

MF114300

UNIT # 7453

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF114300	18-000625	155123	BURLESON

*Survey* COLES JOHN P

*Block*

*Block Name*

*Township*

*Section/Tract*

*Land Part*

TRACT 1

*Part Description*

*Acres*

1025.845

*Depth Below*

*Depth Above*

*Depth Other*  
See Lease

*Name*

CARR RESOURCES INC

*Lease Date*

7/17/2012

*Primary Term*

5 yrs

*Bonus (\$)*

\$1,026,870.85

*Rental (\$)*

\$5.00

*Lease Royalty*

0.2500

TERMINATION

DATE 7/17/14

LEASING tm 1/17/17

MAPS MC

GIS MC

*Leasing:* Sam

*Analyst:* \_\_\_\_\_

*Maps:* \_\_\_\_\_

*GIS:* mc

*DocuShare:* \_\_\_\_\_



**CAUTION**

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

Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

Thank you for your assistance.

Archives and Records Staff



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71712

State Lease Number  
**M- 114300**  
For GLO Use Only



July 17, 2012

**OIL AND GAS LEASE BID APPLICATION**

**APPLICANT AGREEMENT**

I agree, if awarded a lease on the referenced tract, to comply with all terms and conditions of said lease and with all applicable laws that so govern said lease, and as those laws may be amended.

**APPLICANT IDENTIFICATION TO APPEAR ON LEASE** (type/print)

Name: Carr Resources, Inc.  
Address: 305 S. Broadway Ave. Suite 900  
City: Tyler State: Texas Zip: 75702-7307  
(Include +4 Code)  
Telephone: ( 903 ) 597-2336

**AREA DESCRIPTION**

County(ies): Burleson Survey/Area: J. P. Coles (Buffalo Ranch)  
(If Applicable)  
Block/Tsp.: N/A Section/Tract: 1 Acres: 1025.845  
(If Applicable)

**BID SUBMISSION**

(A) Bonus Amount (\$ 1,026,870.85  
One million twenty-six thousand eight hundred seventy dollars and eighty-five cents  
(type/print above)  
(B) Sales Fee Amount (\$ 15,403.06  
Fifteen thousand four hundred three dollars and six cents  
(type/print above)

This Sales Fee is 1½% of the cash bonus as provided in Section 32.110 of the Natural Resources Code as amended.

MGL. NO.  
**1**

**APPLICANT NAME**

Carr Resources, Inc.  
(same as above)

**BONUS AMOUNT ONLY (A)**  
(Do Not include sales fee)

(\$ 1,026,870.85

12714346

**STATE OF TEXAS TAX I.D. #**

[Redacted]  
(must be an 11-digit number)

**SIGNATURE OF AGENT**

*John P. Carr*  
(signature)  
John P. Carr  
(type/print name)

12714347  
15403.06

151049

5.7.12

File No. MF-114300  
Btd Term

Date Filed: 7/17/12  
By: *George Martin*  
Jerry E. Patterson, Commissioner

①

1511349

15114341



*George Martin*

# The State of Texas



## Austin, Texas

OIL AND GAS LEASE  
NO. M-114300

WHEREAS, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

SECTION 1, BEING 2051.69 GROSS ACRES/1025.845 NET MINERAL ACRES, MORE OR LESS, IN THE J.P. COLES SURVEY, A-12, BURLESON CO., TEXAS, BEING CALLED A 2691.69 ACRE TRACT DESCRIBED IN SPECIAL WARRANTY DEED DATED 12/08/1994, FROM TAC REALTY, INC. TO BRAZOS ENTERPRISES, CORP., RECORDED IN VOL. 450, PG. 751, DEED RECORDS, BURLESON CO., SAVE & EXCEPT 640 AC., MORE OR LESS, IN THE J.P. COLES SURVEY, A-12, DESCRIBED AS "TRACT ONE" AND "TRACT TWO" IN A DEED DATED 1/05/1944, FROM H.P. DROUGHT TO JOE VARISCO, RECORDED IN VOL. 89, PG. 358, DEED RECORDS, BURLESON COUNTY, TEXAS, CONTAINING APPROXIMATELY 2051.69 ACRES, AS SHOWN ON THE OFFICIAL MAP OF BURLESON COUNTY, TEXAS NOW ON FILE IN THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS (SEE EXHIBIT "A" FOR SURFACE USE RESTRICTIONS),

was, after being duly advertised, offered for lease on the 17<sup>th</sup> day of July, 2012, at 10:00 o'clock a.m., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 17<sup>th</sup> day of July, 2012, hereinafter the "effective date" and it was found and determined that CARR RESOURCES, INC. whose address is 305 S. BROADWAY AVENUE, SUITE 900, TYLER, TEXAS 75702-7307 had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor," whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of **One Million Twenty-Six Thousand Eight Hundred Seventy and 85/100 Dollars (\$1,026,870.85)**, receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto the above mentioned bidder the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. **RESERVATION:** There is hereby excepted and reserved to Lessor: the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted, and to the extent herein granted to Lessee; the right to grant third parties seismic, geophysical and geological permits and to enter into other agreements with third parties, which allow such third parties to conduct geophysical, geological or seismic surveys on, over, under, through and across the land covered herein during the term of this lease; and the rights of ingress and egress and use of said lands by Lessor and its mineral lessees for purposes of exploring for and producing the minerals which are not covered, or which may not be covered in the future, under the terms of this lease, but which may be located within the surface boundaries of the leased area. All of the rights in and to the leased premises retained by Lessor and all of the rights in and to the leased premises granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. **TERM:** Subject to the other provisions hereof, this lease shall be for a term of **five (5) years** from the effective date hereof (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

3. **DELAY RENTALS:** If no well is commenced on the land hereby leased on or before the anniversary date of this lease, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the amount specified in the following schedule multiplied by the number of acres in the premises, which shall operate as a rental and cover the privilege of deferring the commencement of a well for **twelve (12) months** from said date. In like manner and upon payments or tenders of amounts set out in the following schedule, the commencement of a well may be further deferred for a like period of the same number of months.

