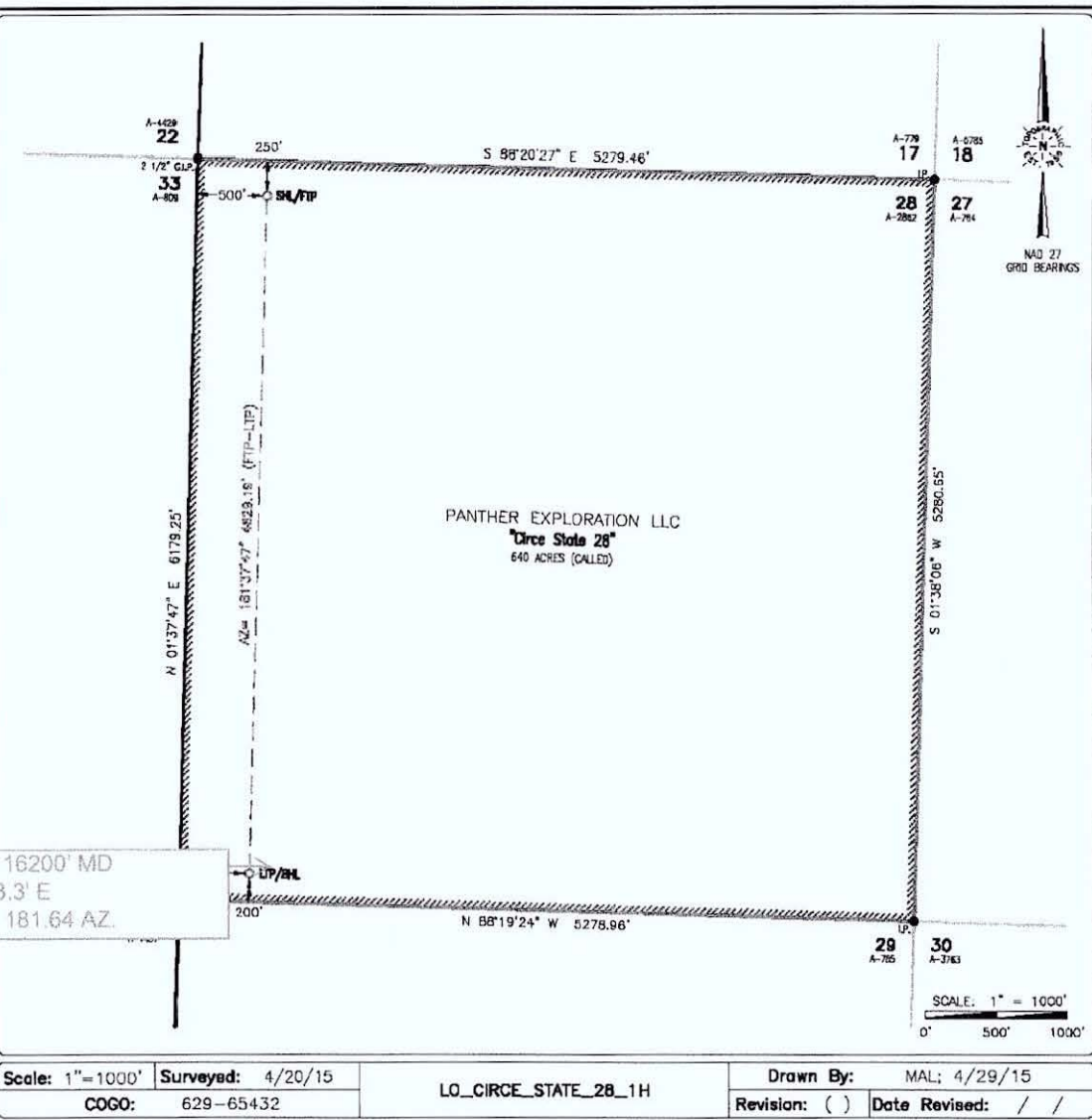
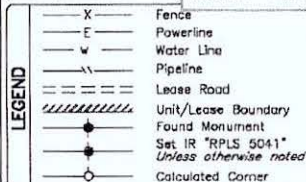
Last Take Point Location:

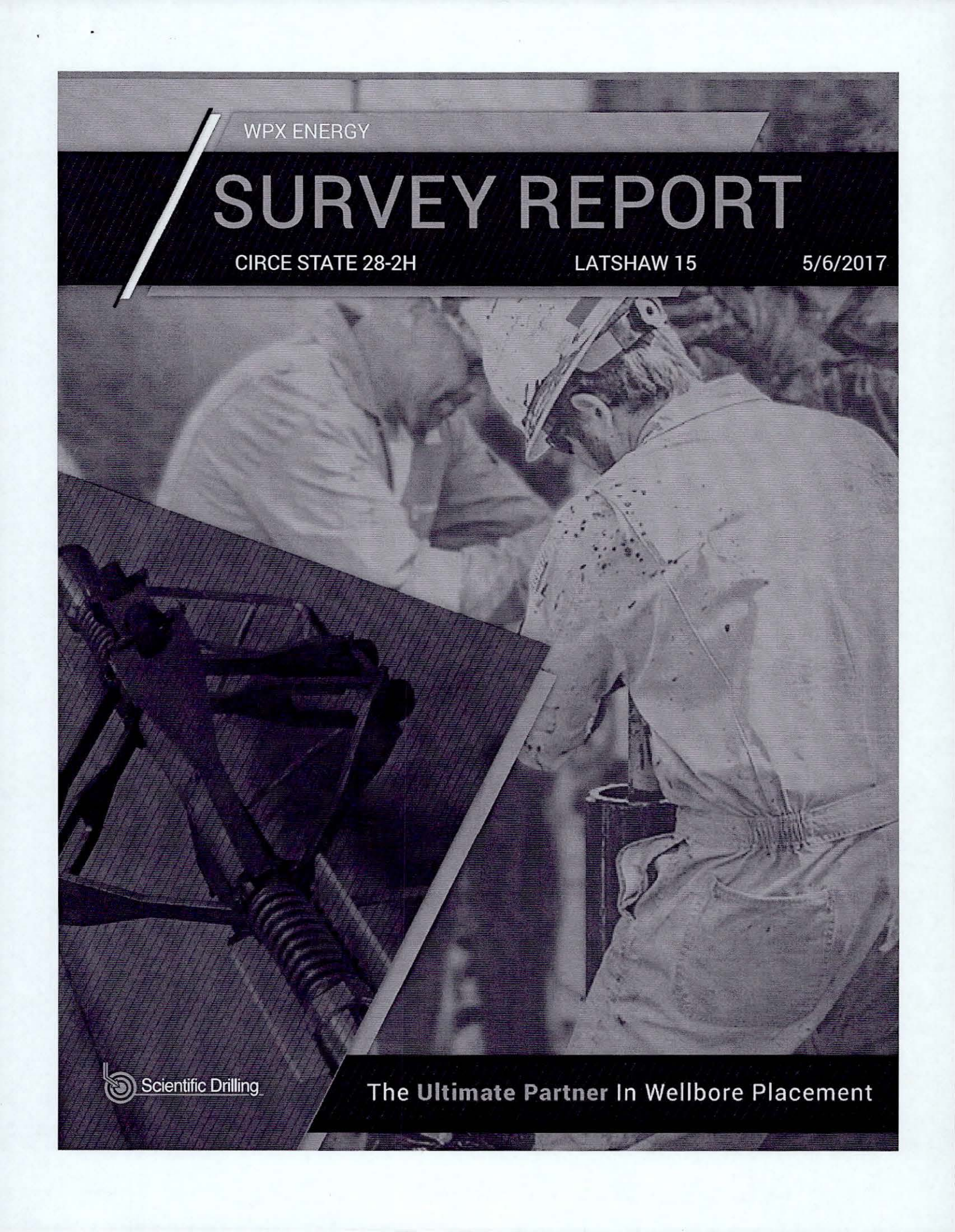
200' FSL & 500' FWL
X = 950693 Y = 706065
LAT.: N 31°33'51.66" LONG.: W 103°42'10.32"

Bottom Hole Location:

200' FSL & 500' FWL
X = 950693 Y = 706065
LAT.: N 31°33'51.66" LONG.: W 103°42'10.32"

11377.9' TVD 16200' MD
4936.6' S & 53.3' E
4933.1' VS @ 181.64 AZ





WPX ENERGY

SURVEY REPORT

CIRCE STATE 28-2H

LATSHAW 15

5/6/2017



The Ultimate Partner In Wellbore Placement

SURVEY REPORT

CIRCE STATE 28-2H MERGED

CUSTOMER **WPX Energy**
PROJECT **Circe State**
FIELD **Wolfcamp**

SDI JOB NO. **OP.000987**
SDI DISTRICT **Midland**
SDI KIT/UNIT **86-MP4-63**

SITE INFORMATION

Site Name **Circe State 28**
Lat/Long **31° 34' 40.474" N, 103° 41' 22.608" W**
Northing **10,553,394 ft**
Easting **1,251,573 ft**

Section -
Township -
Range -

MAP INFORMATION

North Reference **Grid North**
Grid Correction **1.73 deg**
System **US State Plane 1983**
Datum **North American Datum 1983 (GRS 1980)**
Map Zone **Texas Central: 4203**



WELL INFORMATION

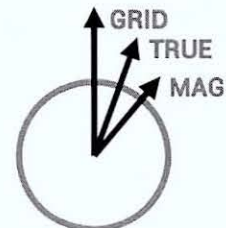
Lat/Long **31° 34' 40.474" N, 103° 41' 22.608" W**
Northing **10,553,394 ft**
Easting **1,251,573 ft**
UWI **42-389-35841**

DEPTH AND ELEVATION REFERENCE

Ground Level **2807 ft above Mean Sea Level**
Reference Datum **RKB**
Reference Height **30 ft above G.L.**
Reference Elevation **2837 ft**

VERTICAL SECTION REFERENCE

+N/-S **0 ft**
+E/-W **0 ft**
Proposal Direction **181.63°**
Calculation Method **Minimum Curvature**



GEOMAGNETIC REFERENCE INFORMATION

Local Gravity: **998.504 mG** [computed]

MD	MODEL	DATE	DECLINATION	TRUE TO GRID	MAG TO GRID
0-15594 ft	HDGM2016	27 Apr 2017	7.10°	add 1.73°	add 8.83°

WELL NOTES

OPERATORS

J. Kriesel, T. Felton

SDI Operator Name (Printed)

SIGNATURE

DATE

MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS	CLOSURE DIST	CLOSURE DIR
ft	deg	deg	ft	ft	ft	ft	°/100ft	ft	deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	Invalid	0.00	0.00
157.00	0.47	13.07	157.00	-0.63	0.62	0.14	0.30	0.64	13.07
250.00	0.29	359.89	250.00	-1.23	1.22	0.23	0.21	1.25	10.63
342.00	0.52	27.12	341.99	-1.84	1.83	0.42	0.33	1.88	12.97
433.00	0.40	25.61	432.99	-2.51	2.49	0.75	0.13	2.60	16.76
523.00	0.05	206.51	522.99	-2.77	2.74	0.87	0.50	2.88	17.61
614.00	0.44	357.78	613.99	-3.08	3.06	0.84	0.53	3.17	15.37
704.00	1.54	346.53	703.97	-4.59	4.58	0.54	1.24	4.61	6.79
795.00	2.67	323.53	794.91	-7.44	7.47	-1.00	1.52	7.54	352.38
886.00	4.04	319.99	885.76	-11.50	11.63	-4.32	1.53	12.41	339.62
977.00	2.46	324.10	976.61	-15.45	15.67	-7.53	1.76	17.38	334.34
1070.00	1.51	292.47	1069.55	-17.46	17.75	-9.83	1.52	20.29	331.03
1161.00	1.45	291.12	1160.52	-18.28	18.63	-12.01	0.07	22.16	327.18
1253.00	1.63	283.56	1252.49	-18.94	19.35	-14.37	0.29	24.10	323.40
1344.00	1.57	291.02	1343.45	-19.62	20.10	-16.79	0.24	26.19	320.13
1437.00	0.48	303.48	1436.44	-20.24	20.77	-18.30	1.19	27.69	318.62
1529.00	0.87	284.55	1528.43	-20.61	21.16	-19.30	0.49	28.64	317.63
1620.00	1.05	359.10	1619.42	-21.59	22.17	-19.99	1.29	29.85	317.97
1712.00	1.19	31.72	1711.40	-23.26	23.83	-19.50	0.70	30.79	320.71
1806.00	1.30	352.92	1805.38	-25.16	25.71	-19.12	0.88	32.04	323.37
1901.00	1.99	333.82	1900.34	-27.68	28.26	-19.98	0.93	34.61	324.74
1995.00	2.32	329.37	1994.28	-30.73	31.36	-21.67	0.39	38.12	325.36
2089.00	0.44	159.28	2088.26	-32.01	32.66	-22.51	2.92	39.67	325.43
2183.00	1.14	157.32	2182.25	-30.82	31.46	-22.02	0.75	38.40	325.01
2278.00	1.01	151.00	2277.23	-29.24	29.86	-21.25	0.19	36.65	324.56
2373.00	0.72	144.52	2372.22	-28.05	28.65	-20.50	0.32	35.23	324.41
2468.00	0.54	143.21	2467.21	-27.23	27.80	-19.89	0.19	34.18	324.42
2562.00	0.55	111.04	2561.21	-26.73	27.29	-19.21	0.32	33.37	324.86
2656.00	0.50	81.40	2655.21	-26.65	27.19	-18.38	0.29	32.82	325.93
2750.00	0.58	61.70	2749.20	-26.96	27.47	-17.56	0.21	32.61	327.41
2844.00	0.50	57.00	2843.20	-27.43	27.92	-16.81	0.09	32.59	328.96
2939.00	0.69	57.14	2938.19	-27.99	28.46	-15.98	0.20	32.64	330.69

MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS	CLOSURE DIST	CLOSURE DIR
ft	deg	deg	ft	ft	ft	ft	°/100ft	ft	deg
3033.00	0.85	46.30	3032.18	-28.81	29.25	-14.99	0.23	32.87	332.86
3127.00	0.85	44.08	3126.17	-29.82	30.23	-14.01	0.04	33.32	335.14
3220.00	1.03	48.51	3219.16	-30.90	31.28	-12.90	0.21	33.83	337.58
3314.00	1.06	51.94	3313.15	-32.03	32.37	-11.58	0.08	34.38	340.31
3407.00	0.87	45.20	3406.13	-33.09	33.40	-10.41	0.25	34.98	342.70
3502.00	0.75	48.08	3501.12	-34.04	34.32	-9.43	0.13	35.59	344.63
3597.00	0.50	76.20	3596.12	-34.58	34.84	-8.57	0.41	35.88	346.18
3691.00	0.68	72.00	3690.11	-34.88	35.11	-7.64	0.20	35.93	347.72
3785.00	0.68	71.09	3784.11	-35.26	35.46	-6.58	0.01	36.07	349.48
3880.00	0.74	83.66	3879.10	-35.54	35.71	-5.44	0.18	36.12	351.34
3974.00	0.77	81.19	3973.09	-35.74	35.87	-4.22	0.04	36.12	353.30
4029.00	0.78	89.76	4028.09	-35.82	35.93	-3.48	0.21	36.10	354.47
4149.00	0.72	73.80	4148.08	-36.08	36.15	-1.93	0.18	36.20	356.94
4243.00	0.86	85.22	4242.07	-36.34	36.37	-0.66	0.22	36.38	358.96
4337.00	2.11	78.14	4336.03	-36.82	36.78	1.74	1.34	36.82	2.70
4432.00	2.87	75.39	4430.94	-37.89	37.74	5.75	0.81	38.18	8.66
4527.00	2.98	74.17	4525.82	-39.30	39.02	10.43	0.13	40.39	14.96
4621.00	2.93	76.05	4619.69	-40.68	40.26	15.11	0.11	43.00	20.57
4715.00	2.78	69.90	4713.58	-42.17	41.63	19.58	0.36	46.00	25.19
4809.00	2.66	70.90	4807.47	-43.78	43.12	23.79	0.14	49.25	28.88
4904.00	2.84	65.75	4902.36	-45.59	44.81	28.01	0.32	52.85	32.01
4998.00	2.29	68.01	4996.27	-47.36	46.47	31.87	0.59	56.35	34.44
5093.00	2.16	63.25	5091.20	-48.97	47.98	35.23	0.23	59.53	36.28
5188.00	1.95	63.52	5186.14	-50.58	49.51	38.27	0.22	62.58	37.70
5283.00	2.18	66.65	5281.07	-52.11	50.95	41.38	0.27	65.64	39.08
5377.00	2.19	63.21	5375.00	-53.71	52.47	44.63	0.14	68.88	40.38
5471.00	2.25	60.99	5468.93	-55.51	54.17	47.84	0.11	72.27	41.45
5565.00	2.05	63.32	5562.87	-57.24	55.82	50.95	0.22	75.57	42.39
5659.00	2.08	64.96	5656.81	-58.81	57.30	54.00	0.07	78.73	43.31
5754.00	2.30	68.54	5751.74	-60.33	58.72	57.34	0.27	82.07	44.32
5849.00	1.88	77.09	5846.67	-61.47	59.77	60.63	0.55	85.14	45.41
5944.00	3.44	61.59	5941.57	-63.28	61.47	64.65	1.79	89.21	46.45

MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS	CLOSURE DIST	CLOSURE DIR
ft	deg	deg	ft	ft	ft	ft	%/100ft	ft	deg
6038.00	3.75	55.96	6035.39	-66.49	64.53	69.68	0.50	94.97	47.20
6133.00	3.72	60.48	6130.19	-69.89	67.79	74.93	0.31	101.04	47.87
6227.00	3.42	58.41	6224.00	-73.00	70.76	79.97	0.34	106.78	48.50
6321.00	2.81	52.05	6317.86	-76.01	73.64	84.17	0.75	111.84	48.82
6415.00	3.76	46.86	6411.71	-79.64	77.16	88.24	1.06	117.22	48.83
6509.00	3.70	50.27	6505.51	-83.82	81.21	92.82	0.24	123.33	48.82
6604.00	3.41	53.00	6600.33	-87.61	84.87	97.43	0.35	129.21	48.94
6698.00	3.20	54.86	6694.17	-90.92	88.06	101.81	0.26	134.61	49.14
6793.00	2.88	49.26	6789.04	-94.12	91.14	105.78	0.46	139.63	49.25
6887.00	3.62	48.39	6882.89	-97.74	94.65	109.79	0.79	144.96	49.23
6981.00	3.64	48.80	6976.70	-101.80	98.59	114.25	0.04	150.90	49.21
7075.00	3.12	52.93	7070.53	-105.42	102.09	118.53	0.61	156.44	49.26
7169.00	2.79	50.53	7164.41	-108.53	105.09	122.34	0.37	161.28	49.34
7264.00	2.91	51.24	7259.29	-111.61	108.07	126.01	0.13	166.00	49.38
7358.00	2.89	48.69	7353.17	-114.77	111.13	129.65	0.14	170.76	49.40
7452.00	2.45	47.14	7447.07	-117.79	114.06	132.90	0.47	175.14	49.36
7546.00	1.89	48.16	7541.00	-120.27	116.46	135.53	0.60	178.69	49.33
7640.00	1.40	65.93	7634.96	-121.83	117.96	137.73	0.75	181.34	49.42
7735.00	0.92	58.36	7729.94	-122.75	118.83	139.43	0.53	183.20	49.56
7830.00	0.35	18.08	7824.94	-123.44	119.50	140.17	0.73	184.20	49.55
7924.00	0.60	73.66	7918.93	-123.86	119.91	140.73	0.52	184.89	49.57
8019.00	0.90	49.06	8013.93	-124.52	120.54	141.77	0.46	186.09	49.63
8114.00	1.24	78.43	8108.91	-125.26	121.23	143.34	0.67	187.73	49.78
8209.00	0.34	134.93	8203.90	-125.30	121.24	144.54	1.15	188.66	50.01
8303.00	0.56	20.81	8297.90	-125.55	121.48	144.90	0.81	189.08	50.03
8399.00	0.96	20.02	8393.89	-126.76	122.67	145.34	0.42	190.19	49.83
8494.00	1.29	345.36	8488.87	-128.54	124.45	145.35	0.78	191.35	49.43
8588.00	1.01	340.54	8582.85	-130.32	126.26	144.80	0.31	192.12	48.91
8683.00	0.82	314.10	8677.84	-131.57	127.52	144.04	0.48	192.37	48.48
8777.00	0.98	294.98	8771.83	-132.34	128.33	142.82	0.36	192.01	48.06
8872.00	1.60	290.08	8866.81	-133.08	129.13	140.84	0.66	191.08	47.49
8967.00	1.63	269.20	8961.77	-133.44	129.56	138.25	0.62	189.47	46.86

MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS	CLOSURE DIST	CLOSURE DIR
ft	deg	deg	ft	ft	ft	ft	°/100ft	ft	deg
9061.00	1.71	268.50	9055.73	-133.31	129.51	135.50	0.08	187.44	46.30
9155.00	1.55	267.72	9149.69	-133.14	129.42	132.83	0.18	185.45	45.75
9250.00	1.38	254.80	9244.66	-132.73	129.07	130.45	0.39	183.51	45.30
9345.00	1.43	256.03	9339.63	-132.08	128.48	128.19	0.06	181.50	44.94
9439.00	1.28	257.16	9433.61	-131.50	127.96	126.03	0.16	179.61	44.56
9534.00	0.68	233.81	9528.59	-130.88	127.39	124.54	0.74	178.15	44.35
9628.00	1.02	252.75	9622.58	-130.27	126.81	123.28	0.46	176.86	44.19
9722.00	0.95	237.84	9716.57	-129.56	126.15	121.82	0.28	175.37	44.00
9816.00	0.45	257.09	9810.56	-129.04	125.65	120.80	0.58	174.30	43.87
9911.00	0.74	228.55	9905.56	-128.53	125.16	119.98	0.43	173.38	43.79
10006.00	0.59	243.15	10000.55	-127.87	124.53	119.08	0.23	172.30	43.72
10099.00	0.17	199.64	10093.55	-127.51	124.19	118.60	0.52	171.73	43.68
10199.00	2.36	163.55	10193.52	-125.42	122.08	119.14	2.22	170.58	44.30
10230.00	4.17	168.60	10224.47	-123.71	120.36	119.54	5.90	169.64	44.80
10293.00	8.48	164.22	10287.07	-117.05	113.64	121.26	6.89	166.19	46.86
10325.00	12.78	166.20	10318.51	-111.38	107.93	122.74	13.46	163.45	48.67
10388.00	19.35	171.19	10379.02	-94.38	90.83	126.01	10.66	155.33	54.21
10482.00	27.90	174.69	10465.07	-57.17	53.48	130.43	9.21	140.97	67.71
10577.00	36.19	176.15	10545.52	-7.10	3.28	134.38	8.77	134.42	88.60
10671.00	44.68	178.33	10617.01	53.64	-57.56	137.21	9.15	148.80	112.76
10765.00	54.85	178.80	10677.65	125.20	-129.20	138.98	10.83	189.76	132.91
10859.00	66.34	179.67	10723.73	206.88	-210.95	140.03	12.25	253.19	146.42
10953.00	71.75	181.42	10757.34	294.61	-298.69	139.17	6.01	329.52	155.02
11048.00	83.64	181.71	10777.56	387.26	-391.30	136.63	12.52	414.47	160.75
11103.00	92.05	180.62	10779.63	442.17	-446.20	135.52	15.43	466.33	163.11
11198.00	91.84	181.80	10776.40	537.11	-541.12	133.52	1.26	557.35	166.14
11292.00	90.60	182.59	10774.39	631.08	-635.03	129.91	1.57	648.18	168.44
11386.00	90.61	183.02	10773.40	725.05	-728.91	125.31	0.45	739.61	170.25
11480.00	88.59	178.16	10774.06	819.00	-822.87	124.35	5.59	832.21	171.41
11574.00	88.93	179.04	10776.10	912.85	-916.82	126.64	1.00	925.53	172.14
11669.00	92.05	177.36	10775.28	1007.66	-1011.76	129.63	3.73	1020.03	172.70
11763.00	92.28	179.38	10771.72	1101.43	-1105.65	132.30	2.16	1113.53	173.18

MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS	CLOSURE DIST	CLOSURE DIR
ft	deg	deg	ft	ft	ft	ft	%/100ft	ft	deg
11856.00	91.25	182.67	10768.86	1194.37	-1198.57	130.64	3.71	1205.67	173.78
11951.00	87.37	182.39	10770.00	1289.33	-1293.45	126.45	4.09	1299.62	174.42
12044.00	89.16	182.00	10772.81	1382.28	-1386.34	122.88	1.97	1391.78	174.93
12138.00	90.91	182.85	10772.76	1476.27	-1480.25	118.90	2.07	1485.02	175.41
12232.00	90.24	183.08	10771.82	1570.24	-1574.12	114.03	0.76	1578.24	175.86
12326.00	88.39	181.63	10772.95	1664.22	-1668.03	110.16	2.50	1671.66	176.22
12420.00	90.17	182.37	10774.13	1758.20	-1761.96	106.88	2.05	1765.20	176.53
12514.00	89.63	180.90	10774.30	1852.20	-1855.92	104.20	1.68	1858.84	176.79
12609.00	89.90	179.52	10774.69	1947.17	-1950.91	103.85	1.47	1953.67	176.95
12702.00	91.31	179.71	10773.70	2040.10	-2043.90	104.48	1.53	2046.57	177.07
12796.00	92.15	179.27	10770.86	2133.99	-2137.85	105.32	1.00	2140.45	177.18
12891.00	91.85	181.26	10767.55	2228.90	-2232.79	104.88	2.12	2235.25	177.31
12985.00	91.00	182.05	10765.22	2322.87	-2326.72	102.17	1.23	2328.96	177.49
13080.00	91.01	183.60	10763.55	2417.83	-2421.59	97.49	1.64	2423.55	177.69
13174.00	90.13	185.25	10762.61	2511.71	-2515.30	90.23	1.99	2516.92	177.95
13268.00	89.73	185.81	10762.72	2605.50	-2608.86	81.17	0.73	2610.12	178.22
13363.00	87.11	185.19	10765.34	2700.23	-2703.38	72.07	2.84	2704.34	178.47
13457.00	88.62	185.06	10768.84	2793.99	-2796.93	63.68	1.62	2797.66	178.70
13551.00	87.66	182.03	10771.89	2887.88	-2890.69	57.87	3.39	2891.27	178.85
13646.00	90.50	182.68	10773.42	2982.85	-2985.59	53.97	3.08	2986.08	178.96
13740.00	91.11	184.77	10772.10	3076.77	-3079.38	47.86	2.31	3079.75	179.11
13834.00	90.70	184.99	10770.61	3170.61	-3173.02	39.86	0.49	3173.27	179.28
13928.00	88.66	186.43	10771.13	3264.36	-3266.55	30.51	2.66	3266.69	179.46
14022.00	88.66	183.62	10773.33	3358.16	-3360.15	22.28	2.99	3360.23	179.62
14116.00	89.56	179.48	10774.79	3452.13	-3454.08	19.73	4.50	3454.14	179.67
14210.00	91.51	179.51	10773.91	3546.05	-3548.07	20.56	2.07	3548.13	179.67
14304.00	90.44	180.62	10772.31	3640.00	-3642.06	20.45	1.64	3642.11	179.68
14399.00	91.11	180.61	10771.03	3734.98	-3737.04	19.43	0.71	3737.09	179.70
14493.00	91.07	181.08	10769.24	3828.95	-3831.01	18.05	0.51	3831.06	179.73
14587.00	88.89	175.30	10769.27	3922.74	-3924.92	21.01	6.58	3924.98	179.69
14683.00	90.87	175.54	10769.46	4018.17	-4020.61	28.68	2.08	4020.71	179.59
14777.00	89.40	178.27	10769.25	4111.84	-4114.46	33.76	3.30	4114.60	179.53

MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS	CLOSURE DIST	CLOSURE DIR
ft	deg	deg	ft	ft	ft	ft	°/100ft	ft	deg
14872.00	89.93	180.18	10769.80	4206.75	-4209.45	35.05	2.09	4209.59	179.52
14966.00	90.40	180.47	10769.53	4300.72	-4303.44	34.51	0.59	4303.58	179.54
15060.00	91.41	181.10	10768.04	4394.70	-4397.42	33.23	1.26	4397.55	179.57
15154.00	90.70	181.84	10766.31	4488.68	-4491.37	30.82	1.09	4491.48	179.61
15248.00	89.70	182.69	10765.98	4582.67	-4585.30	27.11	1.40	4585.38	179.66
15343.00	92.05	183.35	10764.53	4677.62	-4680.15	22.11	2.57	4680.20	179.73
15437.00	90.37	183.12	10762.55	4771.56	-4773.97	16.80	1.80	4774.00	179.80
15531.00	89.87	183.71	10762.36	4865.52	-4867.81	11.21	0.82	4867.82	179.87
15594.00	91.07	183.58	10761.84	4928.47	-4930.67	7.20	1.93	4930.68	179.92



LEASE NAME & WELL NO:
CIRCE STATE 28 #2H

TOPOGRAPHY & VEGETATION:
NATURAL MESQUITE PASTURE

NEAREST TOWN IN COUNTY:
±15.6 MILES NORTHWEST OF PECOS, TEXAS

DESCRIPTION:
**SECTION 28, BLOCK 54, T-4, T. & P. RR. CO. SURVEY, A-2882
REEVES COUNTY, TEXAS**

SPECIAL NOTES:

Original Document Size: 8.5"x14"

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 purpose only and should not be considered a boundary survey.