<u>Anniversary Date</u>	<u>Delay Rental per Acre</u>
First	\$ 5.00
Second	\$ 5.00
Third	\$25.00
Fourth	\$25.00

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

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

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

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

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

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

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

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

(G) **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 anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

(H) **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 to Lessor in no event shall be less than an amount equal to \$5.00 per acre; 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 \$5.00 per acre less the amount of royalties paid during the preceding year.

(I) **MARGINAL PRODUCTION ROYALTY:** Upon Lessee's written application, the School Land Board may reduce the royalty rate set out in this paragraph and/or the minimum royalty set out in subparagraph 4 (I) to extend the economic life of this lease and encourage recovery of oil or gas that might otherwise remain unrecovered. Any such royalty reduction must conform to the requirements of any School Land Board administrative rules on this subject. Royalty may not be reduced below the applicable statutory minimum.

**5. 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 accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

**6. (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) 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 survey date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall 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.

**7. 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 11 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 Natural Resources Code Sections 52.151-52.153, 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. Within 90 days of a partial termination of this lease in accordance with this subparagraph and upon payment of the minimum filing fee set by General Land Office rules in effect at the time of the partial termination, Lessee shall have the right to obtain a surface lease for ingress and egress on and across the terminated portion of the leased premises as may be reasonably necessary for the continued operation of

the portions of the lease remaining in force and effect. If Lessee fails to apply for a surface lease within the 90 day period specified above, Lessee may apply for a surface lease from the Land Office, but the Land Commissioner has the discretion to grant or deny such application and to set the fee for such surface lease.

**(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 7 (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 School Land Board. 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. 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.

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

**9. 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 10, using the expiration of the primary term as the date of cessation of production under Paragraph 10. 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.

**10. 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.

**11. 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 \$10.00 per acre, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce 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. 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.

**12. 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 to the Commissioner 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 in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 5 of this lease.

**13. EXTENSIONS:** If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars (\$3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars (\$6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional thirty (30) day period and so long thereafter as oil or gas is produced in paying quantities; provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

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

production therefrom, such use to be conducted under conditions of least injury to the surface of the land. Lessee shall pay surface damages in an amount set by the General Land Office fee schedule which is effective on the date when the activity requiring the payment of surface damages occurs.

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

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

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

**(C) RIVERS:** To the extent necessary to prevent pollution, the provisions found in subsections (a) and (b) of this paragraph shall also apply to rivers and riverbeds.

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

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

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

**18. RELEASES:** Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such relinquishment or certified copy thereof. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

**19. LIEN:** In accordance with N.R.C. Section 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 N.R.C. Section 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, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's 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.

**20. FORFEITURE:** If Lessee shall fail or refuse to make the payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this 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 to the highest bidder, under the same regulations controlling the original sale of leases. 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.

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

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

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

**24. FORCE MAJEURE:** Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented,

Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board); and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to abridge Lessee's right to a suspension under any applicable statute of this State.

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

**26. 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 in accordance with Natural Resources Code Sections 52.151-52.153, 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.

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

**28. ANTIQUITIES CODE:** In the event that any feature of archeological or historical interest on Permanent School Fund Land is encountered during the activities authorized by this lease, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN: Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78711) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (Vernon 1993 & Supp. 1998). On state-owned land not dedicated to the Permanent School Fund, lessee shall notify the Texas Historical Commission before breaking ground at a project location. An archaeological survey might be required by the commission before construction of the project can commence. Further, in the event that any site, object, location, artifact or other feature of archaeological, scientific, educational, cultural or historic interest is encountered during the activities authorize by this lease, lessee will immediately notify lessor and the Texas Historical Commission so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate.

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

**30. LEASE FILING:** Pursuant to Chapter 9 of the Tex. Bus. & Com. 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. The prescribed filing fee shall accompany the certified copies sent to the General Land Office.

31. 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.

LESSEE \_\_\_\_\_  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office.

COMMISSIONER OF THE GENERAL LAND OFFICE  
OF THE STATE OF TEXAS

APPROVED

Contents \_\_\_\_\_  
Legal \_\_\_\_\_  
DC \_\_\_\_\_  
Exec \_\_\_\_\_

STATE OF \_\_\_\_\_

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_  
known to me to be the person whose name is subscribed to the foregoing instrument, as \_\_\_\_\_ of  
\_\_\_\_\_ and acknowledged to me that he executed the same  
for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_

STATE OF \_\_\_\_\_

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF \_\_\_\_\_

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_  
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.

Given under my hand and seal of office this the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_

## Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated July 17, 2012, by and between the State of Texas and Carr Resources, Inc., covering lands in Burleson County, Texas

Operational Procedures effective during the term of the existing Surface Lease or its renewal or replacement lease by and between the General Land Office and Texas Department of Criminal Justice.

1. Lessee shall coordinate with the General Land Office and the Texas Department of Criminal Justice (TDCJ) Agribusiness, Land and Minerals Office with respect to the notice required to the Texas Historical Commission before commencing operations on state owned land per §191.0525 of the Natural Resources Code and pursuant to Section 28 of this Oil and Gas Lease. Under the Antiquities Code of Texas, state agencies and political subdivisions of the State are required to contact the Texas Historical Commission relative to actions on public lands in the State of Texas.

Lessee shall provide the Texas Historical Commission with sufficient information to identify historic properties such as archeological sites, buildings, structures, objects or districts in the project area. A copy of the *Information Request* form for the specific type of information requested is available from TDCJ. The form also indicates the information that should be considered to help determine Lessee's Project's Area of Potential Effect and the types of historical resources that may be present in such project area.

2. A copy of all Railroad Commission forms and filings, along with a company contact name and phone number, must be sent to the TDCJ Agribusiness, Land and Minerals Office, 2405 Ave I Ste. E, Huntsville, TX 77342.
3. All water wells are to be drilled by licensed drillers. Documentation supporting this must be sent to TDCJ Agribusiness, Land and Minerals at the above address.
4. Lessee shall notify the TDCJ Agribusiness, Land and Minerals Office seven (7) days prior to commencing drilling operations or any other surface disturbing operations, including but not limited to geophysical surveys, pipeline installation, and construction of production facilities at (936) 437-5418 or its replacement number.
5. Lessee shall contact the TDCJ Unit Warden or Farm Manager for a Location Approval Meeting to designate drilling sites, road proposals, and any other necessary changes that may affect the site.
6. Lessee shall submit a copy of the survey and maps locating the well, along with any title opinions obtained to the TDCJ Agribusiness, Land and Minerals Office and the General Land Office.
7. **Thirty (30) days in advance of operations, Lessee shall submit a list of personnel that will be entering the property, along with their drivers license and Social Security numbers, to Cherrel Langley by email to [cherrel.langlev@tdcj.state.tx.us](mailto:cherrel.langlev@tdcj.state.tx.us) or her replacement or fax to (936) 437-5437 or its replacement number. A background check will be run on each individual prior to authorization to enter the property. The Unit Warden will make final approval of all who can enter the property. (Social Security numbers are required and shall be kept confidential to the extent allowed by law.)**
8. Lessee shall submit model, make and license plate numbers of all vehicles to be utilized on the Unit to the Unit Warden.

9. Lessee shall be responsible for building a suitable fence, capable of turning cattle, around any well site drilled under the lease.
10. No firearms, alcohol, tobacco or illegal drugs are permitted to be carried onto leased premises.
11. Lessee shall keep all reserve pits to a minimum size and clean from debris. Disposal of oil and gas wastes by landfarming shall not be permitted. These wastes include, but are not limited to: saltwater, other mineralized water, sludge, drilling fluids, cuttings, waste oil, completion fluids and other liquid, semi-liquid, or solid waste material; sands and silts obtained while using water base drilling fluids; wash water used for cleaning drill pipe and other equipment at the well site; waste generated in connection with activities associated with gasoline plants, natural gas or natural gas liquids processing plants, pressure maintenance plants, or repressurizing plants unless that waste is associated with the exploration, development, and production of oil or gas or geothermal resources.
12. Lessee shall pay TDCJ for damages caused by its operations, including operations performed by its agents and contractors, to all TDCJ property, improvements, livestock, timber, crops and irrigation equipment on said lands, the amount of which will be assessed by the Farm Manager or Unit Warden and his/her designee, in coordination with TDCJ Agribusiness, Land and Minerals. Subject to Lessee's obligation to pay damages for drilling and operating wells and transporting and marketing the production therefrom, such operations must be conducted in a manner that causes least injury to the surface of the land.
13. Lessee shall remove all debris resulting from its operations, such as paper, cans, wire, flagging and other refuse on the leased premises.
14. Vehicles shall be driven on roads at all times possible. Gates shall be properly closed and under no condition will it be permissible to drive a vehicle through any fence. All vehicles shall be locked at all times. **All personal belongings (i.e., clothes, tools, etc.) shall be locked up inside the vehicles at all times.**
15. The speed of all vehicles shall be held at a reasonable and/or posted rate. Reasonable precautions must be taken when driving near livestock.
16. Vehicular and foot travel shall be confined to graded and surfaced roads during periods when excessive damage to vegetation crops and rutting of the land surface could result.
17. When entering plowed fields, drive parallel to crop rows. Lessee and its contractors may not drive through inmate work and field crews.
18. TDCJ, at its discretion, will be allowed to have a representative with each crew during operations herein permitted.
19. After the drilling operations are completed, regardless if the well is a producer or non-producer, Lessee shall restore the site as nearly as is practicable to its original condition. Excess water from reserve pits shall be tested for chlorine concentration and removed from the site pursuant to the requirements of the TDCJ and in accordance with the rules and regulations of the Texas Railroad Commission.
20. If this lease has been assigned to another company, Lessee shall provide the name and address of that company to the address listed above within thirty days of such assignment. If Lessee fails to comply with the rules, regulations and instructions, the General Land Office shall have the right, at its option, to forfeit this lease in its entirety in accordance with the terms of Paragraph 20 (Forfeiture) of the lease.