William J. Keating
Texas Reg. No. 5041



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

2003 NORTH 880 SPRING - MIDLAND, TEXAS 79708
TELEPHONE: (432) 882-1803 OR (800) 782-1803 • FAX: (432) 882-1743
WWW.TOPOGRAPHIC.COM

Texas FIRM Registration NO. 10042300

FILE NAME: LO_CIRCE_STATE_28_2H

Surface Hole Location:

200' FNL & 500' FEL
SHL Ground Elevation: 2807'
X = 955110 Y = 710818
LAT.: N 31.5777782 LONG.: W 103.6891526
NAD 83 TX-C ZONE:

X = 1251573 Y = 10553394
LAT.: N 31.5779087 LONG.: W 103.6896132

Penetration Point:

50' FNL & 330' FEL
X = 955284 Y = 710963
LAT.: N 31.5781916 LONG.: W 103.6886077

First Take Point:

200' FNL & 330' FEL
X = 955280 Y = 710813
LAT.: N 31.5777792 LONG.: W 103.6886069

Last Take Point:

200' FSL & 330' FEL
X = 955140 Y = 705935
LAT.: N 31.5643615 LONG.: W 103.6885814

Bottom Hole Location:

100' FSL & 330' FEL
X = 955137 Y = 705835
LAT.: N 31.5640866 LONG.: W 103.6885809

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

S.D. 1

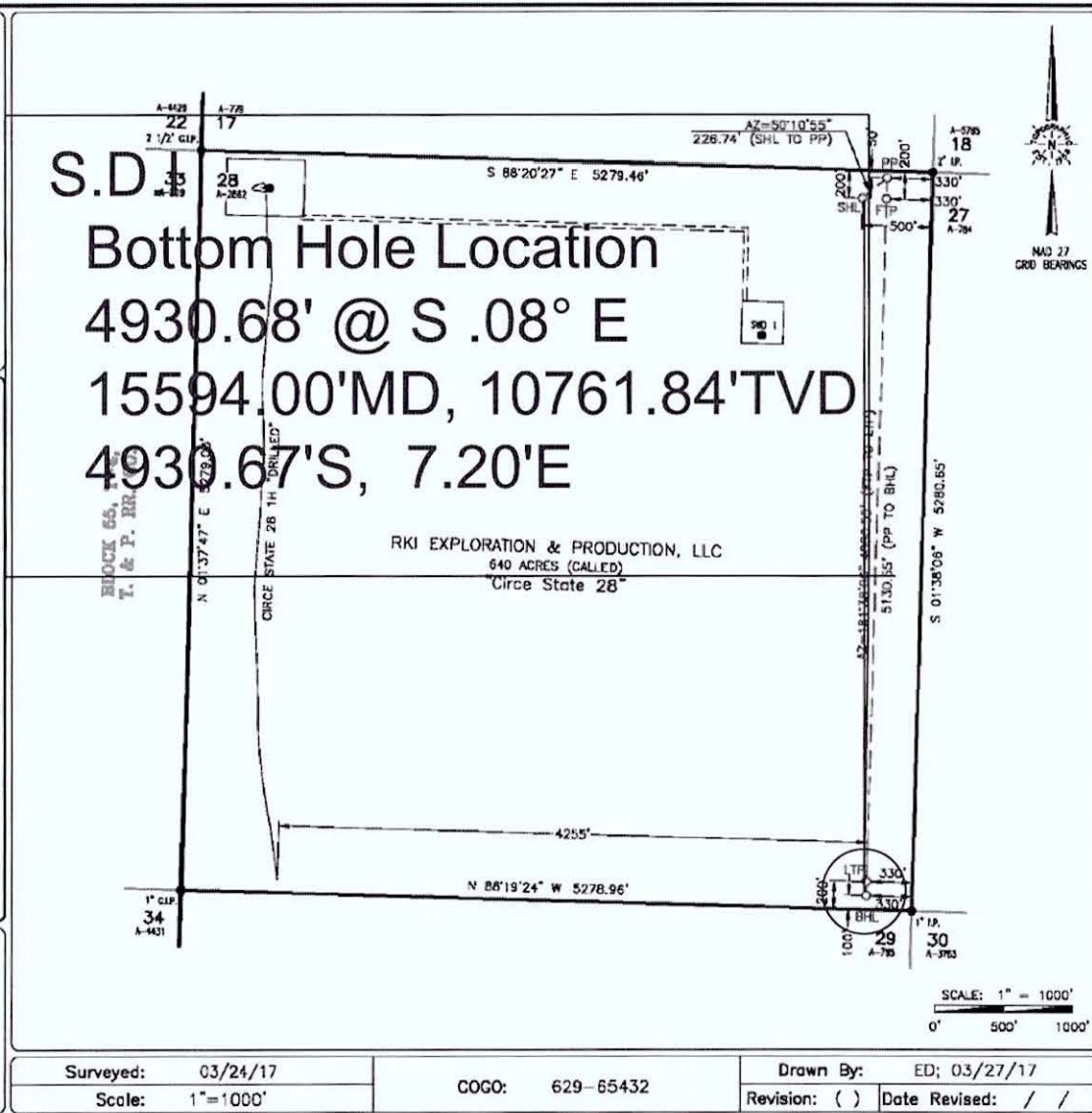
Bottom Hole Location

4930.68' @ S .08° E

15594.00'MD, 10761.84'TVD

4930.67'S, 7.20'E

RKI EXPLORATION & PRODUCTION, LLC
640 ACRES (CALLED)
"Circe State 28"



File No. MF 114284

17

Reeves County
Directional Surveys

Date Filed: 10 Sept 2019

George P. Bush, Commissioner
By [Signature] DBD

RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 1

Rev. 01/2016

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: WPX Energy Permian, LLC	Operator P-5 No.: 942623
Operator Address: 3500 One Williams Center MD-35, Tulsa, OK 74172	

SECTION II. WELL INFORMATION

District No.: 08	County: Loving	Purpose of Filing: ☐ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.: 1H	API No.: 42-389-34865	
Total Lease Acres: 640	Drilling Permit No.: 806078	
Lease Name: Circe State 28	Lease No.:	
Field Name: Phantom (Wolfcamp)	Field No.: 71052900	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	2	640	< A. Total Assigned Horiz. Acreage	640	< C. Total Assigned Acreage
		0	< Total Remaining Horiz. Acreage	0	< Total Remaining Acreage
			< B. Total Assigned Vert./Dir. Acreage		
			< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

--

Attach Additional Pages As Needed. ☒ No additional pages ☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

<i>Jessica DeMarce</i>	Jessica DeMarce, Permit Tech II			Jessica.DeMarce@wpxenergy.com		
Signature	Name and title (type or print)			Email (include email address <i>only</i> if you affirmatively consent to its public release)		
3500 One Williams Center MD-35	Tulsa	OK	74172	539	573-3521	5/10/2018
Address	City,	State,	Zip Code	Tel: Area Code	Number	Date: mo. day yr.

RAILROAD COMMISSION OF TEXAS

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

Form P-16

Page 1

Rev. 01/2016

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: Panther Energy LLC

Operator P-5 No.: 638506

Operator Address: 6100 S Yale Ave., Suite 600, Tulsa OK 74136

SECTION II. WELL INFORMATION

District No.: 8

County: Reeves

Well No.: 1H

API No.: 42-389-34865

Total Lease Acres: 640

Drilling Permit No.: 806078

Lease Name: Circe State 28

Lease No.: Pending

Field Name: Phantom (Wolfcamp)

Field No.: 71052900

Purpose of Filing:☐ Drilling Permit Application
(Form W-1)☒ Completion Report
(Form G-1/W-2)

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	1	640	< A. Total Assigned Horiz. Acreage	640	< C. Total Assigned Acreage
			< Total Remaining Horiz. Acreage		< Total Remaining Acreage
			< B. Total Assigned Vert./Dir. Acreage		
			< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

Attach Additional Pages As Needed. ☒ No additional pages ☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Signature _____ Rosaline Kinard, Regulatory Analyst
Name and title (type or print)

rosaline@pantherenergy.us

Email (include email address *only* if you affirmatively consent to its public release)

6100 S Yale Ave., Suite 600, Tulsa OK 74136

Address

City. State. Zip Code

918-551-7168

Tel: Area Code

Number

10/06/2016

Date: mo. day yr.

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

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 806078	DATE PERMIT ISSUED OR AMENDED May 07, 2015	DISTRICT * 08
API NUMBER 42-389-34865	FORM W-1 RECEIVED Apr 29, 2015	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 640
OPERATOR PANTHER EXPLORATION, LLC 6100 S YALE SUITE 600 TULSA, OK 74136-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME CIRCE STATE 28		WELL NUMBER 1H
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 11450
Section, Block and/or Survey SECTION ◀ 28 BLOCK ◀ 54 T4S ABSTRACT ◀ 2862 SURVEY ◀ T&P RR CO/CLAYTON, B		
DISTANCE TO SURVEY LINES 250 ft. NORTH 500 ft. WEST		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. NORTH 500 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
PHANTOM (WOLFCAMP)	640.00	11,450
CIRCE STATE 28	200	0
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 250.0 F NORTH L 500.0 F WEST L Terminus Location Lease Lines: 200.0 F SOUTH L 500.0 F WEST L Survey Lines: 200.0 F SOUTH L 500.0 F WEST L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.		
This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data

REEVES (389) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
FORD-DELAWARE	2,500	2,500		1	12/17/2013
CASTILLE	2,800	2,800		2	12/17/2013
BELL CANYON	4,800	5,000		3	12/17/2013
DELAWARE	2,500	5,700		4	12/17/2013
DELAWARE CONSOLIDATED GAS	6,500	6,500		5	12/17/2013
CHERRY CANYON	3,800	7,800		6	12/17/2013
BONE SPRINGS	7,500	9,800		7	12/17/2013
PERMIAN	11,300	11,300		8	12/17/2013
WOLFCAMP	10,000	12,300		9	12/17/2013
PENNSYLVANIAN	11,000	14,900		10	12/17/2013
MISSISSIPPIAN	10,000	16,000		11	12/17/2013
DEVONIAN	13,600	17,800		12	12/17/2013
FUSSELMAN	14,000	17,800		13	12/17/2013
ELLENBURGER	15,000	20,800		14	12/17/2013

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.state.tx.us/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

File No. ME 114284

Reeves County

RRC P-16's

Date Filed: 10 Sept 2019

George P. Bush, Commissioner

By  DBJ



July 31, 2019

Via Email to Dustin.Oslick@glo.texas.gov

And

Certified Mail/Return Receipt Requested

Mr. Dustin Brian Oslick
Mineral Leasing, Energy Resources
Texas General Land Office
P.O. Box 12873
Austin, TX 78711-2873

Re: GLO's Request for a Partial Release of State Lease MF-112284
Section 28, Block 54, TS 4, A-2862, T&P RR Co. Survey, Reeves County, Texas ("State Lease")

Dear Mr. Oslick:

WPX Energy Permian, LLC ("WPX") is in receipt of your letter of June 18, 2019, and the information that you provided. We appreciate the response extension to July 31, 2019 which you granted to WPX. WPX has reviewed the State Lease and the development history related thereto in considering the General Land Office's ("GLO") request for a partial release of depths based on Paragraph 16(B) of the State Lease. WPX understands the GLO's analysis and application of the lease provisions as set forth in your letter, but respectfully disagrees with the GLO's conclusions as to the retained depths under the State Lease.

WPX interprets the State Lease, under the applicable facts, to be in effect as to *all depths* from the surface of the land down to the stratigraphic equivalent of the depth that is 100' below the Wolfcamp formation, the deepest formation penetrated by the Circe State Well No. 1H ("1H Well") which is completed in the Phantom (Wolfcamp) Field. The second well drilled, i.e., the Circe State Well No. 2H ("2H Well"), is also completed in the Phantom (Wolfcamp) Field. Paragraph 41 of the State Lease provides that after full development of all proration units, the lease

is maintained as to the proration units for each producing well from surface of the land down to the stratigraphic equivalent of the depth that is 100' below the deepest penetrated formation.

This result is a straightforward application of Paragraph 41 and a single, common depth severance for the State Lease.

WPX will prepare and record a partial release of the State Lease as to all depths 100' below the Wolfcamp formation.

WPX's analysis of the State Lease and positions are summarized as follows:

1. The 1H Well was drilled and completed in the Phantom (Wolfcamp) Field during the primary term and assigned all of the acreage within Section 28 for proration purposes. This assignment was in compliance with the Phantom (Wolfcamp) Field rules applicable to horizontal oil wells.
2. The 2H Well was drilled as an infill well at the end of the primary term. Although the 2H Well was not necessary to "drill all of the proration units" on the leased premises, as stated in Paragraph 41, the 2H Well was of benefit to the Lessor, the Lessee and the State and has increased production from the State Lease.
3. The depth termination provision in Addendum Paragraph 41 terminates the State Lease only as to those depths below the stratigraphic equivalent of the depth 100' below the base of the deepest penetrated formation.
4. Because the 1H Well and the 2H Well both penetrated the Wolfcamp formation, the depth severance under paragraph 41 is the same - 100' below the Wolfcamp formation.
5. The GLO's application of Paragraph 16(B) instead of Paragraph 41 to identify different retained depths by the 1H Well and the 2H Well is a disincentive to additional development. Applying Paragraph 16(B) to these development facts as the GLO proposes, results in a partial termination of the State Lease as to depths that would have otherwise been retained by drilling only one well.
6. The future development of Section 28 is better accomplished by a single and consistent depth severance in Section 28 instead of two different depth severances in the E/2 and W/2.
7. The canons of construction of instruments support the application of Paragraph 41 to determine the depth severance of the State Lease.
8. A partial termination provision in an oil and gas lease is a limitation on the grant made to the lessee in the habendum clause. Texas courts have held that these provisions should be interpreted when possible to avoid a forfeiture of rights. *Anadarko Petroleum Corp. v.*



Thompson, 94 S.W.3d 550, 554 (Tex. 2002); *Fox v. Thoreson*, 398 S.W.2d 88, 92 (Tex. 1966). If Paragraph 16(B) is applied to these facts, instead of Paragraph 41, a forfeiture of the WPX's rights to the State Lease occurs.

WPX appreciates the opportunity to respond timely to your letter and explain WPX's position and WPX's willingness to provide a partial release based on a single, common depth severance in Section 28.

Please let us know if WPX should prepare and record the partial release described in this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Geist".

By: Gregory J. Geist
Vice President of Land



File No. MF 114284

Reeves County

WRX Response Letter

Date Filed: 9/10/2019

George P. Bush, Commissioner

By [Signature] DBO

WPXENERGY.

September 13, 2019

Via Email to Dustin.Oslick@glo.texas.gov

Certified Mail/Return Receipt Requested

Mr. Dustin Brian Oslick
Mineral Leasing, Energy Resources
Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701-1495
(Mailing Address: P.O. Box 12873, Austin, Texas 78711-2873)

Re: Partial Release of State Lease MF-112284
Section 28, Block 54, TS 4, A-2862, T&P RR Co. Survey, Reeves County, Texas ("State Lease")

Dear Mr. Oslick:

WPX Energy Permian, LLC ("WPX") is in receipt of your letter dated June 18, 2019. WPX has reviewed the State Lease and the development history related thereto in considering the General Land Office's ("GLO") request for a partial release of depths based on Paragraph 16(B) of the State Lease. WPX understands the GLO's analysis and application of the lease provisions as set forth in your letter, but respectfully disagrees with the GLO's conclusions as to the retained depths under the State Lease.

Although WPX firmly and respectfully disagrees with the GLO's conclusions as to the retained depths under the State Lease, more specifically for the reasons set forth in WPX's formal response letter to the GLO dated July 31, 2019, WPX has prepared a partial release, attached hereto, per the GLO's request and also enclosed is the required filing fee.

Sincerely,

WPX ENERGY PERMIAN, LLC



Amber Cooke
Senior Landman

Enclosure: Partial Release of Oil and Gas Leases and Filing Fee

STATE TEXAS)
) ss.
COUNTY OF REEVES)

PARTIAL RELEASE OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS:

The undersigned does hereby release, relinquish and surrender unto the State of Texas, acting by and through its agents, ANN THOMPSON WHITE, WIFE OF RUDY J. WHITE, and JOHN M. THOMPSON, III, HUSBAND OF CELIA THOMPSON, and JAMES CASH THOMPSON, HUSBAND OF KIMBERLY R. THOMPSON, and JAMES CASH THOMPSON AND KIMBERLY R. THOMPSON, HUSBAND AND WIFE, all of its right, title and interest in and to the following Oil and Gas Leases, with the common lease identification number of "No. M-114284" and which are all dated June 16, 2012, by and between the State of Texas, acting by and through its agents:

- a. ANN THOMPSON WHITE, WIFE OF RUDY J. WHITE recorded in Volume 951, Page 380 of the Official Public Records of Reeves County, Texas; and,
- b. JOHN M. THOMPSON, III, HUSBAND OF CELIA THOMPSON recorded in Volume 951, Page 387 of the Official Public Records of Reeves County, Texas; and,
- c. JAMES CASH THOMPSON, HUSBAND OF KIMBERLY R. THOMPSON recorded in Volume 951, Page 394 of the Official Public Records of Reeves County, Texas; and,
- d. JAMES CASH THOMPSON AND KIMBERLY R. THOMPSON, HUSBAND AND WIFE recorded in Volume 951, Page 404 of the Official Public Records of Reeves County, Texas, collectively as Lessor, and PETROHAWK PROPERTIES, LP, as Lessee, and through subsequent assignments, assigned to WPX ENERGY PERMIAN, LLC, insofar and only insofar as to depths lying below the lands described as follows:

Tract 1: All depths lying below 11,533.1' subsurface as to the west 320 acres in Section 28, Blk 54, Township 4S, T&P Ry Co. Survey, Reeves County, Texas, being 100' below the deepest depth drilled in the Circe State 28 Well No 1H (API No. 42-389-34865/RRC Lease No. 08-48114), as reflected in the EOW Completion Report dated July 5, 2015 by Panther Energy LLC; and

Tract 2: All depths lying below 10,879.63' subsurface as to the east 320 acres in Section 28, Blk 54, Township 4S, T&P Ry Co. Survey, Reeves County, Texas, being 100' below the deepest depth drilled in the Circe State 28 Well No 2H (API No. 42-389-35841/RRC Lease No. 08-283277), as reflected in the Scientific Drilling Survey Report dated May 6, 2017.

This Partial Release of Oil and Gas Leases shall inure to the benefit of and be binding on the parties hereto, their heirs, successors and assigns.

EXECUTED this ____ day of _____, 2019.

WPX ENERGY PERMIAN, LLC

By: _____
Name: _____

One



STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

The foregoing instrument was acknowledged before me this ____ day of _____,
2019, by _____, as _____, for WPX ENERGY PERMIAN, LLC,
a Delaware limited liability company, on behalf of said limited liability company

Notary Public

My commission expires:

File No. MF114284
Reeves County
WPX Response Letter (#2)
Date Filed: 31 Dec 2019
George P. Bush, Commissioner
By  DBO

WPXENERGY.

WPX ENERGY PERMIAN LLC

PO BOX 21358

TULSA OK 74121-1358

20704275

Company Number: 3035
CHECK NUMBER: 3035036012

PAY DATE	SUPPLIER NO.	SUPPLIER NAME	CHECK TOTAL
Dec 10, 2019	401460	TEXAS GENERAL LAND OFFICE	\$25.00

Invoice Date	Invoice No.	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
12/09/2019	09-DEC-2019	GLO FILING FEE 1 OGL RELEASE	\$25.00	\$0.00	\$25.00
Totals			\$25.00	\$0.00	\$25.00

Supplier Support 1-866-581-4981

X 126



December 23, 2019

Via USPS Certified Mail: 7018 3090 0002 1743 6908

Texas General Land Office
ATTN: Dustin Brian Oslick
1700 North Congress Avenue
Austin, Texas 78701

Re: Partial Release of Oil and Gas Lease MF-114284
Section 28, Blk. 54, T4S, T&P Ry Co. Survey
Reeves County, Texas

Mr. Oslick:

Enclosed please find a certified recorded copy of the following document:

- Partial Release of Oil and Gas Lease covering Section 28, Blk. 54, T4S, T&P Ry. Co. Survey (*State Lease MF-114284*): Instrument Number 2019019784

Additionally, enclosed please find Check No. 3035036012 in the amount of \$25.00 to cover the Texas General Land Office Filing Fee of for the above-listed document.

Should you have any questions regarding this letter or the documents enclosed, please contact me directly at (539) 573-3597 or by email at hannah.otey@wpxenergy.com.

Sincerely,

WPX Energy Permian, LLC

Hannah C. Otey
Land Data Tech Staff

Enclosure(s)





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

RECEIVED

JUN 25 2019

PERMIAN LAND

June 18, 2019

Certified USPS # 7011 1150 0001 2420 6711

WPX Energy Permian, LLC
Attn: Geoff Pool
3500 One Williams Center MD-35
Tulsa, OK 74172

Re: Partial Release of State Lease No. MF114284
Circe State 28 Well No. 1H Well / API No. 42-389-34865 / RRC Lease No. 08-48114
Circe State 28 Well No. 2H Well / API No. 42-389-35841 / RRC Lease No. 08-283277
640 acres, being all of Section 28, Block 54, Township 4, Abstract No. 2862, T&P RR Co.
Survey, Reeves County, Texas.

Dear Geoff Pool:

The Texas General Land Office (GLO) has completed a review of the above captioned State Lease of which WPX Energy Permian, LLC is the current listed operator. The review of our internal records indicated the GLO has not received a Partial Release as required under the Retained Acreage Clause located in Paragraph No. 16 of the above referenced State Lease.

In accordance with Paragraph 16(B), it appears the above referenced State Lease terminated as to:

- 1) 11,533.1' subsurface in the W/2 of Section 28, being 100' below the deepest well drilled in the 320 acre proration unit for the Circe State 28 Well No. 1H (API No. 42-389-34865), as reflected on the EOW Completion Report dated July 5, 2015 by Panther Energy LLC;
- 2) 10,879.63' subsurface in the E/2 of Section 28, being 100' below the deepest well drilled in the 320 acre proration unit for the Circe State 28 Well No. 2H (API No. 42-389-35841) as reflected on the Survey Report dated May 6, 2017 by Scientific Drilling.

Please provide the GLO with a Partial Release of the above referenced State Lease as to the terminated depths as required under Paragraph No. 16, effective as of the date of said termination. Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of the Partial Release, along with a filing fee of twenty-five dollars (\$25.00) for each State Lease affected by said Partial Release, is to be filed with our office.

Should you disagree with this assessment please provide evidence to the GLO at the address shown below within thirty (30) days of receipt of this letter. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

Best,

A handwritten signature in blue ink, consisting of several overlapping, slanted strokes that form a stylized, cursive-like shape.

Dustin Brian Oslick
Mineral Leasing, Energy Resources
512-475-0593
Dustin.Oslick@glo.texas.gov



STATE TEXAS)
) ss.
COUNTY OF REEVES)

PARTIAL RELEASE OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS:

The undersigned does hereby release, relinquish and surrender unto the State of Texas, acting by and through its agents, ANN THOMPSON WHITE, WIFE OF RUDY J. WHITE, and JOHN M. THOMPSON, III, HUSBAND OF CELIA THOMPSON, and JAMES CASH THOMPSON, HUSBAND OF KIMBERLY R. THOMPSON, and JAMES CASH THOMPSON AND KIMBERLY R. THOMPSON, HUSBAND AND WIFE, all of its right, title and interest in and to the following Oil and Gas Leases, with the common lease identification number of "No. M-114284" and which are all dated June 16, 2012, by and between the State of Texas, acting by and through its agents:

- a. ANN THOMPSON WHITE, WIFE OF RUDY J. WHITE recorded in Volume 951, Page 380 of the Official Public Records of Reeves County, Texas; and,
- b. JOHN M. THOMPSON, III, HUSBAND OF CELIA THOMPSON recorded in Volume 951, Page 387 of the Official Public Records of Reeves County, Texas; and,
- c. JAMES CASH THOMPSON, HUSBAND OF KIMBERLY R. THOMPSON recorded in Volume 951, Page 394 of the Official Public Records of Reeves County, Texas; and,
- d. JAMES CASH THOMPSON AND KIMBERLY R. THOMPSON, HUSBAND AND WIFE recorded in Volume 951, Page 404 of the Official Public Records of Reeves County, Texas, collectively as Lessor, and PETROHAWK PROPERTIES, LP, as Lessee, and through subsequent assignments, assigned to WPX ENERGY PERMIAN, LLC, insofar and only insofar as to depths lying below the lands described as follows:

Tract 1: All depths lying below 11,534' subsurface as to the west 320 acres in Section 28, Blk 54, Township 4S, T&P Ry Co. Survey, Reeves County, Texas, being 100' below the deepest depth drilled in the Circe State 28 Well No 1H (API No. 42-389-34865/RRC Lease No. 03-48114), as reflected in the EOW Completion Report dated July 5, 2015 by Panther Energy LLC; and

Tract 2: All depths lying below 10,880' subsurface as to the east 320 acres in Section 28, Blk 54, Township 4S, T&P Ry Co. Survey, Reeves County, Texas, being 100' below the deepest depth drilled in the Circe State 28 Well No 2H (API No. 42-389-35841/RRC Lease No. 03-283277), as reflected in the Scientific Drilling Survey Report dated May 6, 2017.

This Partial Release of Oil and Gas Leases shall inure to the benefit of and be binding on the parties hereto, their heirs, successors and assigns.

EXECUTED this 9th day of December, 2019.

WPX ENERGY PERMIAN, LLC

By: Gregory J. Geist
Title: Vice President of Land



True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 3

STATE OKLAHOMA)
) ss.
COUNTY OF TULSA)

The foregoing instrument was acknowledged before me this 9th day of December, 2019, by Gregory J. Geist, as Vice President of Land, for WPX Energy Permian, LLC, a Delaware limited liability company, on behalf of said limited liability company.

Hannah Clare Otey
Notary Public

My commission expires:

10/03/2021



True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 3



VG-3005-2019-2019019784

Reeves County
Dianne O. Florez
Reeves County Clerk

Instrument Number: 2019019784

Real Property Recordings

PARTIAL RELEASE

Recorded On: December 12, 2019 02:04 PM

Number of Pages: 3

" Examined and Charged as Follows: "

Total Recording: \$30.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

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 Information:

Document Number: 2019019784
Receipt Number: 20191212000021
Recorded Date/Time: December 12, 2019 02:04 PM
User: Rebecca G
Station: CLERK07

Record and Return To:

WPX ENERGY
3400 ONE WILLIAMS CENTER MD 34-158
TULSA OK 74172



STATE OF TEXAS
Reeves County

I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Records of Reeves County, Texas

Dianne O. Florez
Reeves County Clerk
Reeves County, TX

Dianne O. Florez



True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 3 of 3

017551

(21)

File No. MF114284
Reeves County
Partial Release
Date Filed: 31 Dec 2019
By George P. Bush, Commissioner
DBO

THE STATE OF TEXAS
COUNTY OF REEVES

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

PARTIAL RELEASE dated DECEMBER 9, 2019 at

filed for record in my office this 12 day of DECEMBER,
2019 PM, under Clerk's File No. 2019019784 to be recorded in the

OFFICIAL PUBLIC RECORDS

Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 12 day of DECEMBER, 2019.

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



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: May 18, 2021 **PSA# 00381**

TO: School Land Board

FROM: Pooling Committee

SUBJECT: Request from WPX Energy Permian, LLC to have the State enter into a Production Sharing Agreement for the drilling of one or more allocation wells.

- **WPX Energy Permian, LLC** is the operator of State Lease MF114284 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 traverse State Lease MF114284.
- The State's participation in the sharing wells will be based on productive lateral length from first take point to last take point.

POOLING COMMITTEE RECOMMENDATION:

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

General Land Office

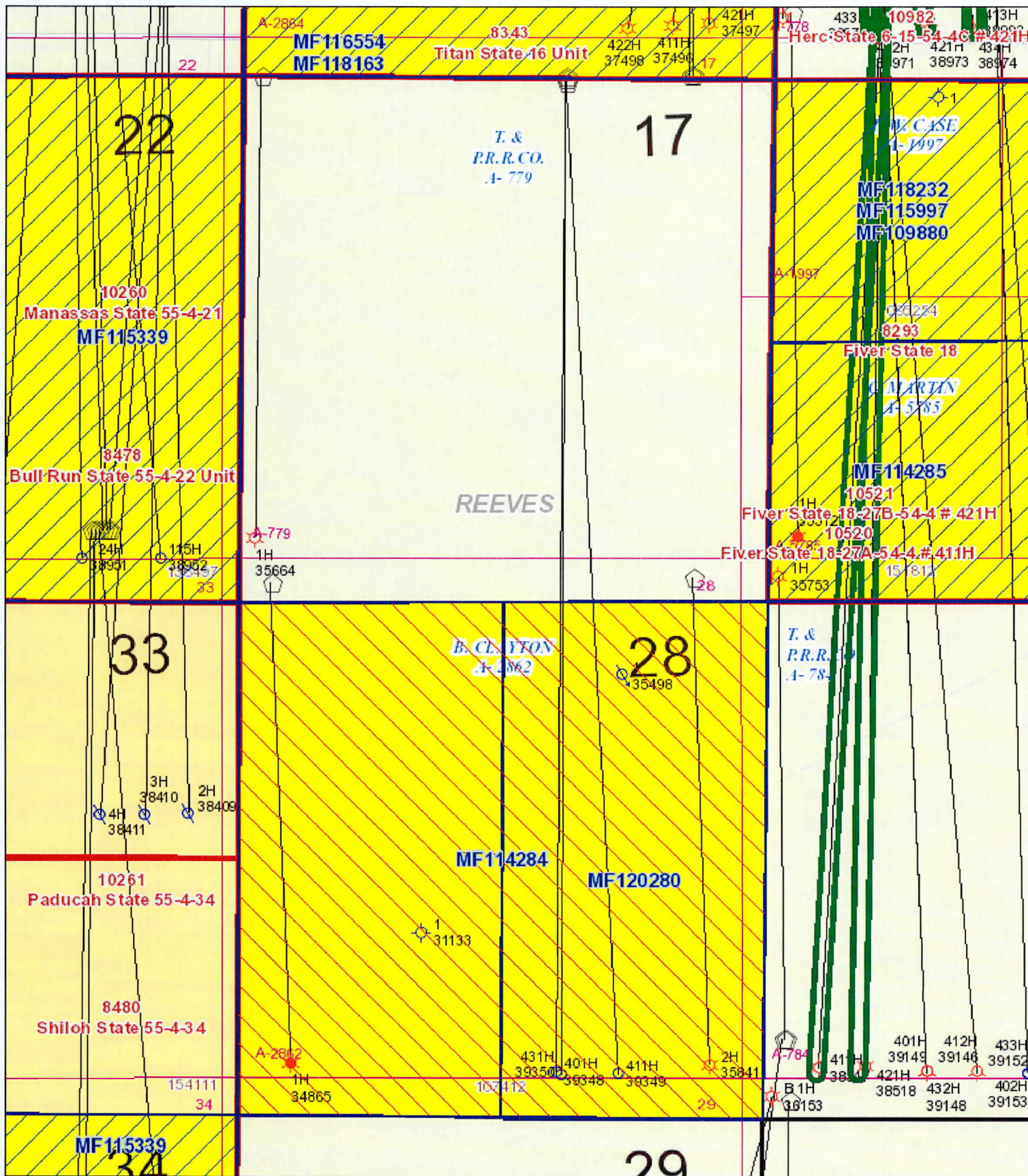
Date

Office of the Governor

Date

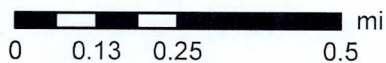
Office of the Governor

Date



PSA 00381

Please review all copyright and disclaimer information from our webpage here, <https://www.glo.texas.gov/policy/index.html>. 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 boundaries of private and public land.