21. Lessee shall reasonably accommodate any irrigation equipment and facilities existing on the leased premises.

File No. MF-114300 2.  
Oil and Gas Lease

Date Filed: 8/8/12  
Jerry E. Patterson, Commissioner  
By: George Martin

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 8, 2012

Mr. John P. Carr  
Carr Resources, Inc.  
305 S. Broadway Avenue, Suite 900  
Tyler, Texas 75702-7307

Dear Mr. Carr:

Thank you for participating in the General Land Office Oil and Gas Lease Sale held on July 17, 2012. I am pleased to inform you that Carr Resources, Inc. was the high bidder on **MGL. No. 1**, which has been assigned the lease number **M-114300**.

State Lease M-114300 is enclosed and serves as your receipt for your bid. This lease form must be fully executed by the lessee, and then recorded in the County Clerk's office of the county or counties in which lands covered by the lease are located. After signing and recording the lease, please submit a certified copy of the recorded lease to the attention of the undersigned. These requirements are material provisions of the lease; therefore, please return the certified copy at your earliest convenience.

The lessee's other contractual and statutory responsibilities are outlined in the lease agreement, such as Section 6(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 submit copies of these forms to the General Land Office, such as Forms W-1, Application to Drill; W-2, Oil Well Completion Report and Log; G-1, Gas Well Completion Report and Log; W-3, Plugging Record; 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.

Please let me know if you have any questions or need any additional information.

Sincerely,

Robert B. Hatter, Director  
Mineral Leasing Division

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](http://www.glo.state.tx.us)

(3)

File No. MF-114300  
Transmittal Letter

Date Filed: 8/8/12  
Jerry E. Patterson, Commissioner  
By: George Martin

SCOTT, DOUGLASS  
& McCONNICO, L.L.P.  
ATTORNEYS AT LAW

July 1, 2013

**VIA HAND-DELIVERY**

Mr. Daryl Morgan  
Texas General Land Office  
Energy Resources/Mineral Leasing  
1700 N. Congress Avenue, Suite 840  
Austin, TX 78701-2589

In re: Amendment of State Lease No. M-114300 and No. M-114301, Burleson County, Texas

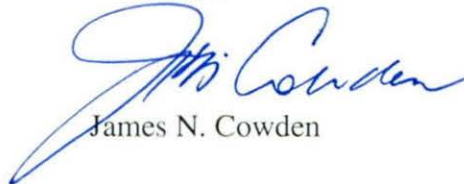
Dear Mr. Morgan:

Enclosed with this letter are duplicate originals of the proposed amendments to State Lease No. M-114300 and No. M-114301. I would appreciate it if you would have the Commissioner execute each of the duplicate originals, and when they are ready, I will have someone from our office pick them up. We will then forward them to Carr Resources, Inc. for its execution.

For your information, I will be out of the office most of the month of July, and I would appreciate it if you would also notify Mr. Whitworth upon execution of the amendments by the Commissioner.

Thank you for your help.

Sincerely yours,



James N. Cowden

Enclosures

cc: Mr. Flip Whitworth  
Carr Resources, Inc. – ATTN.: Mr. John Carr

JNC:bec

1005788

(5)

File No. M-114300  
Ltr. from Jim Cowden

Date Filed: 7/1/13  
Jerry E. Patterson, Commissioner

By     *JP*

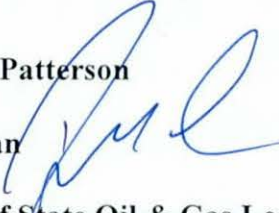


# MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

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**TIME SENSITIVE: Action Required by: (July 9, 2013)**

**DATE:** July 2, 2013  
**TO:** Commissioner Patterson  
**FROM:** J. Daryl Morgan   
**SUBJECT:** Amendments of State Oil & Gas Leases for signature

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**SUMMARY:** Attached for your signature are duplicate originals of two Amendments of State Oil and Gas Lease that amend the property description and add a lesser estate clause to State Leases M-114300 and M-114301.

**DETAILS:** State leases M-114300 and M-114301 (“Leases”) were awarded at the July 17, 2012, Oil and Gas Lease Sale and cover Sections 1 and 2 of the Buffalo Ranch in Burlson County, Texas. Buffalo Ranch was acquired by the State for its surface rights, which are leased to TDCJ however the State did receive a partial mineral interest and executive rights. The amendment deletes the reference to “net mineral acres” in the description and expresses the State’s intention to lease all of its mineral interest and to exercise all of its executive rights. It also adds a lesser estate clause. Minerals Leasing staff and the Legal Services Division have reviewed the Amendments and recommend that the changes be made to the Leases.

**Recommendation:** Please sign and return to Daryl Morgan in Energy Resources (5-9106).

**Attachment:** Four Amendments of State Oil and Gas Leases

**Thru:** LaNell Aston

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File No. M-114300  
Memo to Comm. SS. One

Date Filed: 7/15/13

Jerry E. Patterson, Commissioner

By [Signature]



July 15, 2013

Mr. James N. Cowden  
Scott, Douglas & McConnico, L.L.P.  
One American Center  
600 Congress Avenue, 15<sup>th</sup> Floor  
Austin, Texas 78701-2589

Re: Amendment of State Oil and Gas Leases  
State Lease Nos. M-114300 and M-114301  
Burlison County, Texas

Dear Mr. Cowden:

Enclosed are duplicate originals of the referenced Amendment of State Oil and Gas Leases that have been signed by Jerry E. Patterson, Commissioner of the Texas General Land Office.