Print Date: 5/3/2021

PRODUCTION SHARING AGREEMENT

STATE OF TEXAS

§

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF REEVES

§

§

The undersigned parties (collectively "Interest Owners" or individually an "Interest Owner") enter into this Production Sharing Agreement ("Agreement") concerning their interest in the oil, gas and mineral leases, minerals, royalties and/or executive rights (collectively "Mineral Interests" or individually a "Mineral Interest") in and under the following lands (the "Subject Lands"):

- E/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to the base of the Wolfcamp formation.
- W/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to 11,534'.

The Interest Owners wish to encourage further development of the Subject Lands via the drilling of horizontal oil and/or gas wells in order to:

- (a) prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of hydrocarbons from the Subject Lands; and
- (b) protect the correlative rights of all Interest Owners so that each may receive his or her fair share of the oil and gas produced from the Subject Lands.

The Interest Owners recognize that it is advantageous for some such horizontal wells to be drilled and completed partially on the Subject Lands and partially on adjoining lands and agree that a basis for allocating production from such horizontal wells should be established.

NOW THEREFORE, each of the Interest Owners, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, do hereby agree to the following:

1. For purposes of this Agreement, the following definitions apply:
 - a. "Field Interval" is the correlative geologic interval which has been defined or recognized by the Railroad Commission of Texas as the interval for the field in which a Horizontal Well has been completed.
 - b. "Horizontal Well" is an oil or gas well with one or more drainholes with a horizontal displacement of at least 100 feet within the Field Interval

- c. "Horizontal Drainhole" is the portion of the Horizontal Well drilled within the Field Interval.
- d. "Take Point" is any point along a Horizontal Drainhole where hydrocarbons can enter the wellbore from the Field Interval and be produced.
- e. "Productive Drainhole Length" is the horizontal length of a Horizontal Drainhole that begins at the first Take Point and runs along the actually surveyed wellbore path to the last Take Point. If a Sharing Well has more than one Horizontal Drainhole, the Productive Drainhole Length shall be the sum of such horizontal lengths of all such Horizontal Drainholes.
- f. "Sharing Well" is a Horizontal Well with a Productive Drainhole Length located partially on the Subject Lands and partially on Section 17, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas.

2. An Interest Owner shall share in production of oil and gas from a Sharing Well on the basis of his or her ownership interest in the Subject Lands multiplied by an "Allocation Factor," such Allocation Factor being defined as a fraction, the numerator of which is equal to the length of that portion of the Productive Drainhole Length lying within the Subject Lands, and the denominator being the total Productive Drainhole Length.

3. Operations on or production from each Sharing Well shall be treated as actual operations on or production from the Subject Lands, provided, however, that production shall be allocated to the Subject Lands in accordance with Paragraph 2, immediately above.

4. WPX Energy Permian, LLC ("Lessee") shall have the right to make reasonable use of the surface of the Subject Lands for the purpose of exploring, drilling, operating, producing, transporting and marketing oil and gas from any Sharing Well.

5. 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. Each Interest Owner further agrees that this Agreement affects only production from Sharing Wells and in no way affects ownership under any vertical wells drilled or to be drilled on the Subject Lands. In the event any Sharing Well is plugged back or recompleted in such manner that the well no longer falls within the above definition of a Horizontal Well, such well shall no longer be considered a Sharing Well for purposes of this Agreement.

6. The provisions of the various leases, agreements, assignments, conveyances, pooling agreements and other instruments and agreements covering or affecting each Interest Owners' Mineral Interest within the Subject Lands are hereby amended to the extent necessary to make such instruments and agreements conform to this Agreement, but not otherwise. In the case of conflict

between the provisions of this Agreement and the provisions of such other agreements or instruments, the provisions of this Agreement shall control.

7. This Agreement is binding upon each Interest Owner on the date of such Interest Owner's execution but shall not become effective as to the Subject Lands until filed in the Official Public Records of Reeves County, Texas. Lessee may terminate this Agreement by filing a notice of termination to that effect in the Official Public Records of Reeves County, Texas at any time that there is no Sharing Well on the Subject Lands producing or capable of producing in paying quantities.

8. 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 Interest Owner to execute a counterpart shall not render this instrument ineffective as to any other Interest Owner who does execute a counterpart thereof, but shall be binding upon each executing Interest Owner 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.

EXECUTED by each party on the date shown for each such party's acknowledgement.

LESSEE:

WPX ENERGY PERMIAN, LLC

By: David Korell
Title: Attorney-in-fact

STATE OF OKLAHOMA §
 §
COUNTY OF TULSA §

This instrument was acknowledged before me on _____, 2021, by David Korell, Attorney-in-fact for WPX Energy Permian, LLC, a Delaware limited liability company on behalf of such limited liability company.

Notary Public, State of Oklahoma

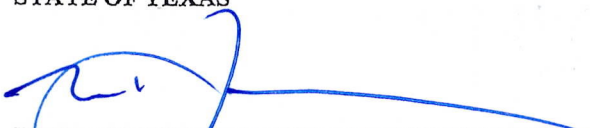
My Commission Expires:

Date Executed _____

STATE OF TEXAS

Content
Min. Leasing
Legal

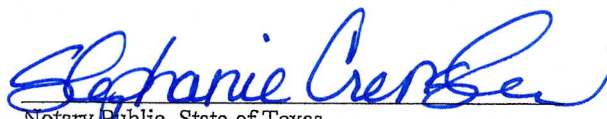
DBO

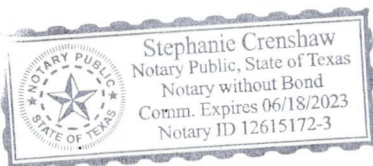

MARK A. HAVENS, DEPUTY COMMISSIONER /
CHIEF CLERK
TEXAS GENERAL LAND OFFICE

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on June 24, 2021, by Mark A. Havens as Deputy Commissioner and Chief Clerk of the General Land Office of the State of Texas on behalf of the State of Texas.


Notary Public, State of Texas



File No. MF114284

Reeves County

PSA00381

Date Filed: 05/02/2022

George F. Bush, Commissioner

By Jm



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: April 6, 2021 **PSA# 00377**

TO: School Land Board

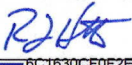
FROM: Pooling Committee

SUBJECT: Request from WPX Energy Permian, LLC to have the State enter into a Production Sharing Agreement for the drilling of one or more allocation wells.

- **WPX Energy Permian, LLC** is the operator of State Leases MF114284 and MF120280 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 traverse State Leases MF114284 and MF120280.
- The State's participation in the sharing wells will be based on productive lateral length from first take point to last take point.

POOLING COMMITTEE RECOMMENDATION:

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

DocuSigned by:

6C1630CE0F2E4D3...
General Land Office

3/29/2021

Date

DocuSigned by:

EE8EAT9C9EF64CC...
Office of the Governor

4/4/2021

Date

Office of the Governor

Date



Print Date: 3/24/2021

PRODUCTION SHARING AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF REEVES §

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned parties (collectively "Interest Owners" or individually an "Interest Owner") enter into this Production Sharing Agreement ("Agreement") concerning their interest in the oil, gas and mineral leases, minerals, royalties and/or executive rights (collectively "Mineral Interests" or individually a "Mineral Interest") in and under the following lands (the "Subject Lands"):

- E/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to the base of the Wolfcamp formation.
- W/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to 11,534'.

The Interest Owners wish to encourage further development of the Subject Lands via the drilling of horizontal oil and/or gas wells in order to:

- (a) prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of hydrocarbons from the Subject Lands; and
- (b) protect the correlative rights of all Interest Owners so that each may receive his or her fair share of the oil and gas produced from the Subject Lands.

The Interest Owners recognize that it is advantageous for some such horizontal wells to be drilled and completed partially on the Subject Lands and partially on adjoining lands and agree that a basis for allocating production from such horizontal wells should be established.

NOW THEREFORE, each of the Interest Owners, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, do hereby agree to the following:

1. For purposes of this Agreement, the following definitions apply:
 - a. "Field Interval" is the correlative geologic interval which has been defined or recognized by the Railroad Commission of Texas as the interval for the field in which a Horizontal Well has been completed.
 - b. "Horizontal Well" is an oil or gas well with one or more drainholes with a horizontal displacement of at least 100 feet within the Field Interval

- c. "Horizontal Drainhole" is the portion of the Horizontal Well drilled within the Field Interval.
- d. "Take Point" is any point along a Horizontal Drainhole where hydrocarbons can enter the wellbore from the Field Interval and be produced.
- e. "Productive Drainhole Length" is the horizontal length of a Horizontal Drainhole that begins at the first Take Point and runs along the actually surveyed wellbore path to the last Take Point. If a Sharing Well has more than one Horizontal Drainhole, the Productive Drainhole Length shall be the sum of such horizontal lengths of all such Horizontal Drainholes.
- f. "Sharing Well" is a Horizontal Well with a Productive Drainhole Length located partially on the Subject Lands and partially on Section 17, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas.

2. An Interest Owner shall share in production of oil and gas from a Sharing Well on the basis of his or her ownership interest in the Subject Lands multiplied by an "Allocation Factor," such Allocation Factor being defined as a fraction, the numerator of which is equal to the length of that portion of the Productive Drainhole Length lying within the Subject Lands, and the denominator being the total Productive Drainhole Length.

3. Operations on or production from each Sharing Well shall be treated as actual operations on or production from the Subject Lands, provided, however, that production shall be allocated to the Subject Lands in accordance with Paragraph 2, immediately above.

4. WPX Energy Permian, LLC ("Lessee") shall have the right to make reasonable use of the surface of the Subject Lands for the purpose of exploring, drilling, operating, producing, transporting and marketing oil and gas from any Sharing Well.

5. 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. Each Interest Owner further agrees that this Agreement affects only production from Sharing Wells and in no way affects ownership under any vertical wells drilled or to be drilled on the Subject Lands. In the event any Sharing Well is plugged back or recompleted in such manner that the well no longer falls within the above definition of a Horizontal Well, such well shall no longer be considered a Sharing Well for purposes of this Agreement.

6. The provisions of the various leases, agreements, assignments, conveyances, pooling agreements and other instruments and agreements covering or affecting each Interest Owners' Mineral Interest within the Subject Lands are hereby amended to the extent necessary to make such instruments and agreements conform to this Agreement, but not otherwise. In the case of conflict

between the provisions of this Agreement and the provisions of such other agreements or instruments, the provisions of this Agreement shall control.

7. This Agreement is binding upon each Interest Owner on the date of such Interest Owner's execution but shall not become effective as to the Subject Lands until filed in the Official Public Records of Reeves County, Texas. Lessee may terminate this Agreement by filing a notice of termination to that effect in the Official Public Records of Reeves County, Texas at any time that there is no Sharing Well on the Subject Lands producing or capable of producing in paying quantities.

8. 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 Interest Owner to execute a counterpart shall not render this instrument ineffective as to any other Interest Owner who does execute a counterpart thereof, but shall be binding upon each executing Interest Owner 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.

EXECUTED by each party on the date shown for each such party's acknowledgement.

LESSEE:

WPX ENERGY PERMIAN, LLC

By: David Korell
Title: Attorney-in-fact

STATE OF **OKLAHOMA** §
 §
COUNTY OF **TULSA** §

This instrument was acknowledged before me on _____, 2021, by David Korell, Attorney-in-fact for WPX Energy Permian, LLC, a Delaware limited liability company on behalf of such limited liability company.

Notary Public, State of Oklahoma

My Commission Expires:

Date Executed 4/30/21

STATE OF TEXAS

Content
Min. Leasing
Legal

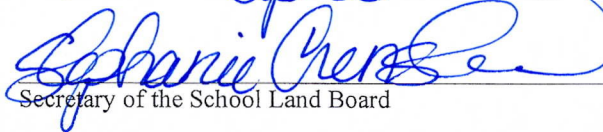
ME
DBO
LH

By: 
MARK A. HAVENS, DEPUTY COMMISSIONER/CHIEF CLERK
GENERAL LAND OFFICE

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of April, 2021, 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 30th day of April, 2021.


Secretary of the School Land Board

23.

File No. ME114284

Rooves County

PSA00377

Date Filed: 05/02/2022

George P. Bush, Commissioner

By gm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11611

GENERAL INFORMATION

Name of Well: Petersburg State 17-28A-54-4 # 401H API # 42-389-39348
 Name of Operator: WPX Energy Permian, LLC RRC # 08-868199
 Operator Contact Person: Erin Walker Phone: 405-552-6517
 Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Ryty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF114284	9995	5122	0.12500000	0.12500000	0.51245623	0.06405703
Totals:							0.06405703
Effective Date: <u>05/01/2021</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments:

- Final as drilled plat submitted on January 27, 2021 by Erin Walker.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
 RAM approval by: VD GIS updated by: Jm

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

INU220001

Unit Number 11611
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Petersburg State 17-28A-54-4 # 401H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06405703
State Part in Unit 0.51245623
Unit Depth Specified Depths **Well**
From Depth **Formation**
To Depth **Participation Basis** Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 05/01/2021
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114284		0.000000	0.000000	0.51245623	O/G	0.12500000	0.06405703	No

API Number

4238939348

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:

01/31/2022

01/31/2022

01/31/2022

~~01/31/2022~~ 06/01/2022

01/31/2022

Pooling Committee Report

To: School Land Board

INU220001

Date of Board Meeting:

Unit Number: 11611

Effective Date: 05/01/2021

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC,,,

Unit Name: Petersburg State 17-28A-54-4 # 401H

Field Name: PHANTOM (WOLFCAMP)

County:

Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114284	0.12500000	06/16/2017	5 years	640.000000	0.000000	0.06405703

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

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	51.25%
<u>State Net Revenue Interest:</u>	6.41%

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

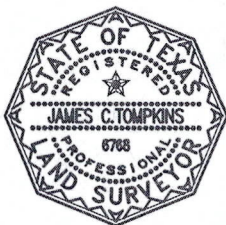
<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

[illegible]

2000 0 2000 4000 FEET

SCALE: 1" = 2000'

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE MONUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF 1.4225 DEGREES AND A COMBINED SCALE FACTOR OF 0.999995520 BASED ON AN OPUS SOLUTION ON CONTROL POINT #228 AT N=10569388.402 E=-1252377.526
- THIS LOCATION IS APPROXIMATELY 17.0 MILES N 43° W OF PECOS, TEXAS.



12/1/202

DATE _____

DRAFT: M.Y.
SHEET: 1 OF 1

PETERSBURG 17-28A-54 #401H
SHL 430' FNL, 1788' FEL
SEC. 17, BLK 54, T4, A-779,
T.&P. T.&P. RW. CO. SURVEY,
REEVES COUNTY, TEXAS

ENGINEERS | SURVEYORS TEXAS REGISTERED ENGINEERING FIRM F-2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00

File No. MF114284Reeves CountyiNt 11611 - AP142-389-39348Date Filed: 05/13/2022

George P. Bush, Commissioner

By Jm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11612

GENERAL INFORMATION

Name of Well: Petersburg State 17-28B-54-4 # 411H API # 42-389-39349
 Name of Operator: WPX Energy Permian, LLC RRC # 08-868200
 Operator Contact Person: Erin Walker Phone: 405-552-6517
 Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rynty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF114284	9962	5170	0.12500000	0.12500000	0.51897209	0.06487151
Totals:							0.06487151
Effective Date: <u>05/01/2021</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments:

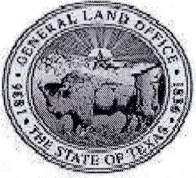
- Final as drilled plat submitted on January 27, 2021 by Erin Walker.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
 RAM approval by: VD GIS updated by: [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU220001

Unit Number 11612
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Petersburg 17-28B-54-4 # 411H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06487151
State Part in Unit 0.51897209
Unit Depth Specified Depths **Well**
From Depth **Formation**
To Depth **Participation Basis** Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 05/01/2021
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114284		0.000000	0.000000	0.51897209	O/G	0.12500000	0.06487151	No

API Number

4238939349

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:

04/05/2022

04/05/2022

04/05/2022

06/01/2022

04/05/2022

Pooling Committee Report

To: School Land Board

INU220001

Date of Board Meeting:

Unit Number: 11612

Effective Date: 05/01/2021

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC

Unit Name: Petersburg 17-28B-54-4 # 411H

Field Name: PHANTOM (WOLFCAMP)

County:

Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114284	0.12500000	06/16/2017	5 years	640.000000	0.000000	0.06487151

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

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	51.90%
<u>State Net Revenue Interest:</u>	6.49%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

Joy McCauley

From: Zobell, Zac <Zac.Zobell@dvn.com>
Sent: Friday, March 25, 2022 11:37 AM
To: Joy McCauley
Subject: [EXTERNAL] FW: Petersburg State 17-28B-54-4 # 411H (JV 387940 -5, -6)
Attachments: New As-Drilled Plat Petersburg State 17-28B-54-4-411H 2-24-2022.pdf

Hi Joy, here is a revised as drilled plat for the Petersburg State 17-28B-54-4-411H. Can you please revise this? Let me know if you need anything else from me. Thanks.

RRC id 08-291603

From: Stiner, Amy Renee <AmyRenee.Stiner@dvn.com>
Sent: Thursday, March 24, 2022 4:01 PM
To: Walker, Erin <Erin.Walker@dvn.com>
Cc: Zobell, Zac <Zac.Zobell@dvn.com>
Subject: RE: Petersburg State 17-28B-54-4 # 411H (JV 387940 -5, -6)

$(1/3 \times 1/2 \times 1/4 \times 5170/9962) + (1/6 \times 1/2 \times 1/4 \times 5170/9962) + (1/3 \times 1/2 \times 1/4 \times 5170/9962) + (1/6 \times 1/2 \times 1/4 \times 5170/9962) = 0.06487149$

From: Walker, Erin <Erin.Walker@dvn.com>
Sent: Monday, March 21, 2022 9:04 AM
To: Stiner, Amy Renee <AmyRenee.Stiner@dvn.com>
Cc: Zobell, Zac <Zac.Zobell@dvn.com>
Subject: Petersburg State 17-28B-54-4 # 411H (JV 387940 -5, -6)

Hi Amy,

It looks like the Petersburg State 17-28B-54-4 # 411H (JV 387940 -5, -6) was reworked in February and the State of Texas interest changed from 0.06977433 to 0.06487149. Can you please send us the updated as drilled plats and NRI calculations for the State of Texas (9132820)? Also can you make sure to include us on the emails to Revenue when ownership has been reworked on a well that contains the State of Texas as an owner?

Thanks,

Erin Walker
Lead Revenue Accountant
Texas Compliance Accounting

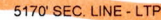
Devon Energy Corporation
333 West Sheridan
Oklahoma City, OK 73102
405-552-6517 (direct)



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CAUTION: This email originated from OUTSIDE of the Texas General Land Office. Links or attachments may be dangerous. Please be careful clicking on any links or opening any attachments.

REEVES COUNTY, TEXAS



2000 0 2000 4000 FEET

SCALE: 1" = 2000'



DRAFT: M.Y.
SHEET: 1 OF 1

PETERSBURG 17-28B-54 #411H
SHL 400' FNL, 1788' FEL
SEC. 17, BLK 54, T4, A-779,
T.&P. T.&P. RW. CO. SURVEY,
REEVES COUNTY, TEXAS



405 S.W. 1st. STREET
ANDREWS, TEXAS 79714
(432) 523-2181

ENGINEERS | SURVEYORS TEXAS REGISTERED ENGINEERING FIRM F-2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00

File No. MF114284
Reeves County
iNat 11612 API 42-389-39349
Date Filed: 05/13/2022
George P. Bush, Commissioner
By Jm



Verified

WPX Energy Permian, LLC
333 W. Sheridan Avenue
Oklahoma City, OK 73102

405 228 4800 Phone
405 234 2397 Fax

MF 114284
DIVISION ORDER

Property No.: 387939-49085-1
Property Name: PETERSBURG STATE 17-28A-54-4 401H
Operator: WPX ENERGY PERMIAN, LLC
State and County: TEXAS, REEVES
Property Description: Section 17 & 28, Block 54, T4S

Date Prepared: December 10, 2021
Prepared By: AMY RENEE STINER
Phone No.: 405-228-4800
Effective Date: First Sales

42-389-39348

Production: Oil: X Gas: X Other: Nut 11611

Owner Number:	9132820	Decimal Interest:	0.06405702 ✓
Owner Name:	STATE OF TEXAS	Interest Type:	RI
	% GENERAL LAND OFFICE	Pay Status:	PAY
Address:	STEPHEN F AUSTIN BUILDING		
	AUSTIN, TX 78701		

MF 114284
Rounding difference - OK

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by WPX Energy Permian, LLC, an indirect subsidiary of Devon Energy Production Co, LP.

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 the 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, or pay annually, whichever occurs first, or as required by applicable state statutes.

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 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: None

Signature(s): _____
Social Security or Tax I.D. Number: _____
Phone Number: _____
Email Address: _____

Changes to address, if needed: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in a significant tax withholding required by the IRS and will not be refundable by Payor.

KEEP FOR YOUR RECORDS



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

January 12, 2023

Lauren Kramer
Division Order Analyst
WPX Energy Permian, LLC
333 W. Sheridan Avenue
Oklahoma City, OK 73102

Re: State Lease No. MF114284 Petersburg State 17-28A-54-4 401H iNut 11611

Dear Mrs. Kramer:

The Texas General Land Office (GLO) has received your Division Order for the referenced iNut. 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. MF114284

____ County

DIVISION ORDER

Date Filed: 1-13-2023

By VR



Shut-In Affidavit

Texas General Land Office
Commissioner Dawn Buckingham, M.D.
1700 North Congress Avenue
Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

State Lease No. MF 114284A		Operator WPX ENERGY PERMIAN, LLC	
Lease Name JAMES CASH THOMPSON AND WIFE KIMBERLY R THOMPSON		Field Name PHANTOM (WOLFCAMP)	
Area N/A	Tract N/A	Part N/A	Acres 640
Section 28	Block 54 T4	Survey T&P RR CO	County REEVES
State's NRI in Lease: 4.16667969% CIRCE STATE 1H - 4.16667969% CIRCE STATE 2H			
Unit Name (if applicable) N/A		State's Unit NRI (if applicable) N/A	
Total Shut-In Due: \$213.34		Explain how payment was calculated: 213.33333333 NMA X \$1 = \$213.34 / 2 = \$106.67 - CIRCE STATE 1H 213.33333333 NMA X \$1 = \$213.34 / 2 = \$106.67 - CIRCE STATE 2H GRAND TOTAL - \$213.34	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

Reason for Shut-In – Be Specific—(Add page as needed)

THE CIRCE STATE 1H AND 2H WERE SHUT-IN AS A PRECAUTION DUE TO OFFSET FRACING.

Explain when and how shut-in is expected to be resolved (Add page as needed)

ONCE THE OFFSET FRAC IS COMPLETE A WORKOVER WILL BE COMPLETED ON BOTH WELLS.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name: CIRCE STATE 28 1H	API: 42-389-34865	RRC: Dist#-Lease# 08 - 286372
Produced in Past: ☒ Yes ☐ No	Completion Date: 10/1/2015	Shut-In Date: 11/15/2022	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 291.10 mcf/d	OIL 45.80 bbls/d	WATER 334 bbls/d	

☐ OIL ☒ GAS	Well Name: CIRCE STATE 28 2H	API: 42-389-35841	RRC: Dist#-Lease# 08 - 283277
Produced in Past: ☒ Yes ☐ No	Completion Date: 9/4/2017	Shut-In Date: 11/17/2022	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 218.72 mcf/d	OIL 51.76 bbls/d	WATER 170.14 bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator SEE ATTACHED PAGES	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Contact for Shut-in: TIM PROUT
 Operator's Representative
 Phone: (405) 552-6113 Email: TIM.PROUT@DVN.COM
 Mailing Address: 333 WEST SHERIDAN AVENUE, OKLAHOMA CITY, OKLAHOMA 73102-5015

I certify that this statement is true and correct.

Signature: *Tim Prout* Print Name: TIM PROUT

Title: SR. STAFF LANDMAN

Sworn and subscribed to before me, the undersigned authority this 24th day of JANUARY, 2023.

Taylor J Peterson

Notary Public in and for
Oklahoma County, State of Oklahoma



Revised 4/12/2017

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # FIVER STATE 18 1H	API 42-389-35512	RRC: Dist#-Lease# 08 - 286084
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # PETERSBURG 54-4-17 1H	API 42-389-35664	RRC: Dist#-Lease# 08 - 283259
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # ANTIETAM 54-4-27 1H	API 42-389-35753	RRC: Dist#-Lease# 08 - 283185
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # HARPER FERRY 54-4-29 1H	API 42-389-35834	RRC: Dist#-Lease# 08 - 283225
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator PDC PERMIAN INC.	Lease Name & Well # GORDON 30 B 1H	API 42-389-36153	RRC: Dist#-Lease# 08 - 284927
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28A-54-4 401H	API 42-389-39348	RRC: Dist#-Lease# 08 - 291530
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28B-54-4 411H	API 42-389-39349	RRC: Dist#-Lease# 08 - 291603
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 591.6	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28C-54-4 431H	API 42-389-39350	RRC: Dist#-Lease# 08 - 291531
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28D-54-4 412H	API 42-389-39948	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 630.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28E-54-4 402H	API 42-389-39949	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 100.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28F-54-4 432H	API 42-389-39950	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 100.0	Completion Interval WOLFCAMP	Status PRODUCING	

6042375



WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

MF114284A

RECEIVED

JAN 17 2023

STATE OF TEXAS
% GENERAL LAND OFFICE
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS
AUSTIN, TX 78701-0000

23703484

General Land Office

Payment made on behalf of STATE OF TEXAS & % GENERAL LAND OFFICE

DATE 01/12/2023

6042375

No. 0003503845

YOUR REFERENCE		INV. DATE	NET AMOUNT
35000212	SHUT IN CIRCE STATE 28 1H (11/15/2022) AND 2H (11/ * 5291282 * RENT PERIOD 01/11/2023	01/11/2023	213.34
TOTAL			213.34

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

Bank of America National
Association

Vendor No: 6042375

64-1278 01/12/2023
611

No. 0003503845

PAY THIS AMOUNT

*****\$213.34

****TWO HUNDRED THIRTEEN AND THIRTY-FOUR CENTS

PAY
TO THE
ORDER OF

STATE OF TEXAS
% GENERAL LAND OFFICE
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS
AUSTIN, TX 78701-0000

Void Over \$213.34

devon
Authorized Signature

121
⑈0003503845⑈

File No. MF114284
Shut in Affidavit County
↓ payment - Lse A
Date Filed: 2/7/23
Commissioner Dawn Buckingham, M.D.
By: SJD



Shut-In Affidavit

Texas General Land Office
Commissioner Dawn Buckingham, M.D.
1700 North Congress Avenue
Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

State Lease No. MF 114284B		Operator WPX ENERGY PERMIAN, LLC	
Lease Name ANN THOMPSON WHITE		Field Name PHANTOM (WOLFCAMP)	
Area N/A	Tract N/A	Part N/A	Acres 640
Section 28	Block 54 T4	Survey T&P RR CO	County REEVES
State's NRI in Lease: 4.16667969% CIRCE STATE 1H - 4.16667969% CIRCE STATE 2H			
Unit Name (if applicable) N/A		State's Unit NRI (if applicable) N/A	
Total Shut-In Due: \$213.36		Explain how payment was calculated: 213.33333333 NMA X \$1 = \$213.34 / 2 = \$106.67 - CIRCE STATE 1H 213.33333333 NMA X \$1 = \$213.34 / 2 = \$106.67 - CIRCE STATE 2H GRAND TOTAL - \$213.34	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

Reason for Shut-In – Be Specific—(Add page as needed)

THE CIRCE STATE 1H AND 2H WERE SHUT-IN AS A PRECAUTION DUE TO OFFSET FRACING.

Explain when and how shut-in is expected to be resolved (Add page as needed)

ONCE THE OFFSET FRAC IS COMPLETE A WORKOVER WILL BE COMPLETED ON BOTH WELLS.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name: CIRCE STATE 28 1H	API: 42-389-34865	RRC: Dist#-Lease# 08 - 286372
Produced in Past: ☒ Yes ☐ No	Completion Date: 10/1/2015	Shut-In Date: 11/15/2022	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 291.10 mcf/d	OIL 45.80 bbls/d	WATER 334 bbls/d	

☐ OIL ☒ GAS	Well Name: CIRCE STATE 28 2H	API: 42-389-35841	RRC: Dist#-Lease# 08 - 283277
Produced in Past: ☒ Yes ☐ No	Completion Date: 9/4/2017	Shut-In Date: 11/17/2022	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 218.72 mcf/d	OIL 51.76 bbls/d	WATER 170.14 bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator SEE ATTACHED PAGES	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Contact for Shut-in: TIM PROUT

Operator's Representative

Phone: (405) 552-6113

Email: TIM.PROUT@DVN.COM

Mailing Address: 333 WEST SHERIDAN AVENUE, OKLAHOMA CITY, OKLAHOMA 73102-5015

I certify that this statement is true and correct.

Signature: Tim Prout

Print Name: TIM PROUT

Title: SR. STAFF LANDMAN

Sworn and subscribed to before me, the undersigned authority this 24th day of JANUARY, 2023.

Taylor J Peterson

Notary Public in and for

Oklahoma County, State of Oklahoma



Revised 4/12/2017

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # FIVER STATE 18 1H	API 42-389-35512	RRC: Dist#-Lease# 08 - 286084
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # PETERSBURG 54-4-17 1H	API 42-389-35664	RRC: Dist#-Lease# 08 - 283259
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # ANTIETAM 54-4-27 1H	API 42-389-35753	RRC: Dist#-Lease# 08 - 283185
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # HARPER FERRY 54-4-29 1H	API 42-389-35834	RRC: Dist#-Lease# 08 - 283225
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator PDC PERMIAN INC.	Lease Name & Well # GORDON 30 B 1H	API 42-389-36153	RRC: Dist#-Lease# 08 - 284927
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28A-54-4 401H	API 42-389-39348	RRC: Dist#-Lease# 08 - 291530
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28B-54-4 411H	API 42-389-39349	RRC: Dist#-Lease# 08 - 291603
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 591.6	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28C-54-4 431H	API 42-389-39350	RRC: Dist#-Lease# 08 - 291531
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28D-54-4 412H	API 42-389-39948	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 630.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28E-54-4 402H	API 42-389-39949	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 100.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28F-54-4 432H	API 42-389-39950	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 100.0	Completion Interval WOLFCAMP	Status PRODUCING	

6042375



WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

MF114284 B

RECEIVED

JAN 17 2023

General Land Office

STATE OF TEXAS
% GENERAL LAND OFFICE
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS
AUSTIN, TX 78701-0000

23703486

Payment made on behalf of STATE OF TEXAS & % GENERAL LAND OFFICE

DATE 01/12/2023

6042375

No. 0003503847

YOUR REFERENCE		INV. DATE	NET AMOUNT
35000216	SHUT IN CIRCE STATE 28 1H (11/15/2022) AND 2H (11/ * 5291284 * RENT PERIOD 01/11/2023	01/11/2023	213.36
TOTAL			213.36

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

Bank of America National
Association

64-1278 01/12/2023
611

Vendor No: 6042375

No. 0003503847

****TWO HUNDRED THIRTEEN AND THIRTY-SIX CENTS

23703486

PAY
TO THE
ORDER OF

STATE OF TEXAS
% GENERAL LAND OFFICE
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS
AUSTIN, TX 78701-0000

PAY THIS AMOUNT

*****\$213.36

VOID AFTER 90 DAYS
ONLY NEGOTIABLE AT FINANCIAL INSTITUTIONS

devon
Authorized Signature

Void Over \$213.36

121
⑈0003503847⑈

File No. MF 114284
Shut in Affidavit County
+ payment - Lse B
Date Filed: 2/7/23
Commissioner Dawn Buckingham, M.D.
By: SSD



Shut-In Affidavit

Texas General Land Office
Commissioner Dawn Buckingham, M.D.
1700 North Congress Avenue
Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

State Lease No. MF 114284C		Operator WPX ENERGY PERMIAN, LLC	
Lease Name JOHN M THOMPSON		Field Name PHANTOM (WOLFCAMP)	
Area N/A	Tract N/A	Part N/A	Acres 640
Section 28	Block 54 T4	Survey T&P RR CO	County REEVES
State's NRI in Lease: 2.08332031% CIRCE STATE 1H - 2.08332031% CIRCE STATE 2H			
Unit Name (if applicable) N/A		State's Unit NRI (if applicable) N/A	
Total Shut-In Due: \$106.68		Explain how payment was calculated: 106.66666667 NMA X \$1 = \$106.67 / 2 = \$53.34 - CIRCE STATE 1H 106.66666667 NMA X \$1 = \$106.67 / 2 = \$53.34 - CIRCE STATE 2H GRAND TOTAL - \$106.68	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

Reason for Shut-In – Be Specific—(Add page as needed)

THE CIRCE STATE 1H AND 2H WERE SHUT-IN AS A PRECAUTION DUE TO OFFSET FRACING.

Explain when and how shut-in is expected to be resolved (Add page as needed)

ONCE THE OFFSET FRAC IS COMPLETE A WORKOVER WILL BE COMPLETED ON BOTH WELLS.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name: CIRCE STATE 28 1H	API: 42-389-34865	RRC: Dist#-Lease# 08 - 286372
Produced in Past: ☒ Yes ☐ No	Completion Date: 10/1/2015	Shut-In Date: 11/15/2022	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 291.10 mcf/d	OIL 45.80 bbls/d	WATER 334 bbls/d	

☐ OIL ☒ GAS	Well Name: CIRCE STATE 28 2H	API: 42-389-35841	RRC: Dist#-Lease# 08 - 283277
Produced in Past: ☒ Yes ☐ No	Completion Date: 9/4/2017	Shut-In Date: 11/17/2022	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 218.72 mcf/d	OIL 51.76 bbls/d	WATER 170.14 bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator SEE ATTACHED PAGES	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Contact for Shut-in: TIM PROUT

Operator's Representative

Phone: (405) 552-6113

Email: TIM.PROUT@DVN.COM

Mailing Address: 333 WEST SHERIDAN AVENUE, OKLAHOMA CITY, OKLAHOMA 73102-5015

I certify that this statement is true and correct.

Signature: *Tim Prout*

Print Name: TIM PROUT

Title: SR. STAFF LANDMAN

Sworn and subscribed to before me, the undersigned authority this 24th day of JANUARY, 2023.

Taylor J Peterson

Notary Public in and for

Oklahoma County, State of Oklahoma



Revised 4/12/2017

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # FIVER STATE 18 1H	API 42-389-35512	RRC: Dist#-Lease# 08 - 286084
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # PETERSBURG 54-4-17 1H	API 42-389-35664	RRC: Dist#-Lease# 08 - 283259
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # ANTIETAM 54-4-27 1H	API 42-389-35753	RRC: Dist#-Lease# 08 - 283185
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # HARPER FERRY 54-4-29 1H	API 42-389-35834	RRC: Dist#-Lease# 08 - 283225
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator PDC PERMIAN INC.	Lease Name & Well # GORDON 30 B 1H	API 42-389-36153	RRC: Dist#-Lease# 08 - 284927
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28A-54-4 401H	API 42-389-39348	RRC: Dist#-Lease# 08 - 291530
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28B-54-4 411H	API 42-389-39349	RRC: Dist#-Lease# 08 - 291603
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 591.6	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28C-54-4 431H	API 42-389-39350	RRC: Dist#-Lease# 08 - 291531
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28D-54-4 412H	API 42-389-39948	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 630.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28E-54-4 402H	API 42-389-39949	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 100.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28F-54-4 432H	API 42-389-39950	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 100.0	Completion Interval WOLFCAMP	Status PRODUCING	

6042375



WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

MF 114284C

STATE OF TEXAS
% GENERAL LAND OFFICE
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS
AUSTIN, TX 78701-0000

RECEIVED

JAN 17 2023

23703483

General Land Office

Payment made on behalf of STATE OF TEXAS & % GENERAL LAND OFFICE

DATE 01/12/2023

6042375

No. 0003503844

YOUR REFERENCE		INV. DATE	NET AMOUNT
35000210	SHUT IN CIRCE STATE 28 1H (11/15/2022) AND 2H (11/ * 5291281 * RENT PERIOD 01/11/2023	01/11/2023	106.68
TOTAL			106.68

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

devon

WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

Bank of America National
Association

Vendor No: 6042375

64-1278 01/12/2023
611

No. 0003503844

PAY THIS AMOUNT

*****\$106.68

****ONE HUNDRED SIX AND SIXTY-EIGHT CENTS

PAY
TO THE
ORDER OF

STATE OF TEXAS
% GENERAL LAND OFFICE
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS
AUSTIN, TX 78701-0000

23703483

Void Over \$106.68

VOID AFTER 90 DAYS
ONLY NEGOTIABLE AT FINANCIAL INSTITUTIONS

devon
Authorized Signature

0003503844

File No. MF 114284
Shulin Affidavit County
Payment - Lsec
Date Filed: 2/7/23
Commissioner Dawn Buckingham, M.D.
By: SSD



Shut-In Affidavit

Texas General Land Office
Commissioner Dawn Buckingham, M.D.
1700 North Congress Avenue
Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

State Lease No. MF 114284D		Operator WPX ENERGY PERMIAN, LLC	
Lease Name JAMES CASH THOMPSON		Field Name PHANTOM (WOLFCAMP)	
Area N/A	Tract N/A	Part N/A	Acres 640
Section 28	Block 54 T4	Survey T&P RR CO	County REEVES
State's NRI in Lease: 2.08332031% CIRCE STATE 1H - 2.08332031% CIRCE STATE 2H			
Unit Name (if applicable) N/A		State's Unit NRI (if applicable) N/A	
Total Shut-In Due: \$106.68		Explain how payment was calculated: 106.66666667 NMA X \$1 = \$106.67 / 2 = \$53.34 - CIRCE STATE 1H 106.66666667 NMA X \$1 = \$106.67 / 2 = \$53.34 - CIRCE STATE 2H GRAND TOTAL - \$106.68	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

Reason for Shut-In – Be Specific—(Add page as needed)

THE CIRCE STATE 1H AND 2H WERE SHUT-IN AS A PRECAUTION DUE TO OFFSET FRACING.

Explain when and how shut-in is expected to be resolved (Add page as needed)

ONCE THE OFFSET FRAC IS COMPLETE A WORKOVER WILL BE COMPLETED ON BOTH WELLS.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name: CIRCE STATE 28 1H	API: 42-389-34865	RRC: Dist#-Lease# 08 - 286372
Produced in Past: ☒ Yes ☐ No	Completion Date: 10/1/2015	Shut-In Date: 11/15/2022	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 291.10 mcf/d	OIL 45.80 bbls/d	WATER 334 bbls/d	

☐ OIL ☒ GAS	Well Name: CIRCE STATE 28 2H	API: 42-389-35841	RRC: Dist#-Lease# 08 - 283277
Produced in Past: ☒ Yes ☐ No	Completion Date: 9/4/2017	Shut-In Date: 11/17/2022	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 218.72 mcf/d	OIL 51.76 bbls/d	WATER 170.14 bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator SEE ATTACHED PAGES	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Contact for Shut-in: TIM PROUT

Operator's Representative

Phone: (405) 552-6113

Email: TIM.PROUT@DVN.COM

Mailing Address: 333 WEST SHERIDAN AVENUE, OKLAHOMA CITY, OKLAHOMA 73102-5015

I certify that this statement is true and correct.

Signature: *Tim Prout*

Print Name: TIM PROUT

Title: SR. STAFF LANDMAN

Sworn and subscribed to before me, the undersigned authority this 24th day of JANUARY, 2023.

Taylor J Peterson

Notary Public in and for

Oklahoma County, State of Oklahoma



Revised 4/12/2017

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # FIVER STATE 18 1H	API 42-389-35512	RRC: Dist#-Lease# 08 - 286084
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # PETERSBURG 54-4-17 1H	API 42-389-35664	RRC: Dist#-Lease# 08 - 283259
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # ANTIETAM 54-4-27 1H	API 42-389-35753	RRC: Dist#-Lease# 08 - 283185
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator ANADARKO E&P ONSHORE LLC	Lease Name & Well # HARPER FERRY 54-4-29 1H	API 42-389-35834	RRC: Dist#-Lease# 08 - 283225
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator PDC PERMIAN INC.	Lease Name & Well # GORDON 30 B 1H	API 42-389-36153	RRC: Dist#-Lease# 08 - 284927
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28A-54-4 401H	API 42-389-39348	RRC: Dist#-Lease# 08 - 291530
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28B-54-4 411H	API 42-389-39349	RRC: Dist#-Lease# 08 - 291603
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 591.6	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28C-54-4 431H	API 42-389-39350	RRC: Dist#-Lease# 08 - 291531
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 0.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28D-54-4 412H	API 42-389-39948	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 630.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28E-54-4 402H	API 42-389-39949	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 100.0	Completion Interval WOLFCAMP	Status PRODUCING	

Operator WPX ENERGY PERMIAN LLC	Lease Name & Well # PETERSBURG STATE 17-28F-54-4 432H	API 42-389-39950	RRC: Dist#-Lease# 08 -
RRC Field & Reservoir Name: PHANTOM (WOLFCAMP)		RRC Field Code: 71052900	
Distance 100.0	Completion Interval WOLFCAMP	Status PRODUCING	

6042375



WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

MF114284D

RECEIVED

JAN 17 2023

STATE OF TEXAS
% GENERAL LAND OFFICE
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS
AUSTIN, TX 78701-0000

23703485

General Land Office

Payment made on behalf of STATE OF TEXAS & % GENERAL LAND OFFICE

DATE 01/12/2023

6042375

No. 0003503846

YOUR REFERENCE		INV. DATE	NET AMOUNT
35000214	SHUT IN CIRCE STATE 28 1H (11/15/2022) AND 2H (11/ * 5291283 * RENT PERIOD 01/11/2023	01/11/2023	106.68
TOTAL			106.68

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

Bank of America National
Association

Vendor No: 6042375

64-1278 01/12/2023
611

No. 0003503846

PAY THIS AMOUNT

*****\$106.68

****ONE HUNDRED SIX AND SIXTY-EIGHT CENTS

PAY
TO THE
ORDER OF

STATE OF TEXAS
% GENERAL LAND OFFICE
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS
AUSTIN, TX 78701-0000

Void Over \$106.68

VOID AFTER 90 DAYS
ONLY NEGOTIABLE AT FINANCIAL INSTITUTIONS

devon
Authorized Signature

121
⑈0003503846⑈

File No. ME114284
Shut in Affidavit County
↓ payment L&D
Date Filed: 2/7/23
Commissioner Dawn Buckingham, M.D.
By: SSD



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

February 7, 2023

Mr. Tim Prout
Devon Energy Production Company, L.P.
333 W. Sheridan Avenue
Oklahoma City, OK 73102

Re: **State Lease MF114284** – Relinquishment Act Land (RAL)
640 acres, Section 28, Block 54, Township T4, T&P RR Co. Survey, Reeves County, Texas
Shut-In: Circe State 28 1H, API 42-389-34865, RRC 08-286372
Circe State 28 2H, API 42-389-35841, RRC 08-283277

Dear Mr. Prout,

This acknowledges receipt of shut-in payments in the total amount of \$640.06, for the subject wells, by the Texas General Land Office on January 17, 2023. The shut in is approved to protect production as fracing occurs on offset wells and to allow for workover of the referenced wells.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in is valid until the anniversary date of December 1, 2023.

Please notify us when the wells return to production.

Yours truly,

Susan Draughn, Landman
Energy Resources/ Mineral Leasing
Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

File No. ME114284
Shut in Acceptance County
Letter
Date Filed: 2/7/23
Commissioner Dawn Buckingham, M.D.
By: SSD



file for
record only

WPX Energy Permian, LLC
333 W. Sheridan Avenue
Oklahoma City, OK 73102

405 228 4800 Phone
405 234 2397 Fax

MF 114284
DIVISION ORDER

per email in
scanned file - will rework

Property No.: 387940-49086-1
Property Name: PETERSBURG STATE 17-28B-54-4 411H
Operator: WPX ENERGY PERMIAN, LLC
State and County: TEXAS, REEVES
Property Description: Section 17 and 28, Block 54, T4S

Date Prepared: December 10, 2021
Prepared By: AMY RENEE STINER
Phone No.: 405-228-4800
Effective Date: First Sales

Production: Oil: X Gas: X Other:

Owner Number:	9132820	Decimal Interest:	0.06977433
Owner Name:	STATE OF TEXAS	Interest Type:	RI
	% GENERAL LAND OFFICE	Pay Status:	PAY
Address:	STEPHEN F AUSTIN BUILDING AUSTIN, TX 78701		

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by WPX Energy Permian, LLC, an indirect subsidiary of Devon Energy Production Co, LP.

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 the 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, or pay annually, whichever occurs first, or as required by applicable state statutes.

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 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: None

Signature(s): _____

Social Security or Tax I.D. Number: _____ Changes to address, if needed: _____

Phone Number: _____

Email Address: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in a significant tax withholding required by the IRS and will not be refundable by Payor.

RETURN THIS COPY

Joy McCauley

From: Zobell, Zac <Zac.Zobell@dvn.com>
Sent: Friday, March 25, 2022 11:37 AM
To: Joy McCauley
Subject: [EXTERNAL] FW: Petersburg State 17-28B-54-4 # 411H (JV 387940 -5, -6)
Attachments: New As-Drilled Plat Petersburg State 17-28B-54-4-411H 2-24-2022.pdf

Hi Joy, here is a revised as drilled plat for the Petersburg State 17-28B-54-4-411H. Can you please revise this? Let me know if you need anything else from me. Thanks.

RRC id 08-291603

From: Stiner, Amy Renee <AmyRenee.Stiner@dvn.com>
Sent: Thursday, March 24, 2022 4:01 PM
To: Walker, Erin <Erin.Walker@dvn.com>
Cc: Zobell, Zac <Zac.Zobell@dvn.com>
Subject: RE: Petersburg State 17-28B-54-4 # 411H (JV 387940 -5, -6)

$(1/3 \times 1/2 \times 1/4 \times 5170/9962) + (1/6 \times 1/2 \times 1/4 \times 5170/9962) + (1/3 \times 1/2 \times 1/4 \times 5170/9962) + (1/6 \times 1/2 \times 1/4 \times 5170/9962) = 0.06487149$

From: Walker, Erin <Erin.Walker@dvn.com>
Sent: Monday, March 21, 2022 9:04 AM
To: Stiner, Amy Renee <AmyRenee.Stiner@dvn.com>
Cc: Zobell, Zac <Zac.Zobell@dvn.com>
Subject: Petersburg State 17-28B-54-4 # 411H (JV 387940 -5, -6)

Hi Amy,

It looks like the Petersburg State 17-28B-54-4 # 411H (JV 387940 -5, -6) was reworked in February and the State of Texas interest changed from 0.06977433 to 0.06487149. Can you please send us the updated as drilled plats and NRI calculations for the State of Texas (9132820)? Also can you make sure to include us on the emails to Revenue when ownership has been reworked on a well that contains the State of Texas as an owner?

Thanks,

Erin Walker
Lead Revenue Accountant
Texas Compliance Accounting

Devon Energy Corporation
333 West Sheridan
Oklahoma City, OK 73102
405-552-6517 (direct)

File No. MF 114284

County

Division Order

Date Filed: 2/14/2023

Commissioner Dawn Buckingham, M.D.

By: VR



MF 114284

WPX Energy Permian, LLC
333 W. Sheridan Avenue
Oklahoma City, OK 73102405 228 4800 Phone
405 234 2397 Fax

DIVISION ORDER

Property No.: 387940-49086-1
Property Name: PETERSBURG STATE 17-28B-54-4 411H
Operator: WPX ENERGY PERMIAN, LLC
State and County: TEXAS, REEVES
Property Description: Section 17 & 28, Block 54, T4S

Date Prepared: February 28, 2022
Prepared By: AMY RENEE STINER
Phone No.: 405-228-4800
Effective Date: First Sales

42-389-39349

Production: Oil: X

Gas: X

Other: 1 Nut 11612

Owner Number: 9132820
Owner Name: STATE OF TEXAS
% GENERAL LAND OFFICE
Address: STEPHEN F AUSTIN BUILDING
AUSTIN, TX 78701

Decimal Interest: 0.06487149
Interest Type: RI
Pay Status: PAY

Verified

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by WPX Energy Permian, LLC, an indirect subsidiary of Devon Energy Production Co, LP.

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 the 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, or pay annually, whichever occurs first, or as required by applicable state statutes.

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 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: None

Signature(s): _____

Social Security or
Tax I.D. Number: _____

Phone Number: _____

Email Address: _____

Changes to address, if needed: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in a significant tax withholding required by the IRS and will not be refundable by Payor.

KEEP FOR YOUR RECORDS



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

405 235 3611 Phone
www.devonenergy.com

February 28, 2022

Interest Owners

Re: Petersburg State 17-28B-56-4-411H (387940)
In Reeves County, Texas

Dear Interest Owner:

In December I sent you Division Orders on the Petersburg State 17-28B-56-4-411H. Last week we received a new as-drilled plat. Enclosed please find Devon Energy Production Company, L.P.'s new Division Orders reflecting your interest according to the new plat. If you agree with the interest set out on the Division Orders, please execute and return one copy. The extra copy is for your records.

Also please write in your current mailing address and tax identification number.

If you have any questions or if I can be of further assistance please contact owner relations at (405) 228-4800 or devondirect@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Amy Stiner, CDOA
Division Order Advisor



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

February 23, 2023

Amy Renee Stiner
Division Order Analyst
Devon Energy Production Co., LP
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Re: State Lease No. MF114284 Petersburg State 17-28B-54-4 411H iNut 11612

Dear Mrs. Stiner:

The Texas General Land Office (GLO) has received your Division Order for the referenced iNut. 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 placed 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

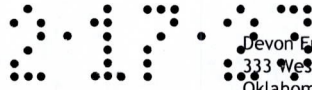
File No. MF114284

County

Division OrderDate Filed: 2/27/2023

Commissioner Dawn Buckingham, M.D.

By: vd



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

405 235 3611 Phone
www.devonenergy.com

MF114284

February 1, 2023

Interest Owners

Re: Circe State 28 413H & 433H
Reeves County, Texas
Effective Date: Date of First Production (DOFP)

Dear Interest Owner:

Devon Energy Production Company, L.P. (Devon) recently drilled and completed the above referenced wells. This well is an additional well to section 28, block 54 and as such ownership has not changed. Your decimal interest is the same as set out in the division order, supplemental division order, transfer order or letter-in-lieu (hereinafter called "Division Order Form") you previously executed covering the Circe State 28 1H & 2H. The original Division Order Form you executed will serve as the governing Division Order Form for the above referenced wells and will cover any future wells that may be drilled in the unit. If your interest in the initial well is in a pay status (checks issued), your interest in the new wells is also in a pay status. If your interest is not in a pay status, please contact us to discuss what steps need to occur for the release of your interest.

The legal description for the well is as follows:

All of Section 28, Block 54, T&P RR Co. Survey, A-2862

For future reference, please attach this letter with your copy of the Division Order Form. If you have any questions or if I can be of further assistance please contact owner relations at (405) 228-4800 or devondirect@devon.com.

Sincerely yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Amy Stiner, CDOA
Division Order Advisor

File No. ME114284

County _____

Ltr in lieu of Division Order

Date Filed: 2/27/2023

Commissioner Dawn Buckingham, M.D.

By: VJ

ME114284

00.713



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 12471

GENERAL INFORMATION

Name of Well: Petersburg State 17-28E-54-4 # 402H API # 42-389-39949
 Name of Operator: WPX Energy Permian, LLC RRC # 08-879059
 Operator Contact Person: Zac Zobell Phone: 405-552-3554
 Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF114284	9806	5108	0.12500000	0.12500000	0.52090557	0.06511320
Totals:							0.06511320
Effective Date:	<u>08/01/2022</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments:

- Final as drilled plat submitted on March 2, 2023 by email from Zac Zobell.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
 RAM approval by: JD GIS updated by: JD

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

INUT230001

Unit Number 12471

Operator Name WPX Energy Permian, LLC

Customer ID C000048105

Unit Name Petersburg State 17-28E-54-4 # 402H

County 1 Reeves RRC District 1 08

County 2 RRC District 2

County 3 RRC District 3

County 4 RRC District 4

Unit type iNut

State Net Revenue Interest Oil 0.06511320

State Part in Unit 0.52090557

Unit Depth Specified Depths Well

From Depth Formation

To Depth Participation Basis Length of Lateral

If Exclusions Apply: See Remarks

Effective Date 08/01/2022

Unitized For Oil And Gas

Unit Term

Old Unit Number Inactive Status Date

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114284		0.000000	0.000000	0.52090557	O/G	0.12500000	0.06511320	No

API Number

4238939949

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

03/21/2023

03/21/2023

03/21/2023

3/28/23

03/21/2023

Pooling Committee Report

To: School Land Board

INUT230001

Date of Board Meeting:

Unit Number: 12471

Effective Date: 08/01/2022

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC

Unit Name: Petersburg State 17-28E-54-4 # 402H

Field Name: PHANTOM (WOLFCAMP)

County:

Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114284	0.12500000	06/16/2017	5 years	640.000000	0.000000	0.06511320

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

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	52.09%
<u>State Net Revenue Interest:</u>	6.51%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

LOVING COUNTY, TEXAS



 PROPOSED WELL LOCATION
 POP
 FTP/LTP
 BHL
 EXISTING WELL
 FND. IRON ROD (OR AS NOTED)
 FND. IRON PIPE (OR AS NOTED)
 FND. UTL CON. MON. (OR AS NOTED)
 CALCULATED CORNER
 LEASE BOUNDARY

2000 0 2000 4000 FEET

PETERSBURG 17-28E-54-4 #402H

SEC. 17 BLK 54 T4 A-779

SEC. 17, BLK 54, T4, R77S,
T & P. RW CO. SURVEY

T.&P. R.W. CO. SURVEY,
LOVING COUNTY, TEXAS

ENGINEERS I SURVEYORS

405 S.W. 1st. STREET

ANDREWS, TEXAS 79714
(432) 523-2181

REGISTERED ENGINEERING FIRM
REGISTERED SURVEYOR FIRM

TEXAS REGISTERED ENGINEERING FIRM F-2746
TEXAS REGISTERED SURVEYOR FIRM #100782-00

TEXAS REGISTERED SURVEYOR FIRM #100792-00



1/17/2023

YU/OM/2645

JAMES C. TOMPKINS RPLS #6768 DATE

SURVEY DATE: N/A DRAFT: JY

JOB NO.: WTC55796 SHEET: 1 OF 1

File No. MF114284Reeves CountyiNut12471- API42-389-39949Date Filed: 03/21/2023

Commissioner Dawn Buckingham, M.D.

By: Jm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 12472

GENERAL INFORMATION

Name of Well: Petersburg State 17-28D-54-4 # 412H API # 42-389-39948
Name of Operator: WPX Energy Permian, LLC RRC # 08-879058
Operator Contact Person: Zac Zobell Phone: 405-552-3554
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Ryty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF114284	9868	5168	0.12500000	0.12500000	0.52371301	0.06546413
Totals:							0.06546413
Effective Date:	08/01/2022						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments:

- Final as drilled plat submitted on March 2, 2023 by email from Zac Zobell.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: JD GIS updated by: RL

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INUT230001

Unit Number 12472
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Petersburg State 17-28D-54-4 # 412H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06546413
State Part in Unit 0.52371301
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 08/01/2022
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114284		0.000000	0.000000	0.52371301	O/G	0.12500000	0.06546413	No

API Number

4238939948

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

03/21/2023

03/21/2023

03/21/2023

3/28/23

03/21/2023

Pooling Committee Report

To: School Land Board

INUT230001

Date of Board Meeting:

Unit Number: 12472

Effective Date: 08/01/2022

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC

Unit Name: Petersburg State 17-28D-54-4 # 412H

Field Name: PHANTOM (WOLFCAMP)

County:

Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114284	0.12500000	06/16/2017	5 years	640.000000	0.000000	0.06546413

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

Participation Basis:	Length of Lateral
Surface Acreage	
State Acreage:	52.37%
State Net Revenue Interest:	6.55%

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

RRC Rules:	Spacing Acres:
No	

LOVING COUNTY, TEXAS

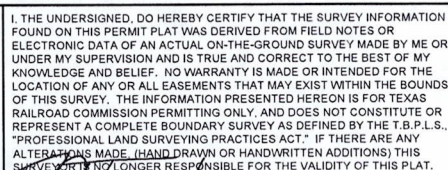


 PROPOSED WELL LOCATION
 POP
 FTP/LTP
 BHL
 EXISTING WELL
 FND. IRON ROD (OR AS NOTED)
 FND. IRON PIPE (OR AS NOTED)
 FND. UTL CON. MON. (OR AS NOTED)
 CALCULATED CORNER
 LEASE BOUNDARY

2000 0 2000 4000 FEET

SCALE: 1" = 2000'

- ALL DOWNHOLE, POINT-OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999995520 BASED ON AN ELLIPSOID SOLUTION OF THE EARTH'S SURFACE AT DATUM NAD 83 (5022723.858).
- THIS LOCATION IS APPROXIMATELY 1.70 MILES N.43°W. OF PECOS, TEXAS.



PETERSBURG 17-28D-54-4 #412H
SHL 427' FNL, 1616' FWL
SEC. 17, BLK 54, T4, A-779,
T.&P. RW. CO. SURVEY,
LOVING COUNTY, TEXAS

WTC
ENGINEERS | SURVEYORS

WTC, INC.
405 S.W. 1st. STREET
ANDREWS, TEXAS 79714
(432) 523-2181

TEXAS REGISTERED ENGINEERING FIRM F-2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00

File No. MF114284

Reeves County

iNut 12472 - API 42-389-39948

Date Filed: 03/21/2023

Commissioner Dawn Buckingham, M.D.