Please have the Amendments signed and acknowledged by a duly authorized representative of Carr Resources, Inc. After they have been signed, please return one of the originals of each for filing in our records and have the other originals filed of record in Burlison County, Texas.

Thank you for your assistance in this regard and please let me know if you have any questions.

Sincerely,

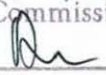
J. Daryl Morgan, CPL  
Energy Resources Division  
(512) 305-9106

Enclosures

(7)

File No. M-114300  
Ltr. to Jim Cowden

Date Filed: 7/15/17  
Jerry E. Patterson, Commissioner

By 



# The State of Texas

## Austin, Texas

OIL AND GAS LEASE  
NO. M-114390

WHEREAS, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

SECTION 1, BEING 2651.69 GROSS ACRES/912.646 NET MINERAL ACRES, MORE OR LESS, IN THE J.P. COLLS SURVEY, A-12, BURLINSON CO., TEXAS, BEING CALLED A 2651.69 ACRE TRACT DESCRIBED IN SPECIAL WARRANTY DEED DATED 12/08/1994, FROM TAC REALTY, INC. TO BRAZOS ENTERPRISES, CO,LP, RECORDED IN VOL. 489, PG. 751, DEED RECORDS, BURLINSON CO., SAYE & EXCEPT 640 AC., MORE OR LESS, IN THE J.P. COLLS SURVEY, A-12, DESCRIBED AS "TRACT ONE" AND "TRACT TWO" IN A DEED DATED 1/05/1994, FROM H.P. BROUGHT TO JOE VARISSO, RECORDED IN VOL. 89, PG. 354, DEED RECORDS, BURLINSON COUNTY, TEXAS, CONTAINING APPROXIMATELY 2651.69 ACRES, AS SHOWN ON THE OFFICIAL MAP OF BURLINSON COUNTY, TEXAS NOW ON FILE IN THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS (SEE EXHIBIT "A" FOR SURFACE USE RESTRICTIONS).

was, after being duly advertised, offered for lease on the 17<sup>th</sup> day of July, 2012, at 10:00 o'clock a.m., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area, and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 17<sup>th</sup> day of July, 2012, hereinafter the "effective date" and it was found and determined that CARR RESOURCES, INC., whose address is 305 S. BROADWAY AVENUE, SUITE 900, TYLER, TEXAS 75702-7307 had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon.

NOW, THEREFORE, I, Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor," whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of One Million Twenty-Six Thousand Eight Hundred Seventy and 85/100 Dollars (\$1,026,870.85), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto the above mentioned bidder the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. **RESERVATION:** There is hereby excepted and reserved to Lessor, the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted, and to the extent herein granted to Lessee, the right to grant third parties seismic, geophysical and geological permits and to enter into other agreements with third parties, which allow such third parties to conduct geophysical, geological or seismic surveys on, over, under, through and across the land covered herein during the term of this lease, and the rights of ingress and egress and use of said lands by Lessor and its mineral lessees for purposes of exploring for and producing the substances which are not covered, or which may not be covered in the future, under the terms of this lease, but which may be located within the surface boundaries of the leased area. All of the rights in and to the leased premises retained by Lessor and all of the rights in and to the leased premises granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. **TERM:** Subject to the other provisions hereof, this lease shall be for a term of five (5) years from the effective date hereof (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

3. **DELAY RENTALS:** If no well is commenced on the land hereby leased on or before the anniversary date of this lease, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the amount specified in the following schedule multiplied by the number of acres in the premises, which shall operate as a rental and cover the privilege of delaying the commencement of a well for twelve (12) months from said date. In like manner and upon payments or tenders of amounts set out in the following schedule, the commencement of a well may be further deferred for a like period of the same number of months.

Anniversary Date	Delay Rental Per Acre
First	\$ 5.00
Second	\$ 5.00
Third	\$25.00
Fourth	\$25.00

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

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

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

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

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

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

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

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

(G) **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 anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

(H) **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 to Lessor in no event shall be less than an amount equal to \$5.00 per acre; 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 \$5.00 per acre less the amount of royalties paid during the preceding year.

(I) **MARGINAL PRODUCTION ROYALTY:** Upon Lessee's written application, the School Land Board may reduce the royalty rate set out in this paragraph and/or the minimum royalty set out in subparagraph 4 (I) to extend the economic life of this lease and encourage recovery of oil or gas that might otherwise remain unrecovered. Any such royalty reduction must conform to the requirements of any School Land Board administrative rules on this subject. Royalty may not be reduced below the applicable statutory minimum.

**5. 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% of the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

**6. (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) **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 shut date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall 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.

**7. 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 11 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 Natural Resources Code Sections 52.151-52.153, 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. Within 90 days of a partial termination of this lease in accordance with this subparagraph and upon payment of the minimum filing fee set by General Land Office rules in effect at the time of the partial termination, Lessee shall have the right to obtain a surface lease for ingress and egress on and across the terminated portion of the leased premises as may be reasonably necessary for the continued operation of

the portions of the lease remaining in force and effect. If Lessee fails to apply for a surface lease within the 90 day period specified above, Lessee may apply for a surface lease from the Land Office, but the Land Commissioner has the discretion to grant or deny such application and to set the fee for such surface lease.