By: Jm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 12473

GENERAL INFORMATION

Name of Well: Petersburg State 17-28F-54-4 # 432H API # 42-389-39950
Name of Operator: WPX Energy Permian, LLC RRC # 08-879061
Operator Contact Person: Zac Zobell Phone: 405-552-3554
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF114284	9868	5168	0.12500000	0.12500000	0.52371301	0.06546413
Totals:							0.06546413
Effective Date: <u>08/01/2022</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments:

- Final as drilled plat submitted on March 2, 2023 by email from Zac Zobell.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: jm Alamo updated by: jm WI updated by: jm
RAM approval by: jd GIS updated by: RL

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INUT230001

Unit Number 12473
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Petersburg State 17-28F-54-4 # 432H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06546413
State Part in Unit 0.52371301
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 08/01/2022
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114284		0.000000	0.000000	0.52371301	O/G	0.12500000	0.06546413	No

API Number

4238939950

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

03/21/2023

03/21/2023

03/21/2023

3/28/23

03/21/2023

Pooling Committee Report

To: School Land Board

INUT230001

Date of Board Meeting:

Unit Number: 12473

Effective Date: 08/01/2022

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC

Unit Name: Petersburg State 17-28F-54-4 # 432H

Field Name: PHANTOM (WOLFCAMP)

County:

Reeves

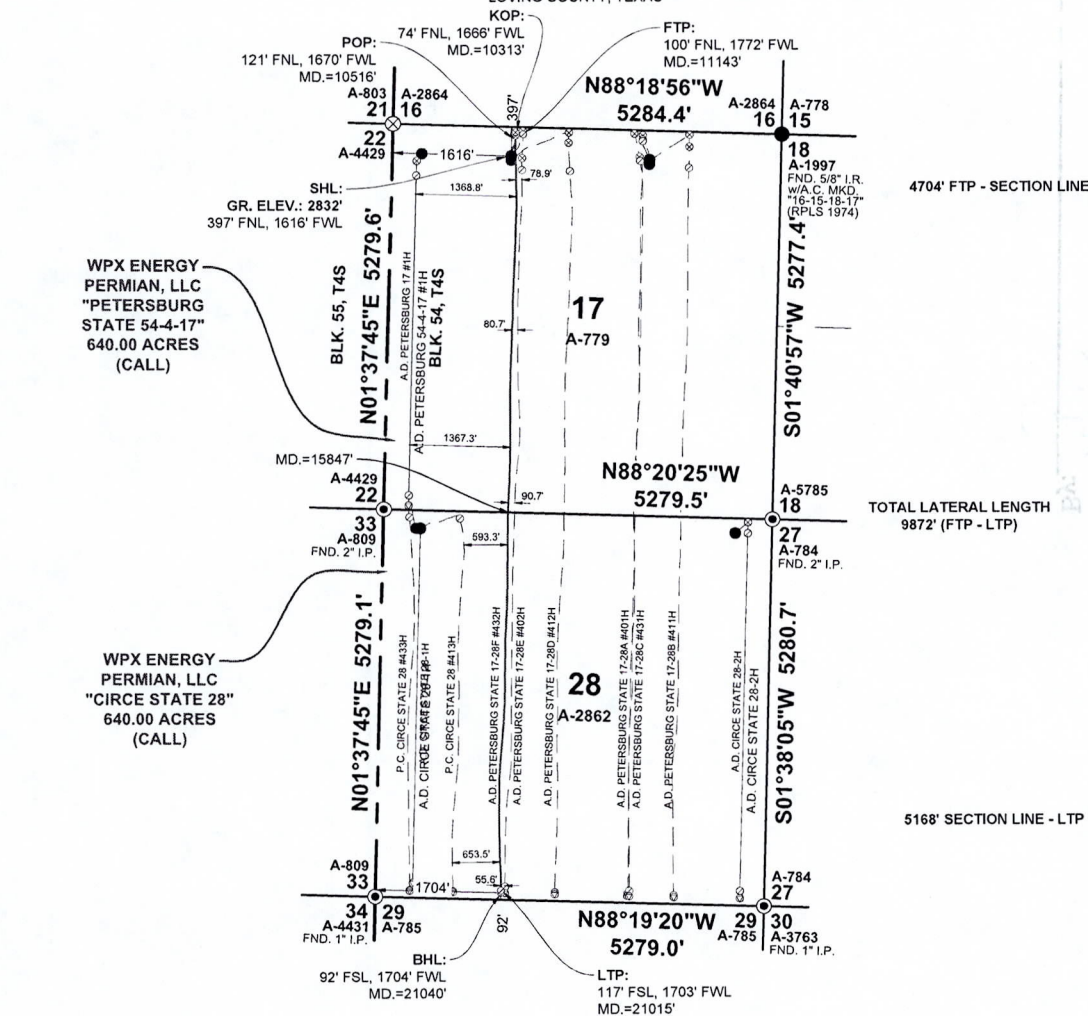
<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114284	0.12500000	06/16/2017	5 years	640.000000	0.000000	0.06546413

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

Participation Basis:	Length of Lateral
Surface Acreage	
State Acreage:	52.37%
State Net Revenue Interest:	6.55%

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

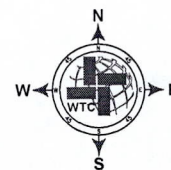
RRC Rules:	Spacing Acres:
Yes	

SECTION 17, BLOCK 54, T4, A-779, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,
LOVING COUNTY, TEXAS

SURFACE HOLE LOCATION	FOOTAGE: 397' FNL, 1616' FWL NAD 83, TXSP-C, N.(Y) = 10558565.1', E.(X) = 1248555.5' - LAT. = 31.5918684° N, LON. = 103.6998014° W NAD 27, TX-C, N.(Y) = 715989.3', E.(X) = 952092.2' - LAT. = 31.5917381° N, LON. = 103.6993402° W
POINT OF PENETRATION	FOOTAGE: 121' FNL, 1670' FWL NAD 83, TXSP-C, N.(Y) = 10558839.6', E.(X) = 1248616.8' - LAT. = 31.5926279° N, LON. = 103.6996314° W NAD 27, TX-C, N.(Y) = 716263.8', E.(X) = 952153.4' - LAT. = 31.5924976° N, LON. = 103.6991703° W
KOP	FOOTAGE: 74' FNL, 1666' FWL NAD 83, TXSP-C, N.(Y) = 10558887.0', E.(X) = 1248614.9' - LAT. = 31.5927578° N, LON. = 103.6996420° W NAD 27, TX-C, N.(Y) = 716311.1', E.(X) = 952151.6' - LAT. = 31.5924976° N, LON. = 103.6991809° W
FIRST TAKE	FOOTAGE: 100' FNL, 1772' FWL NAD 83, TXSP-C, N.(Y) = 10558380.4', E.(X) = 1248619.5' - LAT. = 31.5913662° N, LON. = 103.6995781° W NAD 27, TX-C, N.(Y) = 715804.6', E.(X) = 952156.1' - LAT. = 31.5912359° N, LON. = 103.6991170° W
LAST TAKE	FOOTAGE: 117' FSL, 1703' FWL NAD 83, TXSP-C, N.(Y) = 10548522.6', E.(X) = 1248356.9' - LAT. = 31.5642566° N, LON. = 103.6994631° W NAD 27, TX-C, N.(Y) = 705947.0', E.(X) = 951893.5' - LAT. = 31.5641260° N, LON. = 103.6990023° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 92' FSL, 1704' FWL NAD 83, TXSP-C, N.(Y) = 10548497.8', E.(X) = 1248356.9' - LAT. = 31.5641882° N, LON. = 103.6994607° W NAD 27, TX-C, N.(Y) = 705922.1', E.(X) = 951893.5' - LAT. = 31.5640576° N, LON. = 103.6989999° W

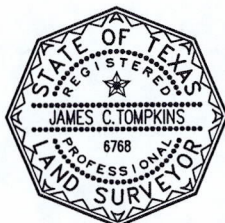
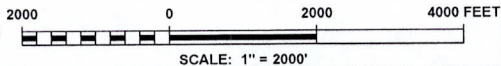
SURVEYOR'S NOTES:

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZUES AT N=10566388.402' - E=1252273.526
- THIS LOCATION IS APPROXIMATELY 17.0 MILES N.43°W. OF PECOS, TEXAS.



LEGEND

- PROPOSED WELL LOCATION
- POP
- FTP/LTP
- BHL
- EXISTING WELL
- FND. IRON ROD (OR AS NOTED)
- FND. IRON PIPE (OR AS NOTED)
- FND. UTL CON. MON. (OR AS NOTED)
- CALCULATED CORNER
- LEASE BOUNDARY



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S., "PROFESSIONAL LAND SURVEYING PRACTICES ACT." IF THERE ARE ANY ALTERATIONS MADE, (HAND DRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

JAMES C. TOMPKINS
SURVEY DATE: N/A
JOB NO.: WTC55796

1/16/2023

DATE

DRAFT: JY
SHEET: 1 OF 1

WPX ENERGY PERMIAN, LLC

PETERSBURG 17-28F-54-4 #432H
SHL 397' FNL, 1616' FWL
SEC. 17, BLK 54, T4, A-779,
T.&P. RW. CO. SURVEY,
LOVING COUNTY, TEXAS



W T C, INC.
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(432) 523-2181
ENGINEERS & SURVEYORS TEXAS REGISTERED ENGINEERING FIRM F-2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00

37.

File No. MF114284

Reeves County

iNvt 12473-AP1 42-389-39950

Date Filed: 03/21/2023

Commissioner Dawn Buckingham, M.D.

By: Jm



August 18, 2022

Re: Circe State Infrastructure
WPX Energy Permian, LLC
Section 28, Block 54, T4, T&P Survey, Reeves Co., Texas

MF 114 284
ABCD

File
Surface Damages
Done
8/23/22

Enclosed please find Check No. 0003502604 in the amount of \$34,099.72 as consideration paid for the State of Texas' share of the following infrastructure:

Project Name	GLO
Circe State 28-1H Location	\$10,400.00
Circe State 28-2H Location	\$10,400.00
Circe State 28-2H Electric	\$4,022.00
Circe State 28-2H 6" Production	\$7,696.96
Circe State SWD Electrical	\$599.88
Circe State 28-2H 6" Production	\$980.80
Total	\$34,099.72

If you should have any questions or concerns, please call or email Andrew Wenzel at (405) 228-4218 or andrew.wenzel@devon.com.

Best Regards,

Andrew Wenzel
Senior Landman

Enclosure

8/24/22 - Lm Andrew MF? Surf O.
email w/ Lm K1

Carl Bonn

From: Wenzel, Andrew <Andrew.Wenzel@dvn.com>
Sent: Wednesday, August 24, 2022 2:23 PM
To: Carl Bonn
Subject: RE: [EXTERNAL] Surface Damages MF? - Reeves Co

Hi Carl – Sorry I missed you earlier. Those MF#'s are:

MF-114284A
MF-114284B
MF-114284C
MF-114284D

Let me know if you need anything else.

Andrew J. Wenzel
405.228.4218

From: Carl Bonn <Carl.Bonn@GLO.TEXAS.GOV>
Sent: Wednesday, August 24, 2022 10:09 AM
To: Wenzel, Andrew <Andrew.Wenzel@dvn.com>
Subject: [EXTERNAL] Surface Damages MF? - Reeves Co

Good morning Andrew,
Just left you a voice mail requesting our MF#.
Check out the below links to locate the MF#.

To locate our MF# see below GIS link and click on "Energy" box in upper right hand corner:
<https://gisweb.glo.texas.gov/glomaps/index.html>

After you locate the MF# you can then view the entire file as a pdf on the Land Grant Database link:
<https://s3.glo.texas.gov/glo/history/archives/land-grants/index.cfm>

Feel free to give me a call on my cell if you have any questions.
Thank you,

Carl Bonn, CPL
Energy Resources
Texas General Land Office
1700 N. Congress, Rm 846E
Austin, TX 78701
Cell Phone (512) 590-9600

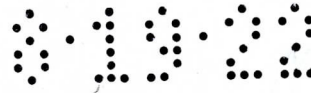
Carl Bonn, CPL
Energy Resources
Texas General Land Office

Surface Damages
Devon MF's

6023096



WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010



TEXAS GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN, TX 78701

22712588

Payment made on behalf of TEXAS GENERAL LAND OFFICE & STEPHEN F AUSTIN BLDG

DATE 06/22/2022

6023096

No. 0003502604

YOUR REFERENCE		INV. DATE	NET AMOUNT
2022-06-21T12:50	SURFACE DAMAGES 22712588	06/21/2022	34,099.72
TOTAL			34,099.72

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



WPX Energy Permian, LLC
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

Bank of America National
Association

64-1278 06/22/2022
611

Vendor No: 6023096

No. 0003502604

***THIRTY-FOUR THOUSAND NINETY-NINE AND SEVENTY-TWO CENTS

PAY
TO THE
ORDER OF

TEXAS GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN, TX 78701

VOID AFTER 90 DAYS
ONLY NEGOTIABLE AT FINANCIAL INSTITUTIONS

devon
Authorized Signature

Void Over \$34,099.72

161 0003502604

38

File No. MF 114284
Surface Damage County

Date Filed: 4/14/23
George P. Bush, Commissioner
By: [Signature]

0 4 0



51823
input 12471
MF 114284
DIVISION ORDER

WPX Energy Permian, LLC
333 W. Sheridan Avenue
Oklahoma City, OK 73102

405 228 4800 Phone
405 234 2397 Fax

Property No.: 388895-49899-1
Property Name: PETERSBURG STATE 17-28E-54-4 402H
Operator: WPX ENERGY PERMIAN, LLC
State and County: TEXAS, REEVES
Property Description: Section 17 and 28, Block 54, T4S
API 42-389-39949

Date Prepared: May 09, 2023
Prepared By: AMY RENEE STINER
Phone No.: 405-228-4800
Effective Date: Date of First Sales

Production: Oil: X Gas: X Other:

Owner Number:	9132820	Decimal Interest:	0.06511317
Owner Name:	STATE OF TEXAS	Interest Type:	RI
	CARE OF GENERAL LAND OFFICE	Pay Status:	PAY
Address:	STEPHEN F AUSTIN BUILDING		
	AUSTIN, TX 78701		

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by WPX Energy Permian, LLC, a wholly-owned indirect subsidiary of Devon Energy Corporation.

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 the 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, or pay annually, whichever occurs first, or as required by applicable state statutes.

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 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: None

Signature(s): _____

Social Security or Tax I.D. Number: _____ Changes to address, if needed:

Phone Number: _____

Email Address: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in a significant tax withholding required by the IRS and will not be refundable by Payor.

KEEP FOR YOUR RECORDS



51723

WPX Energy Permian, LLC
333 W. Sheridan Avenue
Oklahoma City, OK 73102

405 228 4800 Phone
405 234 2397 Fax

DIVISION ORDER

Int 12472

Property No.: 388895-49848-1
Property Name: PETERSBURG STATE 17-28D-54-4 412H
Operator: WPX ENERGY PERMIAN, LLC
State and County: TEXAS, REEVES
Property Description: Section 17 and 28, Block 54, T4S

Date Prepared: May 09, 2023
Prepared By: AMY RENEE STINER
Phone No.: 405-228-4800
Effective Date: Date of First Sales

Production: Oil: X Gas: X Other:

Owner Number:	9132820	Decimal Interest:	0.06546410
Owner Name:	STATE OF TEXAS	Interest Type:	RI
	CARE OF GENERAL LAND OFFICE	Pay Status:	PAY
Address:	STEPHEN F AUSTIN BUILDING		
	AUSTIN, TX 78701		

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by WPX Energy Permian, LLC, a wholly-owned indirect subsidiary of Devon Energy Corporation.

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 the 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, or pay annually, whichever occurs first, or as required by applicable state statutes.

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 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: None

Signature(s): _____

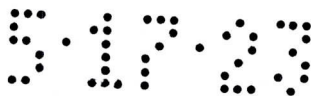
Social Security or Tax I.D. Number: _____ *Changes to address, if needed:*

Phone Number: _____

Email Address: _____

*Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in a significant tax withholding required by the IRS and will not be refundable by Payor.*

KEEP FOR YOUR RECORDS



WPX Energy Permian LLC
333 W. Sheridan Avenue
Oklahoma City, OK 73102

405 228 4800 Phone
www.devonenergy.com

DIVISION ORDER INSTRUCTIONS

Enclosed please find copies of the WPX Energy form division order for your approval and execution. Please read carefully the following instructions before signing your Division Order. **If there is a title requirement included with this letter, please provide the curative requested. Without curative your interest may not be placed in pay.**

SIGNATURE: Sign *exactly* as your name is listed under the Division of Interest. The Division Order should not be altered unless accompanied by documentary evidence justifying the change.

TAX IDENTIFICATION NUMBER: In accordance with Federal law effective January 1, 2003, 28% tax will be withheld if you do not provide your Social Security Number or Tax Identification Number where indicated. The withheld monies are not refundable by Payor.

NAME CHANGE: You may sign using your current name, but you *must* provide evidence of name change (i.e., marriage license, divorce decree, court order, etc.). When a company or corporation changes its name; provide a copy of the Certificate of Name Change. If the change is due to a merger, please furnish a copy of the Certificate of Merger.

ADDRESS CHANGE: Type or print the correct address where your check is to be mailed.

ATTORNEY-IN-FACT, AGENT OR GUARDIAN: Provide a copy of the instrument authorizing you to sign for the owner shown in this Division Order.

CORPORATIONS: Include title and appropriate corporate authority as required by your state governing body, such as Attestation and/or Corporate Seal.

PARTNERSHIPS: This instrument must be executed by all partners unless evidence is provided authorizing one signature on behalf of the partnership.

ENERGYLINK: WPX provides secure, on-line access to payment information 24-hours a day through EnergyLink. Interest owners may view and print check detail, get answers to frequently asked questions and much more. To access Energylink please visit www.energylink.com.

After your review of the enclosed division orders, please execute one copy and return to this office to ensure prompt payment. The extra copy is for your files.

If you have any questions concerning the above, please contact the ownership hotline at (405) 228-4800, email devondirect@dvn.com or visit www.devonenergy.com/interest-owners.

RETURN EXECUTED COPY TO:

WPX Energy Permian LLC
Attn: Division Orders
333 W. Sheridan Avenue
Oklahoma City, OK 73102

SEE REVERSE FOR INFORMATION THAT WILL BE REQUIRED FOR FUTURE OWNERSHIP CHANGES



Sale of Your Interest

For a full or partial conveyance of a mineral, royalty, overriding royalty or working interest, furnish a copy of the conveyance document recorded in the county and state where the producing property is located.

When an Owner Dies

When an owner dies **without a will**, furnish as many of the following documents as you have:

- Death Certificate
- Letters of Administration
- Order determining heirship and distribution; and/or
- Affidavit of Heirship

Individual state laws on descent and distribution differ. We will inform you if additional information is needed.

When an owner dies **with a will** which has been admitted to **probate in the same state where the producing property is located**, furnish copies of as many of the following documents as are appropriate in the state where the producing property is located:

- Death Certificate
- Application for probate
- Copy of the Will
- Order Admitting Will to Probate
- Letters Testamentary
- Final court decree distributing the assets and closing administration of the estate
- Copies of any appropriate recorded conveyances

When an owner dies **with a will** which has been admitted to **probate in a state other than that where the producing property is located**, record exemplified copies of the above documents in the appropriate county where the producing property is located and furnish copies of the recorded instruments.

In some states, in the place of the above, Ancillary Probate Proceedings in the state where the producing property is located are required. Our Division Order Department can help you in determining the information needed.

If the interest is not of great value and the probate proceedings were not conducted in the same state where the producing property is located, it may be acceptable to record an Affidavit of Heirship, with the Will attached as an Exhibit, in the county and state where the producing property is located.

In some situations, other documentation as determined by our Division Order Department may be needed.

Termination of Joint Tenancy upon Death

You will need to provide us with a copy of the death certificate. Please furnish the social security number or tax identification number of the surviving tenant.

Life Tenant Dies

When an owner of a life estate dies you will need to provide us a copy of the death certificate and the names, addresses and social security numbers of the persons who own the remainder and who succeed to the interest. In some situations, we may need further information including the documents which created the life tenancy and named the successors.

Change of Ownership due to Divorce

A copy of the divorce decree and copies of any recorded conveyance must be provided.

Trusts

When a trust is created, please provide us copies of the Trust Agreement and the recorded conveyance to the Trust.

When a trust is dissolved, we will need a copy of the Instrument of Dissolution and appropriate recorded conveyances.

Guardianships

When an owner is declared incompetent, please furnish Letters of Guardianship issued by the local court.

When a minor reaches the legal age, all we need is a copy of the minor's birth certificate.



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

June 1, 2023

Amy Renee Stiner
Division Order Analyst
Devon Energy Production Co., LP
333 West Sheridan Avenue
Oklahoma City, OK 73102-9938

Re: State Lease No. MF114284 Petersburg State 17-28E-54-4 402H iNut 12471 and Petersburg State
17-28D-54-4 412H iNut 12472

Dear Mrs. Stiner:

The Texas General Land Office (GLO) has received your Division Orders for the referenced iNuts. These Division Orders have 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 placed 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. MF114284

County

Division Order

Date Filed: 6/15/2023

Commissioner Dawn Buckingham, M.D.

By: VR



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

Updated Buckslip

iNut No. 12473

GENERAL INFORMATION

Name of Well: Petersburg State 17-28F-54-4 # 432H API # 42-389-39950
Name of Operator: WPX Energy Permian, LLC RRC # 08-879061
Operator Contact Person: Zac Zobell Phone: 405-552-3554
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyt Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF114284	9872	5168	0.12500000	0.12500000	0.52350081	0.06543760
Totals:							0.06543760
Effective Date: <u>08/01/2022</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments:

•

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: JD GIS updated by: RC

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU230001

Unit Number 12473
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Petersburg State 17-28F-54-4 # 432H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06543760
State Part in Unit 0.52350081
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 08/01/2022
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114284		0.000000	0.000000	0.52350081	O/G	0.12500000	0.06543760	No

API Number

4238939950

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:

07/10/2023

07/10/2023

07/10/2023

7/20/23

07/10/2023

Pooling Committee Report

To: School Land Board

INU230001

Date of Board Meeting:

Unit Number: 12473

Effective Date: 08/01/2022

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC

Unit Name: Petersburg State 17-28F-54-4 # 432H

Field Name: PHANTOM (WOLFCAMP)

County:

Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114284	0.12500000	06/16/2017	5 years	640.000000	0.000000	0.06543760

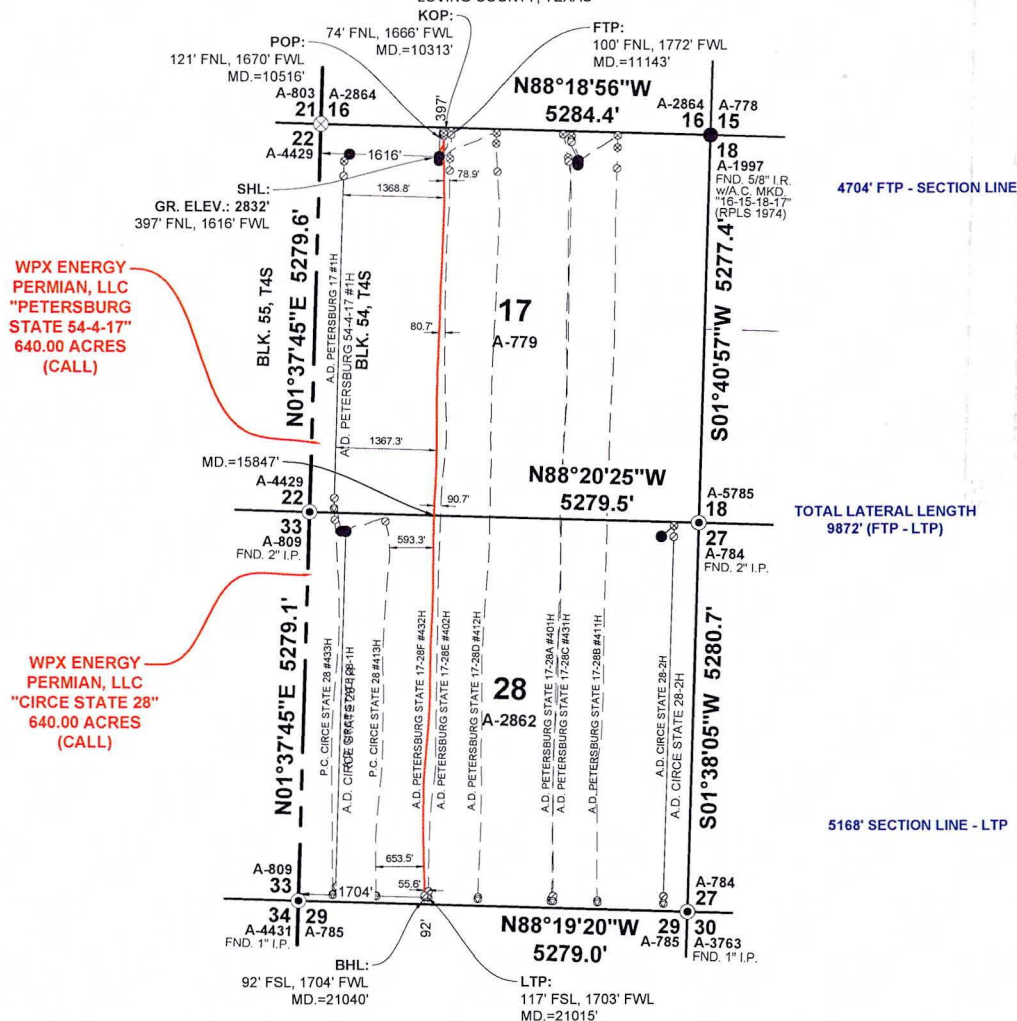
Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	52.35%
<u>State Net Revenue Interest:</u>	6.54%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	

SECTION 17, BLOCK 54, T4, A-779, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,
LOVING COUNTY, TEXAS



LEGEND

-  PROPOSED WELL LOCATION
 POP
 FTP/LTP
 BHL
 EXISTING WELL
 FND. IRON ROD (OR AS NOTED)
 FND. IRON PIPE (OR AS NOTED)
 FND. UTL CON. MON. (OR AS NOTED)
 CALCULATED CORNER
 LEASE BOUNDARY

2000 0 2000 4000 FEET

SCALE: 1" = 2000'

SURVEYOR'S NOTES:

- ALL DOWNHOLE, POINT F PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FLOOD MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONFORMANCE ANGLE OF 43°41'42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN ELLIPSOID SOLUTION ON CONTROL POINT ZULU AT 11°05'43" N 105°03'00" W.
- THIS LOCATION IS APPROXIMATELY 17.0 MILES N 43° W. OF PECOS, TEXAS.

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION OR DATA OR THE METHODS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S., PROFESSIONAL LAND SURVEYING PRACTICES ACT. IF YOU ARE ANY MATERIALLY AFFECTED BY ANY OF THE INFORMATION ADDITIONAL TO THIS SURVEY, YOU ARE NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

1/16/2023

JAMES C. TOMPKINS RPLS #6768

DRAFT - IV

SURVEY DATE: N/A
JOB NO.: WTC55796

SHEET: 1 OF 1

WPX ENERGY PERMIAN, LLC

PETERSBURG 17-28F-54-4 #432H

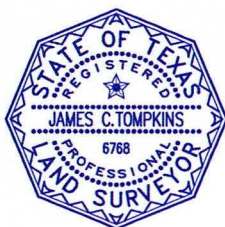
SHL 397' FNL, 1616' FWL
SEC. 17, BLK 54, T4, A-779,
T.&P. RW. CO. SURVEY,
LOVING COUNTY, TEXAS



WTC INC

405 S.W. 1st. STREET
ANDREWS, TEXAS 79714
(432) 523-2181

ENGINEERS | SURVEYORS TEXAS REGISTERED ENGINEERING FIRM F-2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00



File No. ME114284

Reeves County

Corrected iNut 12473

Date Filed: 07/10/2023

Commissioner Dawn Buckingham, M.D.

By: Jm



51703
MF 114284

WPX Energy Permian, LLC
333 W. Sheridan Avenue
Oklahoma City, OK 73102

405 228 4800 Phone
405 234 2397 Fax

DIVISION ORDER

IN 12473

Property No.: 388895-50097-1
Property Name: PETERSBURG STATE 17-28F-54-4 432H
Operator: WPX ENERGY PERMIAN, LLC
State and County: TEXAS, REEVES
Property Description: Section 17 and 28, Block 54, T4S

Date Prepared: May 09, 2023
Prepared By: AMY RENEE STINER
Phone No.: 405-228-4800
Effective Date: Date of First Sales

Production: Oil: X Gas: X Other:

Owner Number:	9132820	Decimal Interest:	0.06543759
Owner Name:	STATE OF TEXAS	Interest Type:	RI
	CARE OF GENERAL LAND OFFICE	Pay Status:	PAY
Address:	STEPHEN F AUSTIN BUILDING		
	AUSTIN, TX 78701		

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by WPX Energy Permian, LLC, a wholly-owned indirect subsidiary of Devon Energy Corporation.

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 the 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, or pay annually, whichever occurs first, or as required by applicable state statutes.

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 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: None

Signature(s): _____

Social Security or Tax I.D. Number: _____

Phone Number: _____

Email Address: _____

Changes to address, if needed: _____

*Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in a significant tax withholding required by the IRS and will not be refundable by Payor.*

KEEP FOR YOUR RECORDS



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

July 10, 2023

Zac Zobell
Division Order Analyst
Devon Energy Production Co., LP
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Re: State Lease No. MF114284 Petersburg State 17-28F-54-4 432H iNut 12473

Dear Mr. Zobell:

The Texas General Land Office (GLO) has received your Division Order for the referenced iNut. 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 placed 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. MF114284

County

Division Order

Date Filed: 7/10/2023

Commissioner Dawn Buckingham, M.D.

By: VQ

Matthew Scott

From: Matthew Scott
Sent: Tuesday, March 7, 2023 3:13 PM
To: Brown, Amy
Cc: Robert Hatter; Brian Raygon
Subject: RE: Petersburg State 17-28 West Pad - GLO Application
Attachments: 08-10208 PETERSBURG ST CTB TITAN ST APPLICATION APPROVAL 3-7-23.pdf;
Petersburg State 17-28 West Pad - Full Revised GLO Application 03.01.2023.pdf

Ms. Amy Brown,

Thank you for submitting the application to (1) commingle production from the Petersburg State 17-28-54-4 wells in the scope of PSA 377 and PSA 381 that includes MF114284 and MF120280 with the future Titan State 16-5-54-4 wells in the scope of PSA 413 at the Petersburg State 17-28 West Pad facility and (2) the request to use gas lift as an artificial lift method in the PSA 377, 381, and 413 wells.

Please find attached the approval of the application, dated 3/7/2023, for the surface commingling of the production from the Petersburg State 17-28-54-4 PSA 377/381 wells and the Titan State 16-5-54-4 PSA 413 wells listed in the application and as part of RRC P17 08-10208.

The future Titan State 16-5-54-4 PSA 413 wells include the state mineral royalty interests associated with GLO Unit 8343 (Titan State 16 Unit).

Gas Lift

In addition, as Lessee and operator of the Petersburg State 17-28-54-4 PSA 377/381 wells and the Titan State 16-5-54-4 PSA 413 wells, it was requested that the GLO approve of the use of gas lift as a form of artificial lift to produce the PSA wells.

The GLO approves of the use of gas lift to produce the PSA wells from the portion of state mineral lease MF114284 and MF120280 that are included in the scope of PSA 377 and 381.

The GLO approves of the use of gas lift to produce the unit well(s) and PSA wells from the portion of state mineral leases MF116554, MF116791, MF118163 that are included in the scope of GLO Unit 8343, and the portions of the state mineral leases in the scope of PSA 413.

Thank you,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Wednesday, March 1, 2023 1:34 PM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

Matthew,

Here is the updated application with the revised P-17A that was submitted to the RRC earlier this week. Please let me know if you need anything additional.

Amy A. Brown
Regulatory Compliance Professional
Devon Energy Production Co.
(405) 552-6137

From: Matthew Scott <Matthew.Scott@glo.texas.gov>
Sent: Wednesday, March 1, 2023 9:14 AM
To: Brown, Amy <Amy.Brown@dvn.com>
Subject: RE: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

Amy,

I never learned how to type and use two fingers and two thumbs and I get numbers crossed apparently.

I looked at MF085739 and note that it is PSA 316.

Thanks,

Matthew

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Wednesday, March 1, 2023 8:46 AM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: RE: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

That's okay Matthew. You have PSA 361 listed below but also PSA 316. Could you confirm which is correct before I resubmit?

Thanks!

Amy

From: Matthew Scott <Matthew.Scott@glo.texas.gov>
Sent: Wednesday, March 1, 2023 8:20 AM
To: Brown, Amy <Amy.Brown@dvn.com>
Subject: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

Amy,

Sorry for my confusion.

I was looking at the Ren State email and replied on the Petersburg State email. My bad. But at least you know what changes are needed on the Ren State application.

Thanks,

Matthew

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Monday, February 27, 2023 3:11 PM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

Thanks Matthew! I can make these changes when I wrap up today, but as I understand it, the Ren State 13-14A 433H is not on the pad we are applying for (see process flow). Is there a specific reason you'd like it to be added to the app?

Amy

From: Matthew Scott <Matthew.Scott@glo.texas.gov>
Sent: Monday, February 27, 2023 3:02 PM
To: Brown, Amy <Amy.Brown@dvn.com>
Subject: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

Amy,

Yes, please resubmit the applications with the revised P-17s by permit since I prefer to keep all of the permit documents together as submitted to me when I send an approval.

I wish the RRC form was clear, but it causes people a lot of confusion on how to fill it out when you have separation and measurement.

Note that the Ren State application has "issues" as will be described below, so the timing is good to make the revisions now.

The Ren State PSA has changed from: PSA 263 to: **PSA 361** as WPX did not meet their original drilling obligation. So please revise the PSA number on the meter list and application where necessary.

In addition, there are four i-Nuts now for four wells. As you are the PSA queen apparently, just insert a column before the NRI column on the meter list to add the i-Nut number for the respective well and add the 433H to the PFD, P-17, and meter list.

The NRIs for the three wells checks out, you just need to add the Ren State 433H.

PSA 316

Ren State 1-14C # 434H i-Nut 11852

Ren State 1-14D # 431H i-Nut 11850
Ren State 1-14A # 433H i-Nut 11271 NRI = 0.15932806
Ren State 1-14B # 432H i-Nut 11851

Thanks,

Matthew

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Monday, February 27, 2023 1:02 PM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

Good afternoon, Matthew. So sorry I missed your call – I was out to lunch. I have re-submitted both P-17As to Darlene at the RRC requesting updates to the allocation method on each from “G10 / W10” to “Other: Alloc Meter.” My correspondence with her is attached and it also contains the amended permit applications. Would you like for me to re-send the full GLO gas lift / commingle apps for each project back to you with these amendments inserted? I will be in meetings from 1–4 this afternoon, so if you need to speak with me, email may be best or I am available by phone tomorrow.

Thanks so much!

Amy A. Brown
Regulatory Compliance Professional
Devon Energy Production Co.
(405) 552-6137

From: Matthew Scott <Matthew.Scott@glo.texas.gov>
Sent: Monday, February 27, 2023 11:28 AM
To: Brown, Amy <Amy.Brown@dvn.com>
Subject: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

Amy,

Besides the PSA problem there is a situation with respect to the Form P-17 applications for the Petersburg State and the Ren State as follows.

I do not agree with the allocation methodology (G-10 (gas)) specified on the Petersburg State and the Ren State Form P-17As.

The problem is the RRC Form P-17A is confusing to many in the way it handles allocation by separation and measurement on the form. It is poorly done.

Since the wells are each equipped with oil and gas meters then, per SWR 26(e)(4), the Operator would specify “Other Allocation Meter” or “Other Alloc. Meter” to indicate that the allocation methodology is by continuous measurement in lieu of by periodic well test, such as a G-10 test.

Please advise how you want to address this on the Petersburg State and the Ren State applications since it may require amendment.

Thank you,

Matthew

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Tuesday, February 21, 2023 9:35 AM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

Good morning Matthew. While our Land group is in the process of reviewing this email and our agreements, I have revised the commingle / gas lift application to reflect the agreement / ID numbers you've referenced below as well as the estimated NRI of 0.64. Hopefully this looks a little better to you, but please let me know if you need any additional changes.

Thanks so much!

Amy A. Brown

Regulatory Compliance Professional
Devon Energy Production Co.
(405) 552-6137

From: Matthew Scott <Matthew.Scott@glo.texas.gov>
Sent: Friday, February 17, 2023 2:48 PM
To: Brown, Amy <Amy.Brown@dvn.com>; Prout, Tim <Tim.Prout@dvn.com>
Cc: Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>; Dustin Oslick <Dustin.Oslick@GLO.TEXAS.GOV>; Jesse Arellano <Jesse.Arellano@glo.texas.gov>; Joy McCauley <Joy.McCauley@GLO.TEXAS.GOV>; Deborah Cantu <Deborah.Cantu@GLO.TEXAS.GOV>
Subject: [EXTERNAL] RE: RE: Petersburg State 17-28 West Pad - GLO Application

Amy,

To answer your question I had do some research myself on the PSAs applicable to the proposed commingling of the Titan State 16-5 and Petersburg State 17-28 wells. Unfortunately I found, as you did, that the PSAs are not shown on the GLO GIS WEB application and not referenced in the GIS Data link in the Related Leases window. So, you would have to know where to look and in which mineral file. If you are in GIS WEB and you click on a land tract area that may have a unit or one or more MF numbers, then the PSA is usually filed in the lowest level MF number listed under the Active Oil & Gas Leases in the GIS Data Related Leases window.

For the Titan State 16-5 10,000 foot laterals look in MF116554 page 475 for PSA 413, which includes GLO Unit 8343 in the PSA. For the proposed Petersburg State 17-28 leases look in MF114284 for PSA 377, page 208, and PSA 381, page 201. However, there is conflict between PSA 377 and PSA 381 since the lease reference on both PSA and 377 and 381 is identical and both will need amendment via your Landman staff, as discussed below.

With respect to the commingling permit application, input MF116554 PSA 413 for the Titan State 16-5 and MF114284 PSA 377/381 for the Petersburg State 17-28 wells. Input "est. 0.64" for the NRI interest or based on the estimated length of drilled lateral per you Landman/Drilling staff. The final NRI will not be known until the lateral is drilled and an INUT is designated for each wellbore.

PSA 377 and PSA 381

Both PSAs reference the same scope of leases, as follows:

- E/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to the base of the Wolfcamp formation.
- W/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to 11,534'.

MF114284 holds the E/2 of Section 28 from the surface-10,880 ft, and the W/2 of Section 28 from the surface-11,534. MF120280 holds only the E/2 of Section 28 below 10,880 ft.

Perhaps PSA 377 should reference:

- E/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to 10,880'.
- W/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to 11,534', and

Perhaps PSA 381 should reference:

- E/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths below 10,880'.
- W/2 of Section 28, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to 11,534'.

Or perhaps three PSAs, one for only the W/2 of Section 28 from the surface to 11,534' and two for the E/2 of Section 28 above and below 10,880'. Whatever is decided in appears that the two PSAs need amendment by WPX Energy and GLO staff.

But then there is another lease problem concerning the PSAs and MF114284 and MF120820. As a test I checked on INUT 11613 in MF114284, page 126, that was filed in MF 1142844 based on TVDs less than 10880 (surface – 10,880 feet). I checked the RRC as drilled survey for the Petersburg State 17-28C-54-4 # 431H (API 389-39350) and noted that the TVD for the well bore varies from 10,426' to 10,934' TVD per the as-drilled directional survey, thus the well bore is snaking in and out of MF114284 (PSA377) and MF120280 (PSA381) lease severance depth of 10,880' in the E/2 of Section 28. A land/mineral lease problem in itself.

While there are some lease and PSA issues to address at least the commingling application can be revised and resubmitted for review. I copied this email to certain GLO staff so that they can be made aware of the apparent PSA and lease issues for their information. Your Landman Tim Prout probably knows most of them.

Thanks,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Thursday, February 16, 2023 10:51 AM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] RE: RE: Petersburg State 17-28 West Pad - GLO Application

Good morning Matthew. I was circling back on this application. Last we talked, it appeared we were lacking agreements for these new wells, but per our landman below, we do have the PSAs in place. I do not see those numbers on the GLO GIS site yet, and wanted to get this app back in the works if possible because the Petersburg state wells are online and we'd like to move to gas lift as soon as we can. Our landman is out of town for the rest of the week and I wanted to know if maybe I should reach out to Joy McCauley in your office to access the required GLO PSA numbers to revise my app?

I appreciate any help you can provide and thanks so much!

Amy A. Brown
Regulatory Compliance Professional
Devon Energy Production Co.
(405) 552-6137

From: Prout, Tim <Tim.Prout@dvn.com>
Sent: Tuesday, February 7, 2023 11:07 AM
To: Brown, Amy <Amy.Brown@dvn.com>
Subject: RE: RE: Petersburg State 17-28 West Pad - GLO Application

Amy,

I talked to Mr. Scott today. We have a PSA in place for these wells, everything should be good for you to continue working on these applications. Let me know if you need anything else from me.

Thanks,

Tim Prout
Sr. Staff Landman
Delaware Basin Business Unit

Devon Energy Production Company, L.P.
333 W. Sheridan Ave.
Oklahoma City, OK 73102

405 552 6113 Direct
405 234 2612 Fax



From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Thursday, February 2, 2023 10:44 AM
To: Prout, Tim <Tim.Prout@dvn.com>
Subject: FW: RE: Petersburg State 17-28 West Pad - GLO Application

Tim,

I had a conversation with Matthew Scott, GLO engineer who reviews and approves our surface commingle and gas lift applications. He was showing me how to navigate the GLO GIS site and view the mineral lease and pooling agreements. He has flagged the Petersburg State / Titan State gas lift application because he says we lack appropriate agreements. I was able to see where there are INUT (psa's) on the 3 existing Petersburg State wells, but he is questioning why we do not have a pooling agreement in place for sections 17 and 28. We also added three of the new Titan State wells to the application, because they will allow us to do so as long as we can list anticipated installation dates for the meters. He is telling me the pooling agreement in place for section 16 would have to be amended to include section 5.

I took the notes, but explained to him and I am not a landman and have no knowledge of the types of agreements that are in place and why. I told him I would reach out to my land group and communicate what we are lacking to obtain approval for this specific gas lift application.

Are we already aware of the agreement modifications that need to be made or is there another application or agreement in process with them maybe he is unaware of? It looked to me like our wells have the INUT individual agreements that cover us with them. I am way outside of my wheelhouse though, so please let me know if you'd like to discuss further and how you'd like for me to proceed.

Thank you,

Amy A. Brown

Regulatory Compliance Professional
Devon Energy Production Co.
(405) 552-6137

From: Matthew Scott <Matthew.Scott@glo.texas.gov>
Sent: Wednesday, February 1, 2023 4:00 PM
To: Brown, Amy <Amy.Brown@dvn.com>
Subject: [EXTERNAL] RE: Petersburg State 17-28 West Pad - GLO Application

Amy,

I reviewed the subject application and there are two units involved here, the Titan State 16 Unit, (GLO Unit 8343 with an NRI = 0.125), and apparently a new pooled unit for the Petersburg State 17 – 28 wells that has yet to report any data in

our well inventory and mapping systems. The NRI of the Petersburg State 17 – 28 Unit wells will be on the order of 0.625 as MF114824 is pooled with a private lease to the north so that Devon/WPX Energy can drill 10,000 foot laterals. I am attempting to determine what the unit number and NRI is with our staff and you should consult with your Landman staff also, then revise the Flowmeter List accordingly since only unit numbers would be included on that list in lieu of state mineral lease numbers.

Thanks,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Wednesday, January 25, 2023 10:49 AM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Cc: Radford, Griffin <Griffin.Radford@dvn.com>
Subject: [EXTERNAL] Petersburg State 17-28 West Pad - GLO Application

Good morning, Matthew. I have attached another GLO gas lift / commingle application with supporting documentation for our Petersburg State 17–28 West Pad in Reeves County. Drilling is about to commence on the Titan State wells and I made note of the drilling permit numbers for quick reference as well as anticipated meter install dates since they will not be online until this summer. The Petersburg State wells are online this month.

I have cc'd our facilities engineer incase you have technical questions about this application and please let us know if anything additional is needed.

Have a good day.

Amy A. Brown
Regulatory Compliance Professional
Devon Energy Production Co.
(405) 552-6137

Confidentiality Warning: This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of all or any portion of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, and delete this message and any attachments from your system.

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Texas General Land Office Application to Surface Commingle State Leases

Enter the unique meter identification number or serial number for all flow meters as shown on your attached process flow diagram(s). **Each lease must have Oil (O), Gas (G), and Water (W) allocation, flash, fuel, vent, flare, instrument, lift gas, and Oil and Gas sales meters.** Some meters (e.g. fuel) may pertain to multiple leases. Conversely, one lease may have multiple instances of some meters (e.g. flash at each stage of separation). If applicable, list the unique identification number for each measured pressure vessel and heater treater. Attach Flow Meter List Continuation Pages as needed.

Certifications

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g. fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 Texas Administrative Code §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 18 months of the date of this application (enter installation date in Meter Tag field for each missing meter).
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 Texas Administrative Code §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method and that all gas supply and distribution points are metered per 31 Texas Administrative Code § 9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. (The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling.) Gas royalty payment will be due on that basis irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX Energy Permian, LLC

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Professional

Signature: Amy A. Brown

Date: 02/21/2023

Responsible Official Phone: (405) 552-6137

Email Address: amy.brown@dvn.com

Approved by: Matthew T. Scott

Signature: Matthew T. Scott

Date: 3/7/2023

Petersburg State 17-28 wells in scope of PSA 377 and 416 (MF114284 & MF120280) and Gas Lift in PSA Area 377 & 416.
Titan State wells in scope of PSA 413 that includes GLO Unit 8343 and Gas Lift in PSA 413/Unit 8343 wells.



Texas General Land Office
Application to Surface Commingle State Leases

Enter the unique meter identification number or serial number for all flow meters as shown on your attached process flow diagram(s). **Each lease must have Oil (O), Gas (G), and Water (W) allocation, flash, fuel, vent, flare, instrument, lift gas, and Oil and Gas sales meters.** Some meters (e.g. fuel) may pertain to multiple leases. Conversely, one lease may have multiple instances of some meters (e.g. flash at each stage of separation). If applicable, list the unique identification number for each measured pressure vessel and heater treater. Attach Flow Meter List Continuation Pages as needed.

Certifications

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g. fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 Texas Administrative Code §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 18 months of the date of this application (enter installation date in Meter Tag field for each missing meter).
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 Texas Administrative Code §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method and that all gas supply and distribution points are metered per 31 Texas Administrative Code § 9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. (The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling.) Gas royalty payment will be due on that basis irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX Energy Permian, LLC

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Professional

Signature: Amy A. Brown

Date: 02/21/2023

Responsible Official Phone: (405) 552-6137

Email Address: amy.brown@dvn.com

Approved by: _____

Signature: _____

Date: _____

Texas General Land Office
Flowmeter List Continuation Page 1

State Lease or Unit	GLO NRI	Future Install Date	Well	Meter Tag	O/G/W	Purpose	Vessel Tag	Notes
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28D-54-4 412H	FIT-102A	O	Allocation	V-102	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28D-54-4 412H	FIT-102C	G	Allocation	V-102	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28D-54-4 412H	FIT-102B	W	Allocation	V-102	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28D-54-4 412H	U-002	G	GL Injection	N/A	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28E-54-4 402H	FIT-103A	O	Allocation	V-103	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28E-54-4 402H	FIT-103C	G	Allocation	V-103	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28E-54-4 402H	FIT-103B	W	Allocation	V-103	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28E-54-4 402H	U-003	G	GL Injection	N/A	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28F-54-4 432H	FIT-101A	O	Allocation	V-101	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28F-54-4 432H	FIT-101C	G	Allocation	V-101	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28F-54-4 432H	FIT-101B	W	Allocation	V-101	
MF114284 / PSA 377, 381	est. 0.64		PETERSBURG STATE 17-28F-54-4 432H	U-001	G	GL Injection	N/A	
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5D-54-4 433H	FIT-104A	O	Allocation	V-104	RRC DP# 887140
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5D-54-4 433H	FIT-104C	G	Allocation	V-104	
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5D-54-4 433H	FIT-104B	W	Allocation	V-104	
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5D-54-4 433H	U-004	G	GL Injection	N/A	
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5E-54-4 403H	FIT-105A	O	Allocation	V-105	RRC DP# 887141
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5E-54-4 403H	FIT-105C	G	Allocation	V-105	
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5E-54-4 403H	FIT-105B	W	Allocation	V-105	
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5E-54-4 403H	U-005	G	GL Injection	N/A	
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5F-54-4 413H	FIT-106A	O	Allocation	V-106	RRC DP# 887143
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5F-54-4 413H	FIT-106C	G	Allocation	V-106	
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5F-54-4 413H	FIT-106B	W	Allocation	V-106	
MF116554 / PSA 413	est. 0.64	7/1/2023	TITAN STATE 16-5F-54-4 413H	U-006	G	GL Injection	N/A	
MF114284 / PSA 377, 381	est. 0.64		All	U-601	G	Sales 1	N/A	
MF116554 / PSA 413	est. 0.64							
MF114284 / PSA 377, 381	est. 0.64		All	U-603	G	Buyback	N/A	
MF116554 / PSA 413	est. 0.64							
MF114284 / PSA 377, 381	est. 0.64		All	U-521	O	Sales 1	N/A	
MF116554 / PSA 413	est. 0.64							
MF114284 / PSA 377, 381	est. 0.64		All	U-501	W	Pad Meter	N/A	
MF116554 / PSA 413	est. 0.64							
MF114284 / PSA 377, 381	est. 0.64		All	U-604	G	VRU Meter	N/A	
MF116554 / PSA 413	est. 0.64							
MF114284 / PSA 377, 381	est. 0.64		All	U-605	G	Compressor Suction	N/A	
MF116554 / PSA 413	est. 0.64							
MF114284 / PSA 377, 381	est. 0.64		All	U-606	G	Compressor Discharge	N/A	
MF116554 / PSA 413	est. 0.64							
MF114284 / PSA 377, 381	est. 0.64		All	U-607	G	Fuel Gas Meter	N/A	

Texas General Land Office
Flowmeter List Continuation Page 2

MF116554 / PSA 413	est. 0.64							
MF114284 / PSA 377, 381	est. 0.64		All	U-211	G	HP Flare Meter	N/A	
MF116554 / PSA 413	est. 0.64							
MF114284 / PSA 377, 381	est. 0.64		All	U-212	G	LP Flare Meter	N/A	
MF116554 / PSA 413	est. 0.64							

Process Narrative – Petersburg State 17-28 West Pad Central Tank Battery

All Wells

Gross production from each well flows from its respective wellsite through a 3-phase flowline to the Petersburg State 17-28 West Pad Central Tank Battery. At the Central Tank Battery, it flows through a dedicated 3-phase separator which meters oil, gas, and water. The water is comingled and stored in tanks. The gas is measured individually and flows to a 3rd party gatherer. The oil is measured individually before being comingled and stored in tanks. Any hydrocarbon liquid collected from gas scrubbers will be sold from the tanks as oil.

Oil

Gross production of oil is measured at the outlet of the dedicated separator using a Coriolis meter. The oil is then comingled and flows to the common tanks where it is sold through a LACT unit to a 3rd party gatherer. The oil is measured by a Coriolis meter. Tank vent emissions are routed to a low pressure flare and measured using a thermal mass meter.

Gas

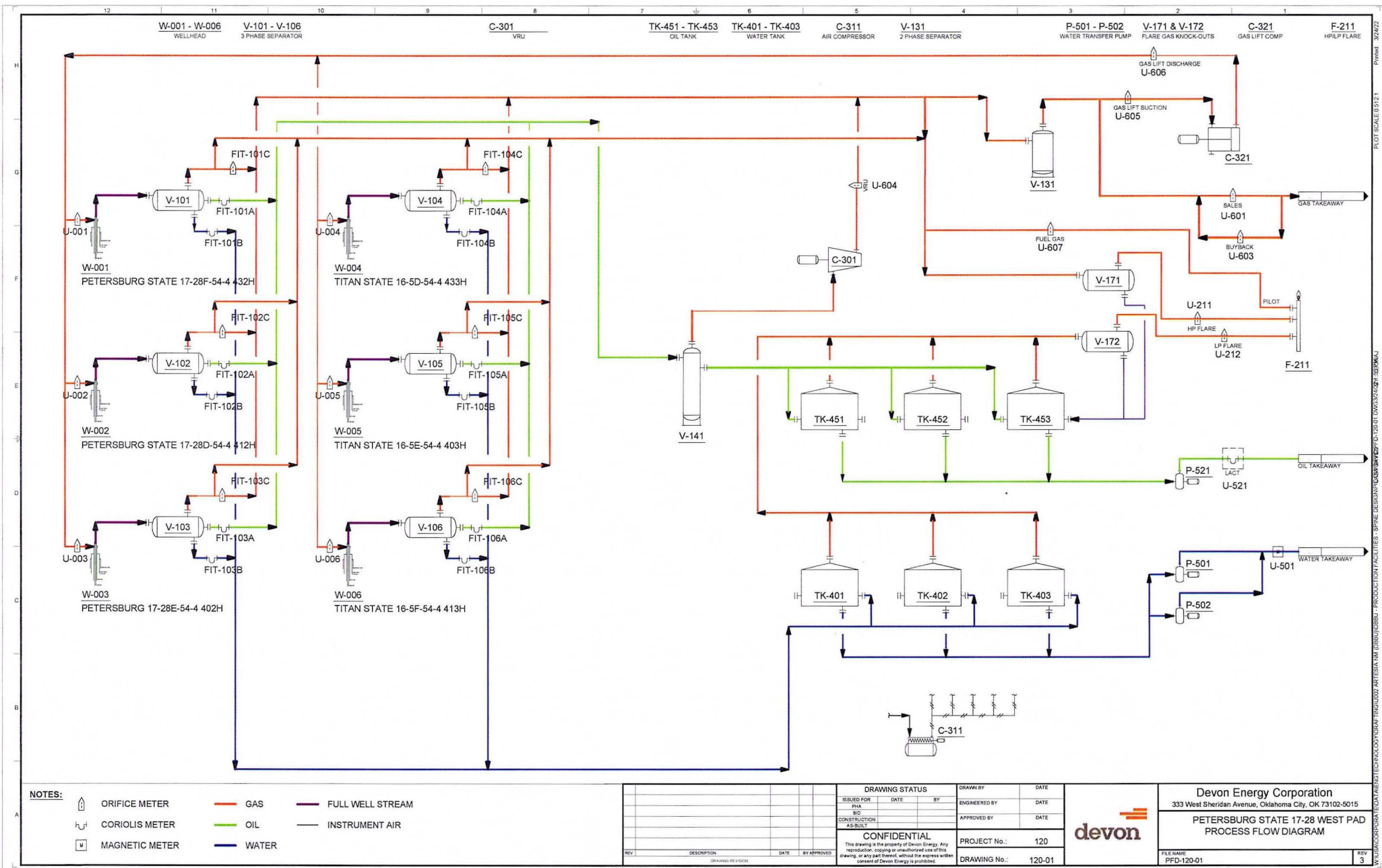
Gross production of the gas is measured at the outlet of the dedicated separator using an orifice meter. It will then flow through a common gas line to a lease custody transfer meter where it will be measured using an orifice meter and gathered by a 3rd party. If the gathering system pressure gets too high the gas will flow through an orifice flare meter and flow to a high pressure flare. Fuel gas will be bought back from the gathering system and used for all wells. Flare royalties will be paid off a monthly statement using a MMBTU value for each well.

Gas Lift

Lift gas will be compressed utilizing an on-pad compressor and measured using an orifice meter. It will then flow through an individual well injection orifice meter and sent down the well bore.

Water

Gross production of water is measured at the outlet of the dedicated separator using a Coriolis meter. The water is comingled and sent to common storage tanks. The water from the treater is sent to common storage tanks. Tank vent emissions are routed to a low pressure flare and measured using a thermal mass meter. From the tanks, the water is sent to a pump and measured using a turbine meter. The pump moves the water to a Salt Water Disposal system.





RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

Form P-17A

Rev. 03/2019

APPLICATION FOR COMMINGLE PERMIT PURSUANT TO STATEWIDE RULES 26 AND OR 27

☐ New
☒ Amended Existing Permit
No. 10208
Effective Month/Year of Requested
Exception: 01 / 2023
District 08
County REEVES

SECTION 1. OPERATOR INFORMATION						
Operator Name: WPX ENERGY PERMIAN, LLC			Operator P-5 No.: 942623			
Operator Address: 333 WEST SHERIDAN AVENUE OKC, OK 73102						
SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)						
Gatherer Name: ORYX DELAWARE CRUDE			Gatherer P-5 No.: 627137			
Gatherer Address:						
Gatherer E-mail Address:						
(Optional – If provided, e-mail address will become part of this public record.)						
SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☒ OIL ☐ CASINGHEAD GAS ☐ GAS WELL GAS ☐ CONDENSATE						
a) Gas well full well stream into common separation and storage facility with liquids reported on Form PR.						
b) Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)						
c) Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.						
d) ☒ This request is for off lease: ☐ Storage ☐ Separation ☐ Metering						
e) ☒ This application is for common storage.						
f) This application is for common separation.						
g) This application is for casinghead gas metering by: Deduct Metering Allocation by well test Other _____						
h) This application is for gas well gas metering by: Deduct Metering Allocation by well test Other _____						
SECTION 4. COMMINGLING PURSUANT TO §3.26(b) or §3.27(e) – (CHECK ALL THAT APPLY)						
a) ☒ The production stream from each tract and each Commission-designated reservoir is measured separately before combining it with a stream from another tract or Commission-designated reservoir.						
Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (gas) ☒ Other ALLOC METER						
b) ☐ The tracts and Commission-designated reservoirs have identical royalty interest and working interest ownership in identical percentages.						
Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (gas) Other _____						
SECTION 5. Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Notice may be required; see instructions)						
SECTION 6. Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)						
SECTION 7. For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)						
SECTION 8. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)						
DISTRICT	RRC IDENTIFIER	ACTION			LEASE AND FIELD NAME	WELL NO.
08	DP 879058	☒ Existing	Add	Delete	PETERSBURG STATE 17-28D-54-4 / PHANTOM (WOLFCAMP)	412H
08	DP 879059	☒ Existing	Add	Delete	PETERSBURG STATE 17-28E-54-4 / PHANTOM (WOLFCAMP)	402H
08	DP 879061	☒ Existing	Add	Delete	PETERSBURG STATE 17-28F-54-4 / PHANTOM (WOLFCAMP)	432H
08	DP 887140	☒ Existing	Add	Delete	TITAN STATE 16-5D-54-4 / PHANTOM (WOLFCAMP)	433H
ATTACH ADDITIONAL PAGES AS NEEDED. No additional pages ☒ Additional pages 1 (# of additional pages)						
CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.						
Signature <u>Amy A. Brown</u>		Title <u>Regulatory Compliance Professional</u>			Date <u>02/27/2023</u>	
Operator E-mail Address: <u>amy.brown@dnv.com</u>		Operator Phone No. <u>(405) 552-6137</u>				
(Optional – If provided, e-mail address will become part of this public record.)						
RRC USE ONLY						
Commingling Permit No. _____		Approval date: _____		Approved by: _____		

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

**ATTACHMENT FOR
APPLICATION FOR EXCEPTION TO
STATEWIDE RULES (SWR) 26 AND/OR 27
COMMINGLE PERMIT APPLICATION**

FORM P-17 ATTACHMENT

SECTION 8. (CONT'D) IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

[illegible]

42

File No. MF 114284

County

Comm 3 Gas Lift Approval 3/7/23

Date Filed: 7/12/23

Commissioner Dawn Buckingham, M.D.

By: AT

Matthew Scott

From: Matthew Scott
Sent: Friday, June 23, 2023 3:57 PM
To: Brown, Amy
Cc: Robert Hatter; Brian Raygon
Subject: 08-9765 6-23-23 APPLICATION APPROVAL PETERSBURG ST AND TITAN ST
Attachments: 08-9765 6-23-23 APPLICATION APPROVAL PETERSBURG ST TITAN ST.pdf; Petersburg State 17-28 Pad - REV GLO Application 06.2023 6-22-23.pdf

Ms. Amy Brown,

Thank you for submitting the application to (1) commingle production from the Petersburg State 17-28-54-4 wells in the scope of PSA 377 that includes MF114284 and MF120280 with the Titan State 16-5-54-4 wells in the scope of PSA 413 at the Petersburg State 17-28 PAD facility and (2) the request to utilize gas lift as an artificial lift method in the PSA 413 wells from an off-lease lift gas source.

Please find attached the approval of the application, dated 6/23/2023, for the surface commingling of the production from the Petersburg State 17-28-54-4 PSA 377 wells and the Titan State 16-5-54-4 PSA 413 wells listed in the application and as part of RRC P17A 08-9765.

Gas Lift

In addition, as Lessee and operator of the Petersburg State 17-28-54-4 PSA 377 wells and the Titan State 16-5-54-4 PSA 413 wells, it was requested that the GLO approve of the use of gas lift as a form of artificial lift to produce the PSA wells.

The GLO approves of the use of gas lift to produce the PSA wells from the portion of state mineral lease MF114284 and MF120280 that are included in the scope of PSA 377.

The GLO approves of the use of gas lift to produce the unit well(s) and PSA wells from the portion of state mineral leases MF116554, MF116791, MF118163 that are included in the scope of GLO Unit 8343, and the portions of the state mineral leases in the scope of PSA 413.

Thank you,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Tuesday, June 13, 2023 3:17 PM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] New GLO Surface Commingle / Gas Lift Application - Petersburg State 17-28 Pad

Good afternoon, Matthew. I have attached a new surface commingle / gas lift application for our remaining Petersburg State and Titan State wells on a different pad. The Titan State wells on this application will not come online until July. Packet includes:

- GLO Application Page
- Process Narrative
- GLO lease list with estimates for the Titan State wells
- PFD
- Copy of amended P1 7A that has been submitted to the RRC adding the Titan State wells.

Please let me know if you need any corrections or adjustments to this packet and thanks so much for your time.

Amy A. Brown

Regulatory Compliance Professional
Devon Energy Production Co.
(405) 552-6137

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Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 9765 Effective Month/Year: 07/2023

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: _____
Petersburg State 17-28, Titan State 16-5
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX Energy Permian, LLC 333 West Sheridan Ave OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Professional Signature: Amy A. Brown

Date: 6/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@wpn.com

GLO Approval by: _____ Signature: _____ Date: _____

GLO Notes:

REVISION: 4/15/2023

RRC Form P-17 Permit Operator Name	RRC Form P-17/17A Number	Application Date on P-17	RRC District
WPX ENERGY PERMIAN, LLC	9765	7/1/2023	8

GLO LEASE LIST			SEE NOTE 3				SEE NOTE 1			SEE NOTE 2	
RRC Designated Field Name & (Reservoir)	RRC Lease Name	RRC Well Number	RRC Lease Number or Identifier	Wellbore 10 Digit API No.	RRC Form P-17 Action Status	RRC Lease Type (Oil/Gas)	State Mineral Lease No.	Production Sharing Agreement (PSA) Number	GLO Unit Name Per Unit Agreement	GLO Unit Number or PSA i-Nut Number	State Mineral Lease or Unit Decimal NRI
PHANTOM (WOLFCAMP)	PETERSBURG STATE 17-28A-54-4	401H	291530	42-389-39348	Submitted	GAS	MF114284	377	PETERSBURG STATE	11611	0.06405703
PHANTOM (WOLFCAMP)	PETERSBURG STATE 17-28B-54-4	411H	291603	42-389-39349	Submitted	GAS	MF114284	377	PETERSBURG STATE	11612	0.06487151
PHANTOM (WOLFCAMP)	PETERSBURG STATE 17-28C-54-4	431H	291531	42-389-39350	Submitted	GAS	MF120280	377	PETERSBURG STATE	11613	0.06174123
PHANTOM (WOLFCAMP)	TITAN STATE 16-5A-54-4	432H	DP 887145	42-389-40403	Submitted	GAS	MF116554	413	TITAN STATE 5-16		est. 0.064
PHANTOM (WOLFCAMP)	TITAN STATE 16-5B-54-4	402H	DP 887146	42-389-40404	Submitted	GAS	MF116554	413	TITAN STATE 5-16		est. 0.064
PHANTOM (WOLFCAMP)	TITAN STATE 16-5C-54-4	412H	DP 887148	42-389-40405	Submitted	GAS	MF116554	413	TITAN STATE 5-16		est. 0.064
		SEE NOTE 4	SEE NOTE 3				SEE NOTE 1	SEE NOTE 1		SEE NOTE 1	SEE NOTE 2

ALL RRC FIELD NAMES, RRC LEASE NAMES, RRC LEASE & DP NUMBERS, API NUMBERS, MINERAL LEASE NUMBERS, PSA NUMBERS, UNIT NAMES, UNIT NUMBERS, AND NRIS IN THE TABLE ABOVE WERE CREATED FOR EXAMPLE PURPOSES ONLY.