(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 (Densimeter "deep depth") in each well located on acreage retained in Paragraph 7 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays the amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereto). 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 School Land Board. 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 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. 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 recommissioned 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.

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

9. 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 hereunder, 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 commencing additional drilling or reworking operations pursuant to Paragraph 10, using the expiration of the primary term as the date of cessation of production under Paragraph 10. 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 go into termination. 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.

10. 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 royalty 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 commences 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.

11. 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 \$16.00 per acre, but not less than \$1,200.00 a year for each well capable of producing oil or gas in paying quantities. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 90 days after Lessee commences a drilling or reworking operation in accordance with the lease provisions, whichever date is later. 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.

12. 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 to the Commissioner 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 to an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period, and none of these provisions shall relieve Lessee of the obligation of reasonable development or the obligation to drill offset wells as provided in N.R.C. Section 52.034. However, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 5 of this lease.

13. EXTENSIONS: If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars (\$3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars (\$6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities, provided further, that Lessee may, so long as such drilling operations are being conducted under the application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional thirty (30) day period and so long thereafter as oil or gas is produced in paying quantities, provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

14. USE OF WATER: SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use portable water or water suitable for livestock or irrigation purposes for water food operations without the prior written consent of Lessee. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the

production therefrom, such use to be conducted under conditions of least injury to the surface of the land. Lessee shall pay surface damages in an amount set by the General Land Office fee schedule which is effective on the date when the activity requiring the payment of surface damages occurs.

15. **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 pollutants and shall be responsible for all damage to public and private properties.

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

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

(C) **RIVERS:** To the extent necessary to prevent pollution, the provisions found in subsections (a) and (b) of this paragraph shall also apply to rivers and riverbeds.

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

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

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

18. **RELEASES:** Lessee may relinquish the rights granted hereunder to the State at any time by executing the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such relinquishment or certified copy thereof. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

19. **LIEN:** In accordance with N.R.C. Section 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 N.R.C. Section 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 Lessee 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, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's 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.

20. **FORFEITURE:** If Lessee shall fail or refuse to make the payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this 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 to the highest bidder, under the same regulations controlling the original sale of leases. 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. Forfeiture 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.

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

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

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

24. **FORCE MAJEURE:** Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented,

Lessor's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board) and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to strip Lessee's right to a suspension under any applicable statute of this State.

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

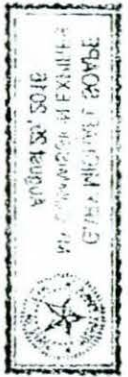
26. REDUCTION OF PAYMENTS: If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board in accordance with Natural Resources Code Sections 52.151-52.153, or if, at any time after the expiration 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 pooled and covered by this lease.

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

28. ANTIQUITIES CODE: In the event that any feature of archaeological or historical interest on Proposed School Fund Land is encountered during the activities authorized by this lease, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN: Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78713) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (Venon 1993 & Supp. 1998). On state-owned land not dedicated to the Permanent School Fund, Lessee shall notify the Texas Historical Commission before breaking ground at a project location. An archaeological survey might be required by the commissioner before construction of the project can commence. Further, in the event that any site, object, location, artifact or other feature of archaeological, scientific, educational, cultural or historic interest is encountered during the activities authorized by this lease, Lessee will immediately notify Lessor and the Texas Historical Commission so that adequate measures may be undertaken to protect and recover such discoveries or findings, as appropriate.

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

30. LEASE FILING: Pursuant to Chapter 9 of the Tex. Bus. & Com. 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. The prescribed filing fee shall accompany the certified copies sent to the General Land Office.



31. 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.

CARR RESOURCES, INC.  
LESSEE

BY: John P. Carr

TITLE: President

DATE: September 10, 2012

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office.



STATE OF \_\_\_\_\_

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_

known to me to be the person whose name is subscribed to the foregoing instrument, as \_\_\_\_\_ of

\_\_\_\_\_ and acknowledged to me that he executed the same

for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

Notary Public in and for \_\_\_\_\_

STATE OF Texas

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF Smith

Before me, the undersigned authority, on this day personally appeared John P. Carr

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.

Given under my hand and seal of office this the 10th day of September, 2012.

Notary Public in and for \_\_\_\_\_



Gary Michael Soape

## Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated July 17, 2012, by and between the State of Texas and Carr Resources, Inc., covering lands in Burleson County, Texas

Operational Procedures effective during the term of the existing Surface Lease or its renewal or replacement lease by and between the General Land Office and Texas Department of Criminal Justice.

1. Lessee shall coordinate with the General Land Office and the Texas Department of Criminal Justice (TDCJ) Agribusiness, Land and Minerals Office with respect to the notice required to the Texas Historical Commission before commencing operations on state owned land per §191.0525 of the Natural Resources Code and pursuant to Section 28 of this Oil and Gas Lease. Under the Antiquities Code of Texas, state agencies and political subdivisions of the State are required to contact the Texas Historical Commission relative to actions on public lands in the State of Texas.

Lessee shall provide the Texas Historical Commission with sufficient information to identify historic properties such as archeological sites, buildings, structures, objects or districts in the project area. A copy of the *Information Request* form for the specific type of information requested is available from TDCJ. The form also indicates the information that should be considered to help determine Lessee's Project's Area of Potential Effect and the types of historical resources that may be present in such project area.