NOTES:

1. ENTER THE STATE MINERAL LEASE NUMBER WHERE THE PRODUCTIVE FIELD INTERVAL OF THE WELL IS LOCATED WITHIN THE PHYSICAL BOUNDARY OF THE LEASE TRACT.

IF DUE TO HORIZONTAL SEVERANCE OR DEPTH LIMITATIONS SEVERAL LEASES EXIST WITHIN A COMMON WELLBORE, THEN ENTER THE MINERAL LEASE NUMBER FOR THE RRC DESIGNATED PRODUCING FIELD AND RESERVOIR INTERVAL.

IF A VERTICAL WELL, HORIZONTAL WELL, OR DIRECTIONAL WELL IS INCLUDED IN THE SCOPE OF A POOLED UNIT THAT INCLUDES MULTIPLE STATE AND PRIVATE LEASES, THEN LEAVE THE MINERAL LEASE NUMBER BLANK AND ENTER THE GLO UNIT NAME, NUMBER, AND UNIT NET ROYALTY INTEREST (NRI) IN THE APPROPRIATE COLUMNS.

IF THE WELLBORE OF A HORIZONTAL WELL OR DIRECTIONAL WELL TRAVERSES MULTIPLE STATE AND PRIVATE MINERAL LEASES AND THE WELLBORE IS NOT INCLUDED IN A GLO POOLED UNIT, THEN ENTER EITHER:

(B) THE PSA NUMBER, LOWEST LEVEL BASE MINERAL FILE NUMBER, AND THE ASSOCIATED I-NUT NUMBER (ELSE "PENDING" IF THE I-NUT NUMBER HAS NOT YET BEEN ASSIGNED) FOR EACH ALLOCATION WELL WELLBORE BASED ON LENGTH OF LATERAL OR HORIZONTAL DRAINHOLE AREA IN THE PRODUCTIVE INTERVAL AND THE APPLICABLE STATE NRI FOR THAT WELLBORE IN THE APPROPRIATE COLUMNS.

THE LOWEST LEVEL BASE MINERAL FILE NUMBER IS THE LOWEST NUMERICAL MINERAL FILE NUMBER OF ALL OF THE STATE MINERAL LEASES NUMBERS THAT MAY BE INCLUDED IN THE SCOPE OF A PSA THAT WAS EXECUTED BY ALL PARTIES.

2. ENTER THE STATE'S (GLO) NET MINERAL LEASE INTEREST (8 DECIMAL PLACES PER DIVISION ORDER) FOR THAT STATE LEASE ELSE ENTER THE POOLED UNIT, PSA, OR I-NUT NET ROYALTY INTEREST ASSOCIATED WITH: (A) A GLO POOLED UNIT, (B) A PSA BASED ON SHARED AREA, OR (C) A PSA FOR ONE OR MORE ALLOCATION WELLS WITH AN NRI DETERMINED FOR EACH INDIVIDUAL WELL AND REPORTED BY I-NUT NUMBER COMPLETION. IF AN ALLOCATION WELL THAT IS ALLOCATED BASED ON LENGTH OF LATERAL HAS NOT BEEN DRILLED, IS PENDING COMPLETION, OR WAS RECENTLY COMPLETED, AND THE NRI HAS NOT YET BEEN DEFINED THEN ENTER "EST" FOLLOWED BY AN ESTIMATE OF THE NRI BASED ON THE PROPOSED OR PLANNED LENGTH OF LATERAL OR BASED ON OTHER SIMILAR EXISTING COMPLETIONS.

AN I-NUT NUMBER IS A UNIQUE NUMBER THAT IS ASSIGNED TO EACH API WELLBORE THAT IS DRILLED AS AN ALLOCATION WELL WITH ALLOCATION BASED ON THE LENGTH OF LATERAL OR HORIZONTAL DRAINHOLE AREA WITHIN THE PRODUCTIVE RESERVOIR THAT IS AUTHORIZED PER A SPECIFIC UPLANDS LEASE PRODUCTION SHARING AGREEMENT (PSA) . A HIGHWAY ROW (HROW) AND OTHER STATE AGENCY LANDS TYPE LEASE WILL NOT BE ASSOCIATED WITH A PSA. IF AN APPLICATION TO COMMINGLE STATE LEASES IS SUBMITTED AND AN I-NUT NUMBER HAS NOT YET BEEN ASSIGNED BY GLO STAFF, THEN ENTER "PENDING" AS THE REFERENCE PSA I-NUT NUMBER.

UNIT IS AN ACRONYM FOR "INTERNAL NON-UNIT TRANSACTION" THAT IS ASSIGNED BY GLO STAFF TO AN ALLOCATION WELL PER A SPECIFIC PRODUCTION SHARING AGREEMENT (PSA) THAT IS ASSOCIATED WITH ONE OR MORE STATE LEASES. GLO STAFF VERIFIES/DETERMINES THE NRI BASED ON AS-DRILLED LENGTH OF LATERAL INFORMATION PROVIDED BY THE LESSEE AND THE PARTICIPATION FACTOR OF EACH CONTRIBUTING STATE LEASE DEFINED BY THE APPLICABLE PSA.

PRODUCTION SHARING AGREEMENT (PSA) NUMBERS ARE TYPICALLY ASSOCIATED WITH PERMANENT SCHOOL FUND (PSF) LANDS, (I.E., RIVERS, CREEKS, BAYS, GULF OF MEXICO, RELINQUISHMENT ACT LANDS, SCHOOL FEE, FREE ROYALTY, SURFACE SOLD MINERALS RESERVED, ETC.). HOWEVER, OTHER STATE AGENCY LANDS (I.E., HROW, TDCJ, TXDOT, ETC.) WILL NOT HAVE PSA NUMBERS ASSIGNED. PSA DOCUMENTS ARE AVAILABLE VIA THE SCANNED BASE MINERAL FILE DOCUMENTS ACCESSED VIA THE GLO PUBLIC GIS MAP VIEWER, IF NOT AVAILABLE FROM YOUR PRODUCTION REVENUE ACCOUNTING, DIVISION ORDER ANALYSTS, OR LANDMAN STAFF OR FILE RECORDS FOR A MINERAL LEASE TRACT.

3. IF A RRC LEASE NUMBER IS PENDING ASSIGNMENT OR THE WELL HAS NOT BEEN COMPLETED THEN ENTER "DP" FOLLOWED BY THE RRC DRILLING PERMIT NUMBER ASSIGNED BY THE RRC.

4. ALL WELLS ASSOCIATED WITH EACH RRC LEASE NUMBER INCLUDED IN THE SCOPE OF A COMMINGLING PERMIT SHALL BE INCLUDED ON THE GLO LEASE LIST SUBMITTED WITH THE APPLICATION TO COMMINGLE STATE LEASES.

THE NOTES SECTION ABOVE IS FOR INFORMATION AND GUIDANCE ONLY AND THUS MAY BE DELETED FROM THE GLO LEASE LIST THAT IS SUBMITTED TO THE GLO AS PART OF AN APPLICATION REQUEST TO COMMINGLE STATE LEASES.

Process Narrative – Petersburg State 17-28 Pad Central Tank Battery

All Wells

Gross production from each well flows from its respective wellsite through a 3-phase flowline to the Petersburg State 17-28 Pad Central Tank Battery. At the Central Tank Battery, it flows through a dedicated 3-phase separator which meters oil, gas, and water. The water is comingled and stored in tanks. The gas is measured individually and flows to a 3rd party gatherer. The oil is measured individually before being comingled and stored in tanks. Any hydrocarbon liquid collected from gas scrubbers will be sold from the tanks as oil.

Oil

Gross production of oil is measured at the outlet of the dedicated separator using a Coriolis meter. The oil is then comingled and flows to the common tanks where it is sold through a LACT unit to a 3rd party gatherer. The oil is measured by a Coriolis meter. Tank vent emissions are routed to a low pressure flare and measured using a thermal mass meter.

Gas

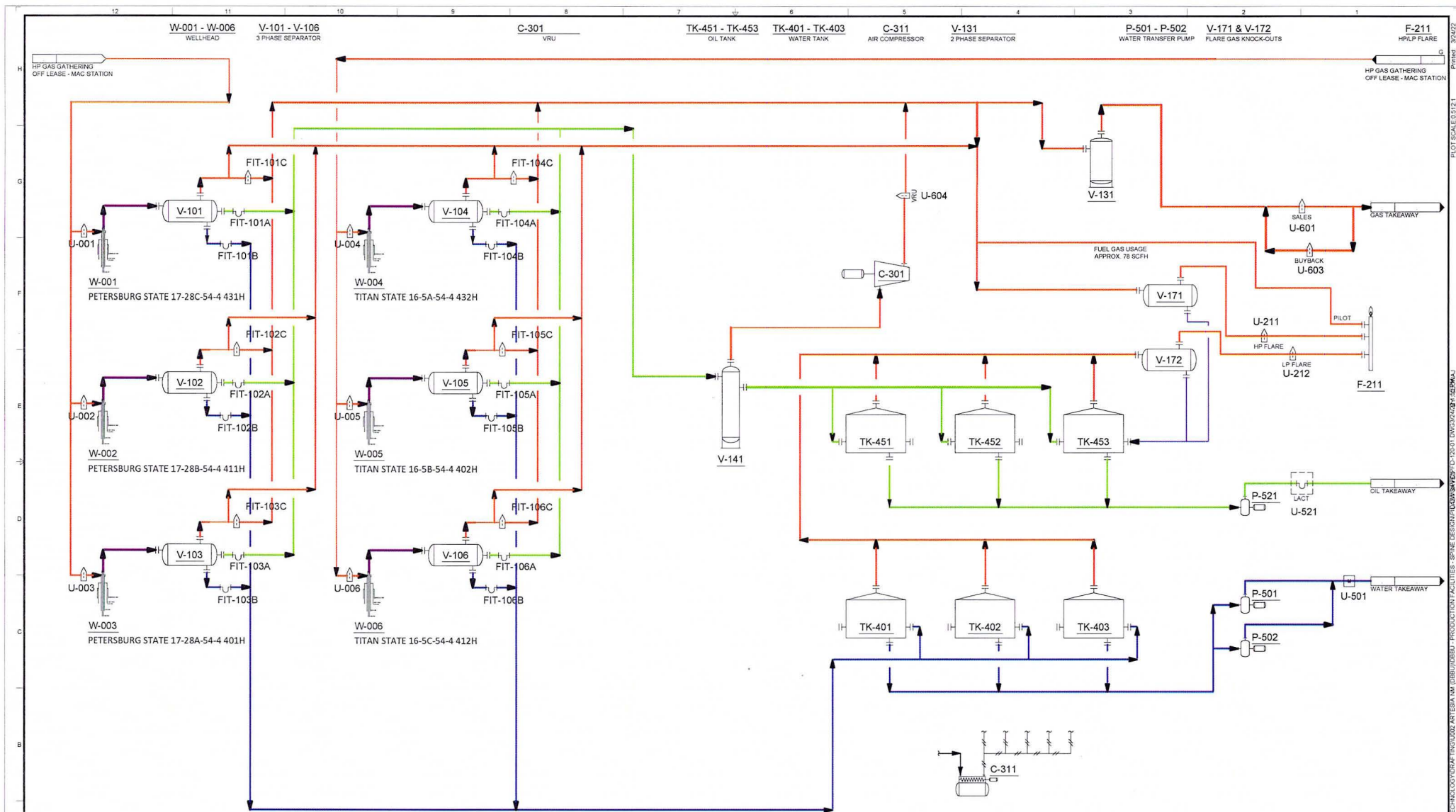
Gross production of the gas is measured at the outlet of the dedicated separator using an orifice meter. It will then flow through a common gas line to a lease custody transfer meter where it will be measured using an orifice meter and gathered by a 3rd party. If the gathering system pressure gets too high the gas will flow through an orifice flare meter and flow to a high pressure flare. Fuel gas will be bought back from the gathering system and used for all wells. Flare royalties will be paid off a monthly statement using a MMBTU value for each well.

Gas Lift

Lift gas will be metered from the high pressure gathering through an individual well injection orifice meter and sent down the well bore.

Water

Gross production of water is measured at the outlet of the dedicated separator using a Coriolis meter. The water is comingled and sent to common storage tanks. The water from the treater is sent to common storage tanks. Tank vent emissions are routed to a low pressure flare and measured using a thermal mass meter. From the tanks, the water is sent to a pump and measured using a turbine meter. The pump moves the water to a Salt Water Disposal system.



- NOTES:**
- ORIFICE METER
 - CORIOLIS METER
 - MAGNETIC METER
 - GAS
 - OIL
 - WATER
 - FULL WELL STREAM
 - INSTRUMENT AIR

REV	DESCRIPTION	DATE	BY	APPROVED

DRAWING STATUS				DRAWN BY		DATE	
ISSUED FOR	DATE	BY		ENGINEERED BY		DATE	
BIO				APPROVED BY		DATE	
CONSTRUCTION							
AS-BUILT							
CONFIDENTIAL				PROJECT No.:		120	
This drawing is the property of Devon Energy. Any reproduction, copying or unauthorized use of this drawing, or any part thereof, without the express written consent of Devon Energy is prohibited.				DRAWING No.:		120-01	



Devon Energy Corporation 333 West Sheridan Avenue, Oklahoma City, OK 73102-5015	
PETERSBURG STATE 17-28H PAD PROCESS FLOW DIAGRAM	
FILE NAME	REV
PFD-120-01	0

PFD-120-01
 PLOT SCALE 3/16" = 1'-0"
 PFD-120-01



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

Form P-17A

Rev. 03/2019

APPLICATION FOR COMMINGLE PERMIT PURSUANT TO STATEWIDE RULES 26 AND OR 27

☐ New
☒ Amended Existing Permit
No. 9765
Effective Month/Year of Requested
Exception: 07 / 2023
District 08
County REEVES

SECTION 1. OPERATOR INFORMATION					
Operator Name: WPX ENERGY PERMIAN, LLC			Operator P-5 No.: 942623		
Operator Address: 333 WEST SHERIDAN AVENUE OKC, OK 73102					
SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)					
Gatherer Name: ORYX DELAWARE OIL TRANSPORT LLC			Gatherer P-5 No.: 627137		
Gatherer Address:					
Gatherer E-mail Address:					
(Optional – If provided, e-mail address will become part of this public record.)					
SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☐ OIL ☐ CASINGHEAD GAS ☐ GAS WELL GAS ☐ CONDENSATE					
a) Gas well full well stream into common separation and storage facility with liquids reported on Form PR.					
b) Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)					
c) Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.					
d) ☐ This request is for off lease: ☐ Storage ☐ Separation ☐ Metering					
e) ☐ This application is for common storage.					
f) This application is for common separation.					
g) This application is for casinghead gas metering by: Deduct Metering Allocation by well test Other _____					
h) This application is for gas well gas metering by: Deduct Metering Allocation by well test Other _____					
SECTION 4. COMMINGLING PURSUANT TO §3.26(b) or §3.27(e) – (CHECK ALL THAT APPLY)					
a) ☐ The production stream from each tract and each Commission-designated reservoir is measured separately before combining it with a stream from another tract or Commission-designated reservoir.					
Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (gas) ☐ Other ALLOCATION					
b) The tracts and Commission-designated reservoirs have identical royalty interest and working interest ownership in identical percentages.					
Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (gas) Other _____					
SECTION 5. Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Notice may be required; see instructions)					
SECTION 6. Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)					
SECTION 7. For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)					
SECTION 8. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)					
DISTRICT	RRC IDENTIFIER	ACTION		LEASE AND FIELD NAME	WELL NO.
08	291530	☒ Existing	Add Delete	PETERSBURG STATE 17-28A-54-4 / PHANTOM (WOLFCAMP)	401H
08	291603	☒ Existing	Add Delete	PETERSBURG STATE 17-28B-54-4 / PHANTOM (WOLFCAMP)	411H
08	291531	☒ Existing	Add Delete	PETERSBURG STATE 17-28C-54-4 / PHANTOM (WOLFCAMP)	431H
08	DP 887145	Existing	☒ Add Delete	TITAN STATE 16-5A-54-4 / PHANTOM (WOLFCAMP)	432H
ATTACH ADDITIONAL PAGES AS NEEDED. No additional pages ☒ Additional pages 1 (# of additional pages)					
CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.					
Signature <u>Amy A. Brown</u>		Title <u>Regulatory Compliance Professional</u>		Date <u>06/05/2023</u>	
Operator E-mail Address: <u>amy.brown@dv.com</u>		Operator Phone No. <u>(405) 552-6137</u>			
(Optional – If provided, e-mail address will become part of this public record.)					
RRC USE ONLY					
Commingling Permit No. _____		Approval date: _____		Approved by: _____	

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

**ATTACHMENT FOR
APPLICATION FOR EXCEPTION TO
STATEWIDE RULES (SWR) 26 AND/OR 27
COMMINGLE PERMIT APPLICATION**

FORM P-17 ATTACHMENT

SECTION 8. (CONT'D) IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

[illegible]



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 9765 Effective Month/Year: 07/2023

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: _____
Petersburg State 17-28, Titan State 16-5
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX Energy Permian, LLC 333 West Sheridan Ave OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Professional Signature: Amy A. Brown

Date: 6/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@wpx.com

GLO Approval by: Matthew T. Scott Signature: Matthew T. Scott Date: 6/23/2023

GLO Notes: Petersburg State 17-28-54-4 wells in the scope of PSA 377 (MF114284 & MF120280) and Gas Lift in PSA 377 Area. Titan State 16-5-54-4 wells in scope of PSA 413 and Gas Lift in PSA 413 wells.

43

File No. MF 114284

County

Comm & Gas Lift Approval 6/23/23

Date Filed: 7/12/23

Commissioner Dawn Buckingham, M.D.

By: AT

Matthew Scott

From: Matthew Scott
Sent: Friday, June 23, 2023 2:10 PM
To: Brown, Amy
Cc: Robert Hatter; Brian Raygon
Subject: 08-10208 6-23-23 APPLICATION APPROVAL PETERSBURG ST WEST PAD AND TITAN ST
Attachments: 08-10208 6-23-23 APPLICATION APPROVAL PETERSBURG ST WEST PAD TITAN ST.pdf;
Petersburg State 17-28 Pad - REV GLO Application 06.2023 6-22-23.pdf

Ms. Amy Brown,

Thank you for submitting the application to (1) commingle production from the Petersburg State 17-28-54-4 West Pad wells in the scope of PSA 377 that includes MF114284 and MF120280 with the Titan State 16-5-54-4 wells in the scope of PSA 413 at the Petersburg State 17-28 West Pad facility and (2) the amendment of the gas lift system to utilize an off-lease gas lift supply in lieu of an on-lease compressor.

Please find attached the approval of the application, dated 6/23/2023, for the surface commingling of the production from the Petersburg State 17-28-54-4 PSA 377 wells and the Titan State 16-5-54-4 PSA 413 wells listed in the application and as part of RRC P17 08-10208.

Gas Lift

In addition, as Lessee and operator of the Petersburg State 17-28-54-4 PSA 377 wells and the Titan State 16-5-54-4 PSA 413 wells, it was requested that the GLO approve of the amendment of the gas lift supply to utilize an off-lease supply in lieu of on-lease compression.

The GLO approves of the use of gas lift to produce the PSA wells from the portion of state mineral lease MF114284 and MF120280 that are included in the scope of PSA 377.

The GLO approves of the use of gas lift to produce the unit well(s) and PSA wells from the portion of state mineral leases MF116554, MF116791, MF118163 that are included in the scope of GLO Unit 8343, and the portions of the state mineral leases in the scope of PSA 413.

Thank you,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Tuesday, June 13, 2023 1:31 PM

To: Matthew Scott <Matthew.Scott@glo.texas.gov>

Subject: [EXTERNAL] GLO Surface Commingle / Gas Lift Amendment - Petersburg State 17-28 West Pad

Good afternoon, Matthew. I have attached an updated application to amend our previously approved surface commingle / gas lift authorization from 03/08/2023. This amendment details changes to the gas lift process by removing an on site compressor and switching to the high pressure gathering system. The attached packet contains the following:

- Revised narrative outlining change to gas lift section
- Revised PFD
- Updated GLO lease list utilizing notes from the March 2023 approval.
- Copy of amended P17A that has been submitted to the RRC updating DPs to lease IDs for our Petersburg State wells.

Please let me know if you need any corrections or adjustments to this packet and thanks so much for your time.

Amy A. Brown

Regulatory Compliance Professional

Devon Energy Production Co.

(405) 552-6137

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Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 10208 Effective Month/Year: 01/2023

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☒ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: PETERSBURG STATE 17-28, TITAN STATE 16-5
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX Energy Permian LLC, 333 W Sheridan Ave OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Professional Signature: Amy A. Brown
Date: 6/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@dyn.com

GLO Approval by: Matthew T. Scott Signature: Matthew T. Scott Date: 6/23/2023

GLO Notes: Petersburg State 17-28-54-4 West Pad wells in the scope of PSA 377 (MF114284 & MF120280) and Gas Lift in PSA 377 Area. Titan State 16-5-54-4 wells in scope of PSA 413 and Gas Lift in PSA 413 wells.



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

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Certifications Form P-17/P-17A District: 08 Permit Number: 9765 Effective Month/Year: 07/2023

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: _____
Petersburg State 17-28, Titan State 16-5
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX Energy Permian, LLC 333 West Sheridan Ave OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Professional Signature: Amy A. Brown

Date: 6/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@dyn.com

GLO Approval by: _____ Signature: _____ Date: _____

GLO Notes:

REVISION: 4/15/2023

RRC Form P-17 Permit Operator Name	RRC Form P-17/17A Number	Application Date on P-17	RRC District
WPX ENERGY PERMIAN, LLC	9765	7/1/2023	8

GLO LEASE LIST			SEE NOTE 3			SEE NOTE 1			SEE NOTE 2		
RRC Designated Field Name & (Reservoir)	RRC Lease Name	RRC Well Number	RRC Lease Number or Identifier	Wellbore 10 Digit API No.	RRC Form P-17 Action Status	RRC Lease Type (Oil/Gas)	State Mineral Lease No.	Production Sharing Agreement (PSA) Number	GLO Unit Name Per Unit Agreement	GLO Unit Number or PSA I-Nut Number	State Mineral Lease or Unit Decimal NRI
PHANTOM (WOLFCAMP)	PETERSBURG STATE 17-28A-54-4	401H	291530	42-389-39348	Submitted	GAS	MF114284	377	PETERSBURG STATE	11611	0.06405703
PHANTOM (WOLFCAMP)	PETERSBURG STATE 17-28B-54-4	411H	291603	42-389-39349	Submitted	GAS	MF114284	377	PETERSBURG STATE	11612	0.06487151
PHANTOM (WOLFCAMP)	PETERSBURG STATE 17-28C-54-4	431H	291531	42-389-39350	Submitted	GAS	MF120280	377	PETERSBURG STATE	11613	0.06174123
PHANTOM (WOLFCAMP)	TITAN STATE 16-5A-54-4	432H	DP 887145	42-389-40403	Submitted	GAS	MF116554	413	TITAN STATE 5-16		est. 0.064
PHANTOM (WOLFCAMP)	TITAN STATE 16-5B-54-4	402H	DP 887146	42-389-40404	Submitted	GAS	MF116554	413	TITAN STATE 5-16		est. 0.064
PHANTOM (WOLFCAMP)	TITAN STATE 16-5C-54-4	412H	DP 887148	42-389-40405	Submitted	GAS	MF116554	413	TITAN STATE 5-16		est. 0.064

ALL RRC FIELD NAMES, RRC LEASE NAMES, RRC LEASE & DP NUMBERS, API NUMBERS, MINERAL LEASE NUMBERS, PSA NUMBERS, UNIT NAMES, UNIT NUMBERS, AND NRIS IN THE TABLE ABOVE WERE CREATED FOR EXAMPLE PURPOSES ONLY.

NOTES:

1. ENTER THE STATE MINERAL LEASE NUMBER WHERE THE PRODUCTIVE FIELD INTERVAL OF THE WELL IS LOCATED WITHIN THE PHYSICAL BOUNDARY OF THE LEASE TRACT.

IF DUE TO HORIZONTAL SEVERANCE OR DEPTH LIMITATIONS SEVERAL LEASES EXIST WITHIN A COMMON WELLBORE, THEN ENTER THE MINERAL LEASE NUMBER FOR THE RRC DESIGNATED PRODUCING FIELD AND RESERVOIR INTERVAL.

IF A VERTICAL WELL, HORIZONTAL WELL, OR DIRECTIONAL WELL IS INCLUDED IN THE SCOPE OF A POOLED UNIT THAT INCLUDES MULTIPLE STATE AND PRIVATE LEASES, THEN LEAVE THE MINERAL LEASE NUMBER BLANK AND ENTER THE GLO UNIT NAME, NUMBER, AND UNIT NET ROYALTY INTEREST (NRI) IN THE APPROPRIATE COLUMNS.

IF THE WELLBORE OF A HORIZONTAL WELL OR DIRECTIONAL WELL TRAVERSES MULTIPLE STATE AND PRIVATE MINERAL LEASES AND THE WELLBORE IS NOT INCLUDED IN A GLO POOLED UNIT, THEN ENTER EITHER:

- (A) THE PSA NUMBER AND LOWEST LEVEL BASE MINERAL FILE NUMBER FOR THAT PSA BASED ON SHARED AREA AND ITS APPLICABLE NRI BASED ON ACREAGE PARTICIPATION IN THE APPROPRIATE COLUMNS, OR
(B) THE PSA NUMBER, LOWEST LEVEL BASE MINERAL FILE NUMBER, AND THE ASSOCIATED I-NUT NUMBER (ELSE "PENDING" IF THE I-NUT NUMBER HAS NOT YET BEEN ASSIGNED) FOR EACH ALLOCATION WELL WELLBORE BASED ON LENGTH OF LATERAL OR HORIZONTAL DRAINHOLE AREA IN THE PRODUCTIVE INTERVAL AND THE APPLICABLE STATE NRI FOR THAT WELLBORE IN THE APPROPRIATE COLUMNS.

THE LOWEST LEVEL BASE MINERAL FILE NUMBER IS THE LOWEST NUMERICAL MINERAL FILE NUMBER OF ALL OF THE STATE MINERAL LEASES NUMBERS THAT MAY BE INCLUDED IN THE SCOPE OF A PSA THAT WAS EXECUTED BY ALL PARTIES.

2. ENTER THE STATE'S (GLO) NET MINERAL LEASE INTEREST (8 DECIMAL PLACES PER DIVISION ORDER) FOR THAT STATE LEASE ELSE ENTER THE POOLED UNIT, PSA, OR I-NUT NET ROYALTY INTEREST ASSOCIATED WITH: (A) A GLO POOLED UNIT, (B) A PSA BASED ON SHARED AREA, OR (C) A PSA FOR ONE OR MORE ALLOCATION WELLS WITH AN NRI DETERMINED FOR EACH INDIVIDUAL WELL AND REPORTED BY I-NUT NUMBER COMPLETION. IF AN ALLOCATION WELL THAT IS ALLOCATED BASED ON LENGTH OF LATERAL HAS NOT BEEN DRILLED, IS PENDING COMPLETION, OR WAS RECENTLY COMPLETED, AND THE NRI HAS NOT YET BEEN DEFINED THEN ENTER "EST" FOLLOWED BY AN ESTIMATE OF THE NRI BASED ON THE PROPOSED OR PLANNED LENGTH OF LATERAL OR BASED ON OTHER SIMILAR EXISTING COMPLETIONS.

AN I-NUT IS A UNIQUE NUMBER THAT IS ASSIGNED TO EACH API WELLBORE THAT IS DRILLED AS AN ALLOCATION WELL WITH ALLOCATION BASED ON THE LENGTH OF LATERAL OR HORIZONTAL DRAIN-HOLE AREA WITHIN THE PRODUCTIVE RESERVOIR THAT IS AUTHORIZED PER A SPECIFIC UPLANDS LEASE PRODUCTION SHARING AGREEMENT (PSA) . A HIGHWAY ROW (HROW) AND OTHER STATE AGENCY LANDS TYPE LEASE WILL NOT BE ASSOCIATED WITH A PSA. IF AN APPLICATION TO COMMINGLE STATE LEASES IS SUBMITTED AND AN I-NUT NUMBER HAS NOT YET BEEN ASSIGNED BY GLO STAFF, THEN ENTER "PENDING" AS THE REFERENCE PSA I-NUT NUMBER. I-NUT IS AN ACRONYM FOR "INTERNAL NON-UNIT TRANSACTION" THAT IS ASSIGNED BY GLO STAFF TO AN ALLOCATION WELL PER A SPECIFIC PRODUCTION SHARING AGREEMENT (PSA) THAT IS ASSOCIATED WITH ONE OR MORE STATE LEASES. GLO STAFF VERIFIES/DETERMINES THE NRI BASED ON AS-DRILLED LENGTH OF LATERAL INFORMATION PROVIDED BY THE LESSEE AND THE PARTICIPATION FACTOR OF EACH CONTRIBUTING STATE LEASE DEFINED BY THE APPLICABLE PSA.

PRODUCTION SHARING AGREEMENT (PSA) NUMBERS ARE TYPICALLY ASSOCIATED WITH PERMANENT SCHOOL FUND (PSF) LANDS, (I.E., RIVERS, CREEKS, BAYS, GULF OF MEXICO, RELINQUISHMENT ACT LANDS, SCHOOL FEE, FREE ROYALTY, SURFACE SOLD MINERALS RESERVED, ETC.). HOWEVER, OTHER STATE AGENCY LANDS (I.E., HROW, TDCJ, TXDOT, ETC.) WILL NOT HAVE PSA NUMBERS ASSIGNED. PSA DOCUMENTS ARE AVAILABLE VIA THE SCANNED BASE MINERAL FILE DOCUMENTS ACCESSSED VIA THE GLO PUBLIC GIS MAP VIEWER, IF NOT AVAILABLE FROM YOUR PRODUCTION REVENUE ACCOUNTING, DIVISION ORDER ANALYSTS, OR LANDMAN STAFF OR FILE RECORDS FOR A MINERAL LEASE TRACT.

3. IF A RRC LEASE NUMBER IS PENDING ASSIGNMENT OR THE WELL HAS NOT BEEN COMPLETED THEN ENTER "DP" FOLLOWED BY THE RRC DRILLING PERMIT NUMBER ASSIGNED BY THE RRC.
4. ALL WELLS ASSOCIATED WITH EACH RRC LEASE NUMBER INCLUDED IN THE SCOPE OF A COMMINGLING PERMIT SHALL BE INCLUDED ON THE GLO LEASE LIST SUBMITTED WITH THE APPLICATION TO COMMINGLE STATE LEASES.

THE NOTES SECTION ABOVE IS FOR INFORMATION AND GUIDANCE ONLY AND THUS MAY BE DELETED FROM THE GLO LEASE LIST THAT IS SUBMITTED TO THE GLO AS PART OF AN APPLICATION REQUEST TO COMMINGLE STATE LEASES.

Process Narrative – Petersburg State 17-28 Pad Central Tank Battery

All Wells

Gross production from each well flows from its respective wellsite through a 3-phase flowline to the Petersburg State 17-28 Pad Central Tank Battery. At the Central Tank Battery, it flows through a dedicated 3-phase separator which meters oil, gas, and water. The water is comingled and stored in tanks. The gas is measured individually and flows to a 3rd party gatherer. The oil is measured individually before being comingled and stored in tanks. Any hydrocarbon liquid collected from gas scrubbers will be sold from the tanks as oil.

Oil

Gross production of oil is measured at the outlet of the dedicated separator using a Coriolis meter. The oil is then comingled and flows to the common tanks where it is sold through a LACT unit to a 3rd party gatherer. The oil is measured by a Coriolis meter. Tank vent emissions are routed to a low pressure flare and measured using a thermal mass meter.

Gas

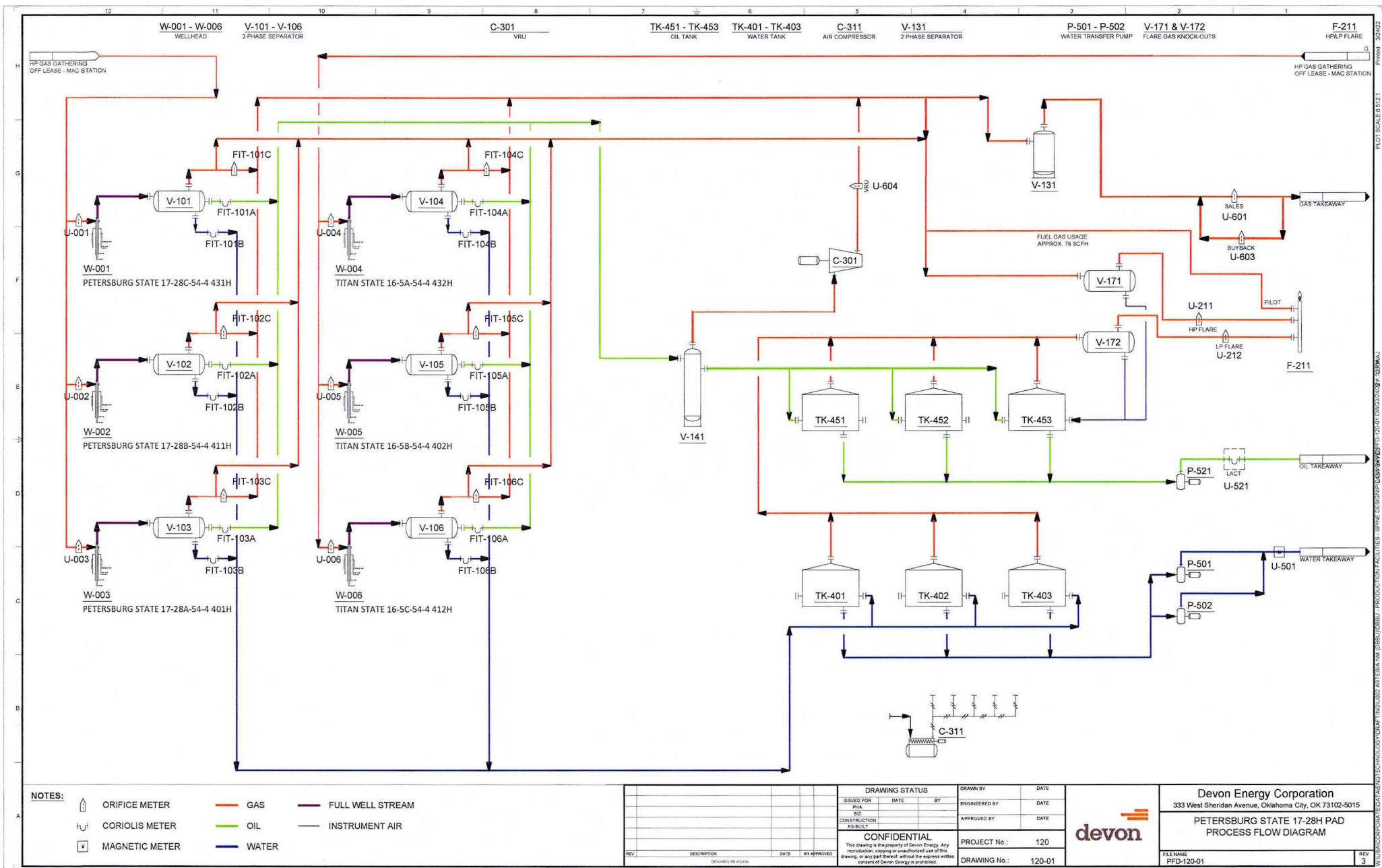
Gross production of the gas is measured at the outlet of the dedicated separator using an orifice meter. It will then flow through a common gas line to a lease custody transfer meter where it will be measured using an orifice meter and gathered by a 3rd party. If the gathering system pressure gets too high the gas will flow through an orifice flare meter and flow to a high pressure flare. Fuel gas will be bought back from the gathering system and used for all wells. Flare royalties will be paid off a monthly statement using a MMBTU value for each well.

Gas Lift

Lift gas will be metered from the high pressure gathering through an individual well injection orifice meter and sent down the well bore.

Water

Gross production of water is measured at the outlet of the dedicated separator using a Coriolis meter. The water is comingled and sent to common storage tanks. The water from the treater is sent to common storage tanks. Tank vent emissions are routed to a low pressure flare and measured using a thermal mass meter. From the tanks, the water is sent to a pump and measured using a turbine meter. The pump moves the water to a Salt Water Disposal system.





RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

Form P-17A

Rev. 03/2019

APPLICATION FOR COMMINGLE PERMIT PURSUANT TO STATEWIDE RULES 26 AND OR 27

☐ New
☒ Amended Existing Permit
No. 9765
Effective Month/Year of Requested
Exception: 07 / 2023
District 08
County REEVES

SECTION 1. OPERATOR INFORMATION						
Operator Name: WPX ENERGY PERMIAN, LLC			Operator P-5 No.: 942623			
Operator Address: 333 WEST SHERIDAN AVENUE OKC, OK 73102						
SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)						
Gatherer Name: ORYX DELAWARE OIL TRANSPORT LLC			Gatherer P-5 No.: 627137			
Gatherer Address:						
Gatherer E-mail Address:						
(Optional – If provided, e-mail address will become part of this public record.)						
SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☐ OIL ☐ CASINGHEAD GAS ☐ GAS WELL GAS ☐ CONDENSATE						
a) Gas well full well stream into common separation and storage facility with liquids reported on Form PR. b) Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.) c) Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities. d) ☐ This request is for off lease: ☐ Storage ☐ Separation ☐ Metering e) ☐ This application is for common storage. f) This application is for common separation. g) This application is for casinghead gas metering by: Deduct Metering Allocation by well test Other _____ h) This application is for gas well gas metering by: Deduct Metering Allocation by well test Other _____						
SECTION 4. COMMINGLING PURSUANT TO §3.26(b) or §3.27(e) – (CHECK ALL THAT APPLY)						
a) ☐ The production stream from each tract and each Commission-designated reservoir is measured separately before combining it with a stream from another tract or Commission-designated reservoir. Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (gas) ☐ Other ALLOCATION _____						
b) ☐ The tracts and Commission-designated reservoirs have identical royalty interest and working interest ownership in identical percentages. Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (gas) Other _____						
SECTION 5. Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Notice may be required; see instructions)						
SECTION 6. Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)						
SECTION 7. For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)						
SECTION 8. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)						
DISTRICT	RRC IDENTIFIER	ACTION			LEASE AND FIELD NAME	WELL NO.
08	291530	☐ Existing	Add	Delete	PETERSBURG STATE 17-28A-54-4 / PHANTOM (WOLFCAMP)	401H
08	291603	☐ Existing	Add	Delete	PETERSBURG STATE 17-28B-54-4 / PHANTOM (WOLFCAMP)	411H
08	291531	☐ Existing	Add	Delete	PETERSBURG STATE 17-28C-54-4 / PHANTOM (WOLFCAMP)	431H
08	DP 887145	Existing	☐ Add	Delete	TITAN STATE 16-5A-54-4 / PHANTOM (WOLFCAMP)	432H
ATTACH ADDITIONAL PAGES AS NEEDED. No additional pages ☐ Additional pages 1 (# of additional pages)						
CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.						
Signature <u>Amy A. Brown</u>		Title <u>Regulatory Compliance Professional</u>			Date <u>06/05/2023</u>	
Operator E-mail Address: <u>amy.brown@dnv.com</u>		Operator Phone No. <u>(405) 552-6137</u>				
(Optional – If provided, e-mail address will become part of this public record.)						
RRC USE ONLY						
Commingling Permit No. _____		Approval date: _____		Approved by: _____		

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

**ATTACHMENT FOR
APPLICATION FOR EXCEPTION TO
STATEWIDE RULES (SWR) 26 AND/OR 27
COMMINGLE PERMIT APPLICATION**

FORM P-17 ATTACHMENT

SECTION 8. (CONT'D) IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

[illegible]

44

File No. MF 114284

County

Comm & Gas Lift Approval 6/23/23

Date Filed: 7/12/23

Commissioner Dawn Buckingham, M.D.

By: AT

Matthew Scott

From: Matthew Scott
Sent: Wednesday, October 18, 2023 3:31 PM
To: Brown, Amy
Subject: 08-10187 10-18-23 Off-Lease Gas Lift Supply Approval Circe St 28 MF 114284
Attachments: 08-10187 10-18-23 Gas Lift Approval Circe State 28 MF114284.pdf; Circe State 28 1H Pad - Submitted GLO Application 10.2023.pdf

Ms. Brown,

Thank you for submitting the application and request to use an off-lease gas lift supply to replace the on-lease gas lift supply for gas lift of the MF114284 Circe State 28 lease wells.

The GLO approves of the use of the off-lease gas lift supply to produce the lease wells from MF114284.

Thank you,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Thursday, October 5, 2023 5:13 PM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] Circe State 28 - GLO Gas Lift Permit Amendment

Good afternoon, Matthew. Please see the attached application amendment for our Circe State 28 pad. We respectfully request to amend the gas lift system to utilize an off-lease gas supply in lieu of an on-lease compressor. The attached includes the following:

- GLO application page
- GLO lease list
- Updated Process Narrative
- Updated Process Flow Diagram
- Copy of submitted P17A amendment (Updating DPs to Lease IDs)

Feel free to reach out if you need anything additional and have a great evening.

Amy A. Brown
Regulatory Compliance Professional
Devon Energy Production Co.

Confidentiality Warning: This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of all or any portion of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, and delete this message and any attachments from your system.

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Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 10187 Effective Month/Year: 01/2023

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☒ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: _____
CIRCE STATE 28 (MF114284)
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX ENERGY PERMIAN, LLC 333 W. SHERIDAN AVE OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Signature: Amy A. Brown

Date: 10/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@wpx.com

GLO Approval by: Matthew T. Scott Signature: Matthew T. Scott Date: 10/18/2023

GLO Notes: MF114284, Circe State 28 lease wells off-lease gas lift supply and Gas Lift in MF114284 wells.

REVISION: 4/15/2023

GLO LEASE LIST			SEE NOTE 3		SEE NOTE 1		SEE NOTE 2				
RRC Designated Field Name & (Reservoir)	RRC Lease Name	RRC Well Number	RRC Lease Number or Identifier	Wellbore 10 Digit API No.	RRC Form P-17 Action Status	RRC Lease Type (Oil/Gas)	State Mineral Lease No.	Production Sharing Agreement (PSA) Number	GLO Unit Name Per Unit Agreement	GLO Unit Number or PSA i-Nut Number	State Mineral Lease or Unit Decimal NRI
Phantom (Wolfcamp)	Circe State 28	413H	293962	42-389-39955	Approved	Gas	MF114284		Circe State 28		0.12500000
Phantom (Wolfcamp)	Circe State 28	433H	293959	42-389-39954	Approved	Gas	MF114284		Circe State 28		0.12500000
									</		

NOTES:

IF DUE TO HORIZONTAL SEVERANCE OR DEPTH LIMITATIONS SEVERAL LEASES EXIST WITHIN A COMMON WELL BORE THEN ENTER THE MINERAL LEASE NUMBER FOR THE RRC DESIGNATED PRODUCING FIELD AND RESERVOIR INTERVAL.

IF A VERTICAL WELL, HORIZONTAL WELL, OR DIRECTIONAL WELL IS INCLUDED IN THE SCOPE OF A POOLED UNIT THAT INCLUDES MULTIPLE STATE AND PRIVATE LEASES, THEN LEAVE THE MINERAL LEASE NUMBER BLANK AND ENTER THE GLO UNIT NAME, NUMBER, AND UNIT NET ROYALTY INTEREST (NRI) IN THE APPROPRIATE COLUMNS.

IF THE WELLBORE OF A HORIZONTAL WELL OR DIRECTIONAL WELL TRAVERSES MULTIPLE STATE AND PRIVATE MINERAL LEASES AND THE WELLBORE IS NOT INCLUDED IN A GLO POOLED UNIT, THEN ENTER EITHER:

(A) THE PSA NUMBER AND LOWEST LEVEL BASE MINERAL FILE NUMBER FOR THAT PSA BASED ON SHARED AREA AND ITS APPLICABLE NRI BASED ON ACREAGE PARTICIPATION IN THE APPROPRIATE COLUMNS, OR
(B) THE PSA NUMBER, LOWEST LEVEL BASE MINERAL FILE NUMBER, AND THE ASSOCIATED I-NUT NUMBER (ELSE "PENDING" IF THE I-NUT NUMBER HAS NOT YET BEEN ASSIGNED) FOR EACH ALLOCATION WELL WELLBORE BASED ON LENGTH OF LATERAL OR HORIZONTAL DRAINHOLE AREA IN THE PRODUCTIVE INTERVAL AND THE APPLICABLE STATE NRI FOR THAT WELLBORE IN THE APPROPRIATE COLUMNS.

THE LOWEST LEVEL BASE MINERAL FILE NUMBER IS THE LOWEST NUMERICAL MINERAL FILE NUMBER OF ALL OF THE STATE MINERAL LEASES. NUMBERS THAT MAY BE INCLUDED IN THE SCOPE OF A PSA THAT WAS EXECUTED BY ALL PARTIES.

2. ENTER THE STATE'S (GLO) NET MINERAL LEASE INTEREST (8 DECIMAL PLACES PER DIVISION ORDER) FOR THAT STATE LEASE ELSE ENTER THE POOLED UNIT, PSA, OR I-NUT NET ROYALTY INTEREST ASSOCIATED WITH: (A) A GLO POOLED UNIT, (B) A PSA BASED ON SHARED AREA, OR (C) A PSA FOR ONE OR MORE ALLOCATION WELLS WITH AN NRI DETERMINED FOR EACH INDIVIDUAL WELL AND REPORTED BY I-NUT NUMBER COMPLETION.

IF AN ALLOCATION WELL THAT IS ALLOCATED BASED ON LENGTH OF LATERAL HAS NOT BEEN DRILLED, IS PENDING COMPLETION, OR WAS RECENTLY COMPLETED, AND THE NRI HAS NOT YET BEEN DEFINED THEN ENTER "EST" FOLLOWED BY AN ESTIMATE OF THE NRI BASED ON THE PROPOSED OR PLANNED LENGTH OF LATERAL OR BASED ON OTHER SIMILAR EXISTING COMPLETIONS.

AN I-NUT NUMBER IS A UNIQUE NUMBER THAT IS ASSIGNED TO EACH API WELLBORE THAT IS DRILLED AS AN ALLOCATION WELL WITH ALLOCATION BASED ON THE LENGTH OF LATERAL OR HORIZONTAL DRAINHOLE AREA WITHIN THE PRODUCTIVE RESERVOIR THAT IS AUTHORIZED PER A SPECIFIC UPLANDS LEASE PRODUCTION SHARING AGREEMENT (PSA). A HIGHWAY ROW (HROW) AND OTHER STATE AGENCY LANDS TYPE LEASE WILL NOT BE ASSOCIATED WITH A PSA. IF AN APPLICATION TO COMMINGLE STATE LEASES IS SUBMITTED AND AN I-NUT NUMBER HAS NOT YET BEEN ASSIGNED BY GLO STAFF, THEN ENTER "PENDING" AS THE REFERENCE PSA I-NUT NUMBER. I-NUT IS AN ACRONYM FOR "INTERNAL NON-UNIT TRANSACTION" THAT IS ASSIGNED BY GLO STAFF TO AN ALLOCATION WELL PER A SPECIFIC PRODUCTION SHARING AGREEMENT (PSA) THAT IS ASSOCIATED WITH ONE OR MORE STATE LEASES. GLO STAFF VERIFIES/DETERMINES THE NRI BASED ON AS-DRILLED LENGTH OF A LATERAL INFORMATION PROVIDED BY THE LESSEE AND THE PARTICIPATION FACTOR OF EACH CONTRIBUTING STATE LEASE DEFINED BY THE APPLICABLE PSA.

PRODUCTION SHARING AGREEMENT (PSA) NUMBERS ARE TYPICALLY ASSOCIATED WITH PERMANENT SCHOOL FUND (PSF) LANDS, (I.E., RIVERS, CREEKS, BAYS, GULF OF MEXICO, RELINQUISHMENT ACT LANDS, SCHOOL FEE, FREE ROYALTY, SURFACE SOLD MINERALS RESERVED, ETC.). HOWEVER, OTHER STATE AGENCY LANDS (I.E., HROW, TDJ, TXDOT, ETC.) WILL NOT HAVE PSA NUMBERS ASSIGNED. PSA DOCUMENTS ARE AVAILABLE VIA THE SCANNED BASE MINERAL FILE DOCUMENTS ACCESSED VIA THE GLO PUBLIC GIS MAP VIEWER. IF NOT AVAILABLE FROM YOUR PRODUCTION REVENUE ACCOUNTING, DIVISION ORDER ANALYSTS, OR LANDMAN STAFF OR FILE RECORDS FOR A MINERAL LEASE TRACT.

3. IF A RRC LEASE NUMBER IS PENDING ASSIGNMENT OR THE WELL HAS NOT BEEN COMPLETED THEN ENTER "DP" FOLLOWED BY THE RRC DRILLING PERMIT NUMBER ASSIGNED BY THE RRC.

4. ALL WELLS ASSOCIATED WITH EACH RRC LEASE NUMBER INCLUDED IN THE SCOPE OF A COMMINGLING PERMIT SHALL BE INCLUDED ON THE GLO LEASE LIST SUBMITTED WITH THE APPLICATION TO COMMINGLE STATE LEASES.

THE NOTES SECTION ABOVE IS FOR INFORMATION AND GUIDANCE ONLY AND THUS MAY BE DELETED FROM THE GLO LEASE LIST THAT IS SUBMITTED TO THE GLO AS PART OF AN APPLICATION REQUEST TO COMMINGLE STATE LEASES.

Process Narrative – CIRCE STATE 28 1H PAD Central Tank Battery

All Wells

Gross production from each well flows from its respective wellsite through a 3-phase flowline to the Circe State 28 1H Central Tank Battery. At the Central Tank Battery, it flows through a dedicated 3-phase separator which meters oil, gas, and water. The water is comingled and stored in tanks. The gas is measured individually and flows to a 3rd party gatherer. The oil is measured individually before being comingled and stored in tanks. Any hydrocarbon liquid collected from gas scrubbers will be sold from the tanks as oil.

Oil

Gross production of oil is measured at the outlet of the dedicated separator using a Coriolis meter. The oil is then comingled and flows to the common tanks where it is sold through a LACT unit to a 3rd party gatherer. The oil is measured by a Coriolis meter. Tank vent emissions are routed to a low-pressure flare and measured using a thermal mass meter.

Gas

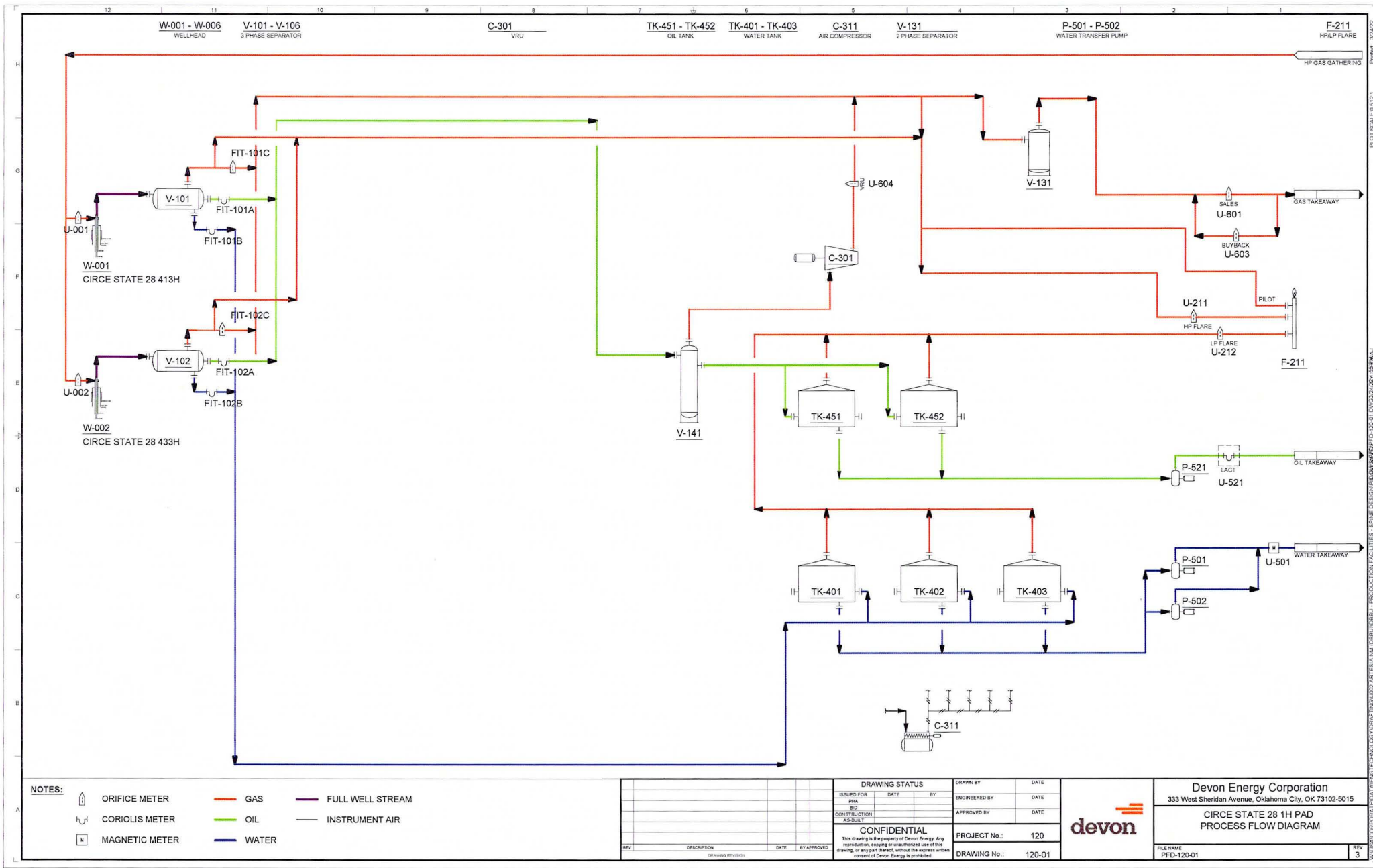
Gross production of the gas is measured at the outlet of the dedicated separator using an orifice meter. It will then flow through a common gas line to a lease custody transfer meter where it will be measured using an orifice meter and gathered by a 3rd party. If the gathering system pressure gets too high the gas will flow through an orifice flare meter and flow to a high-pressure flare. Fuel gas will be bought back from the gathering system and used for all wells. Flare royalties will be paid off a monthly statement using a MMBTU value for each well.

Gas Lift

Lift gas will be metered from the high-pressure gathering system through an individual well injection orifice meter and sent down the well bore.

Water

Gross production of water is measured at the outlet of the dedicated separator using a Coriolis meter. The water is comingled and sent to common storage tanks. The water from the treater is sent to common storage tanks. Tank vent emissions are routed to a low-pressure flare and measured using a thermal mass meter. From the tanks, the water is sent to a pump and measured using a turbine meter. The pump moves the water to a Saltwater Disposal system.





RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

Form P-17A

Rev. 03/2019

APPLICATION FOR COMMINGLE PERMIT PURSUANT TO STATEWIDE RULES 26 AND OR 27

☐ New
☒ Amended Existing Permit
No. 10187
Effective Month/Year of Requested
Exception: 01 / 2023
District 08
County REEVES

SECTION 1. OPERATOR INFORMATION

Operator Name: WPX ENERGY PERMIAN, LLC Operator P-5 No.: 942623

Operator Address: 333 WEST SHERIDAN AVENUE OKC, OK 73102

SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)

Gatherer Name: PLAINS PIPELINE LP Gatherer P-5 No.: 667884

Gatherer Address:

Gatherer E-mail Address:

(Optional – If provided, e-mail address will become part of this public record.)

SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): OIL CASINGHEAD GAS GAS WELL GAS CONDENSATE

- a) Gas well full well stream into common separation and storage facility with liquids reported on Form PR.
b) Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)
c) Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
d) This request is for off lease: Storage Separation Metering
e) ☒ This application is for common storage.
f) This application is for common separation.
g) This application is for casinghead gas metering by: Deduct Metering Allocation by well test Other
h) This application is for gas well gas metering by: Deduct Metering Allocation by well test Other

SECTION 4. COMMINGLING PURSUANT TO §3.26(b) or §3.27(e) – (CHECK ALL THAT APPLY)

a) ☒ The production stream from each tract and each Commission-designated reservoir is measured separately before combining it with a stream from another tract or Commission-designated reservoir.

Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (gas) ☒ Other ALLOCATION

b) The tracts and Commission-designated reservoirs have identical royalty interest and working interest ownership in identical percentages.

Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (gas) Other

SECTION 5. Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Notice may be required; see instructions)

SECTION 6. Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

SECTION 7. For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 8. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
08	293962	☒ Existing Add Delete	CIRCE STATE 28 / PHANTOM (WOLFCAMP)	413H
08	293959	☒ Existing Add Delete	CIRCE STATE 28 / PHANTOM (WOLFCAMP)	433H
		Existing Add Delete		

ATTACH ADDITIONAL PAGES AS NEEDED. ☒ No additional pages Additional pages (# of additional pages)

CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.

Signature Amy A. Brown Title Regulatory Compliance Professional Date 10/05/2023

Operator E-mail Address: amy.brown@dvn.com Operator Phone No. (405) 552-6137

(Optional – If provided, e-mail address will become part of this public record.)

RRC USE ONLY

Commingling Permit No. Approval date: Approved by:



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 10187 Effective Month/Year: 01/2023

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☒ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: CIRCE STATE 28 (MF114284)
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX ENERGY PERMIAN, LLC 333 W. SHERIDAN AVE OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Signature: Amy A. Brown

Date: 10/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@wpx.com

GLO Approval by: _____ Signature: _____ Date: _____

GLO Notes:

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File No. MF114284

County

Gas Lift Approval 10/18/23

Date Filed: 10/26/23

Commissioner Dawn Buckingham, M.D.

By: AA



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

WPX Energy Permian, LLC
Attn: Lou Ann Gruber
3500 One Williams Ctr
Tulsa, OK 74172-0135

Billing Date: 6/17/2024
Billing Due Date: 7/17/2024
Customer Number: C000048105

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00867	MF114284	\$1,652.81	\$0.00	\$184.00	\$115.37	\$1,952.18
Total Due		\$1,652.81	\$0.00	\$184.00	\$115.37	\$1,952.18

Penalty and interest have been calculated thru 6/30/2024. Payment remitted after 6/30/2024 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

WPX Energy Permian, LLC

Billing Date: 6/17/2024

Billing Due Date: 7/17/2024

Customer Number: C000048105

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
24I00867	MF114284	\$1,652.81	\$0.00	\$184.00	\$115.37	\$1,952.18
Total Due		\$1,652.81	\$0.00	\$184.00	\$115.37	\$1,952.18
Amt. Paid						

Customer ID: C000048105
 Invoice Number:
 GLO Lease: MF114284
 GLO Review: WPX ENERGY PERMIAN, LLC
 Review Period: Sept 2022 - Aug 2023

Category Gas
 Auditor/AE: Eric M
 Billing Date: 6/1/2024
 P&I Calculation Date: 6/30/2024
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract 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-22	08-291530	854	1	\$7.439	1	\$6,353.23	\$794.15	\$0.00	\$794.15	593	4.25%	\$79.42	\$49.38	\$922.95
Oct-22	08-291530	877	1	\$4.516	1	\$3,960.83	\$495.10	\$0.00	\$495.10	563	4.25%	\$49.51	\$29.05	\$573.66
Nov-22	08-291530	572	1	\$4.205	1	\$2,405.46	\$300.68	\$0.00	\$300.68	532	8.50%	\$30.07	\$33.12	\$363.87
Jun-23	08-291530	393	1	\$1.280	1	\$503.02	\$62.88	\$0.00	\$62.88	320	8.50%	\$25.00	\$3.82	\$91.70
TOTALS		2,696				\$13,222.55	\$1,652.81	\$0.00	\$1,652.81			\$184.00	\$116.37	\$1,952.18

COMMENTS: BILLING IS FOR UNDERREPORTED VOLUMES FOR RRC ID: 08-283277 08-286372 08-293959 08-293962 08-291530 08-291603

COLUMN (3) UNDERREPORTED VOLUMES REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC
 COLUMNS (5) & (6) AVERAGE PRICE AND BTU REPORTED TO THE GLO ON THE GLO 2'S
 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/trac/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: Zac Zobel zac.zobel@dvsn.com Erin Walker(Admin) erin.walker@dvsn.com

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File No. MF 114 284
County
Recon Billing
Date Filed: 6/18/2024
Commissioner Dawn Buckingham, M.D.
By: VD