2. A copy of all Railroad Commission forms and filings, along with a company contact name and phone number, must be sent to the TDCJ Agribusiness, Land and Minerals Office, 2405 Ave I Ste. E, Huntsville, TX 77342.
3. All water wells are to be drilled by licensed drillers. Documentation supporting this must be sent to TDCJ Agribusiness, Land and Minerals at the above address.
4. Lessee shall notify the TDCJ Agribusiness, Land and Minerals Office seven (7) days prior to commencing drilling operations or any other surface disturbing operations, including but not limited to geophysical surveys, pipeline installation, and construction of production facilities at (936) 437-5418 or its replacement number.
5. Lessee shall contact the TDCJ Unit Warden or Farm Manager for a Location Approval Meeting to designate drilling sites, road proposals, and any other necessary changes that may affect the site.
6. Lessee shall submit a copy of the survey and maps locating the well, along with any title opinions obtained to the TDCJ Agribusiness, Land and Minerals Office and the General Land Office.
7. **Thirty (30) days in advance of operations, Lessee shall submit a list of personnel that will be entering the property, along with their drivers license and Social Security numbers, to Cherrel Langley by email to [cherrel.langley@tdcj.state.tx.us](mailto:cherrel.langley@tdcj.state.tx.us) or her replacement or fax to (936) 437-5437 or its replacement number. A background check will be run on each individual prior to authorization to enter the property. The Unit Warden will make final approval of all who can enter the property. (Social Security numbers are required and shall be kept confidential to the extent allowed by law.)**
8. Lessee shall submit model, make and license plate numbers of all vehicles to be utilized on the Unit to the Unit Warden.

9. Lessee shall be responsible for building a suitable fence, capable of turning cattle, around any well site drilled under the lease.
10. No firearms, alcohol, tobacco or illegal drugs are permitted to be carried onto leased premises.
11. Lessee shall keep all reserve pits to a minimum size and clean from debris. Disposal of oil and gas wastes by landfarming shall not be permitted. These wastes include, but are not limited to: saltwater, other mineralized water, sludge, drilling fluids, cuttings, waste oil, completion fluids and other liquid, semi-liquid, or solid waste material; sands and silts obtained while using water base drilling fluids; wash water used for cleaning drill pipe and other equipment at the well site; waste generated in connection with activities associated with gasoline plants, natural gas or natural gas liquids processing plants, pressure maintenance plants, or repressurizing plants unless that waste is associated with the exploration, development, and production of oil or gas or geothermal resources.
12. Lessee shall pay TDCJ for damages caused by its operations, including operations performed by its agents and contractors, to all TDCJ property, improvements, livestock, timber, crops and irrigation equipment on said lands, the amount of which will be assessed by the Farm Manager or Unit Warden and his/her designee, in coordination with TDCJ Agribusiness, Land and Minerals. Subject to Lessee's obligation to pay damages for drilling and operating wells and transporting and marketing the production therefrom, such operations must be conducted in a manner that causes least injury to the surface of the land.
13. Lessee shall remove all debris resulting from its operations, such as paper, cans, wire, flagging and other refuse on the leased premises.
14. Vehicles shall be driven on roads at all times possible. Gates shall be properly closed and under no condition will it be permissible to drive a vehicle through any fence. All vehicles shall be locked at all times. **All personal belongings (i.e., clothes, tools, etc.) shall be locked up inside the vehicles at all times.**
15. The speed of all vehicles shall be held at a reasonable and/or posted rate. Reasonable precautions must be taken when driving near livestock.
16. Vehicular and foot travel shall be confined to graded and surfaced roads during periods when excessive damage to vegetation crops and rutting of the land surface could result.
17. When entering plowed fields, drive parallel to crop rows. Lessee and its contractors may not drive through inmate work and field crews.
18. TDCJ, at its discretion, will be allowed to have a representative with each crew during operations herein permitted.
19. After the drilling operations are completed, regardless if the well is a producer or non-producer, Lessee shall restore the site as nearly as is practicable to its original condition. Excess water from reserve pits shall be tested for chlorine concentration and removed from the site pursuant to the requirements of the TDCJ and in accordance with the rules and regulations of the Texas Railroad Commission.
20. If this lease has been assigned to another company, Lessee shall provide the name and address of that company to the address listed above within thirty days of such assignment. If Lessee fails to comply with the rules, regulations and instructions, the General Land Office shall have the right, at its option, to forfeit this lease in its entirety in accordance with the terms of Paragraph 20 (Forfeiture) of the lease.

21. Lessee shall reasonably accommodate any irrigation equipment and facilities existing on the leased premises.

Filed for Record in:  
Burleson County

On: Nov 20, 2012 at 02:34P

As an Official Public Records

Document Number: 00004896

Amount 48.00

Receipt Number - 83621

By:  
Katie Bradshaw

STATE OF TEXAS COUNTY OF BURLESON  
I hereby certify that this instrument  
was filed on the date and time  
stamped hereon by me and was duly  
recorded in the volume and page of  
the named records of:  
Burleson County  
As stamped hereon by me.

Nov 20, 2012

Anna L. Schielack  
Burleson County Clerk

File No. MF114300 (8)

Recorded lease (non-certified)

Date Filed: 07/16/2013

Jerry E. Patterson, Commissioner

By [Signature]

2013

(P)

121

**BRW LAND SERVICES INC.  
DBA WILSON LAND SERVICES INC.**

PH. (903) 531-0201  
305 S. BROADWAY AVENUE, SUITE 901  
TYLER, TX 75702

13714007 1252

DATE July 15, 2013

PAY  
TO THE  
ORDER OF

State of Texas

\$ ~~5,129.23~~

Five Thousand One Hundred Twenty Nine <sup>23</sup>/<sub>100</sub>

DOLLARS

	<u>State of Texas</u>		
	<u>Leases MF114300</u>		
	<u>Rentals</u>		

THIS CHECK IS DELIVERED FOR PAYMENT ON THE ACCOUNTS LISTED

Tracy A. Wilson

MP

**AustinBank**  
www.austinbank.com Member FDIC  
Tyler, Texas 75702

BRW Land Services dba  
WILSON LAND SERVICES  
305 South Broadway, Suite 901  
Tyler, Texas 75702  
(903) 531-0201

July 15, 2013

The State of Texas  
General Land Commissioner Office  
Attn: Harriet Dunne  
1700 N. Congress Ave. Suite 840  
Austin, Texas 78701-1495

Dear Harriet

The State of Texas has entered into an Oil and Gas lease with Carr Resources Inc., recorded in Volume 879 Page 527 of the Official Records of Burleson County, Texas (copy of said Lease has been provided). Under the terms of said lease a Delay Rental Payment is due on or before the Anniversary Date of said lease.

Enclosed you will find a check in the amount of \$5,129.23 from BRW Land Services Inc. dba Wilson Land Services who is a partner of Carr Resources. This check is for the full amount of the first year Delay Rental Payment covering the oil, gas and mineral lease between Carr Resources Inc., as lessor and The State of Texas as lessee. Said payment has been calculated for the first year delay rentals at \$5.00 per net acre. ( $\$5.00 \times 1025.845 \text{ Net Acres} = \$5,129.23$ )

There are 2 copies of this letter please sign both copies, keep one for your records and return the other signed copy.

I acknowledge that I have receive a Delay Rental Payment in the amount of \$5,129.23 for the said lease herein reference and a copy of said lease is attached.



Signature 7.16.13 Date  
Printed Name

RECEIVED  
7.16.13

File No. MF114300

⑨

Rental - 2<sup>nd</sup> year

Date Filed: 07/16/2013

Jerry E. Patterson, Commissioner

By 

SCOTT, DOUGLASS  
& McCONNICO, L.L.P.  
ATTORNEYS AT LAW

July 19, 2013

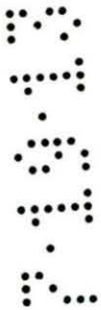
**VIA HAND DELIVERY**

Daryl Morgan  
General Land Office  
1700 N. Congress Avenue, Room 840  
Austin, TX 78701

In Re: Amendment of State Oil & Gas Leases, Buffalo Ranch, State Lease Nos. M-114300 and M-114301, Bureson County, Texas

Dear Daryl:

You will find enclosed an original, fully executed Amendment of State Oil & Gas Lease for each of the two Buffalo Ranch leases referenced above. You will recall that Commissioner Patterson had signed these amendments on behalf of the State of Texas. The enclosed originals have been executed by a duly authorized representative of Carr Resources, Inc. Please let me know if you have any questions.



Very truly yours,

H. Philip Whitworth  
Attorney for Carr Resources, Inc.

HPW:map

Enclosures

cc: John Carr, *via email*

1011384

File No. M-114300  
Ltr. From Flip Whitworth

Date Filed: 7/19/13

Jerry E. Patterson, Commissioner

By *[Signature]*

5.13.13

AMENDMENT OF STATE OIL AND GAS LEASE

STATE OIL AND GAS LEASE NO. M-114300

STATE OF TEXAS

§

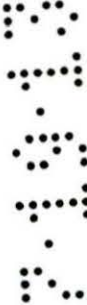
COUNTY OF BURLESON

§

THIS Amendment of State Oil and Gas Lease is made and entered into by and between Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas, as Lessor, and Carr Resources, Inc., hereinafter referred to as "Lessee", witnesseth:

WHEREAS, by Oil and Gas Lease dated July 17, 2012, recorded in Volume 879, Page 527 of the Official Public Records of Burleson County, Texas, and pursuant to the Texas Natural Resources Code Chapters 32, 33, 51 and Chapter 52, Subchapters A-D and H, Lessor leased the following described land to Carr Resources, Inc. under State Lease No. M-114300 ("Lease"):

SECTION 1 BEING 2051.69 GROSS ACRES/1025.845 NET MINERAL ACRES, MORE OR LESS, IN THE J.P. COLES SURVEY, A-12, BURLESON CO., TEXAS, BEING CALLED A 2691.69 ACRE TRACT DESCRIBED IN SPECIAL WARRANTY DEED DATED 12/08/1994, FROM TAC REALTY, INC. TO BRAZOS ENTERPRISES CORP., RECORDED IN VOL. 450, PG. 751, DEED RECORDS, BURLESON CO., SAVE & EXCEPT 640 AC., MORE OR LESS, IN THE J.P. COLES SURVEY, A-12, DESCRIBED AS "TRACT ONE" AND "TRACT TWO" IN A DEED DATED 1/05/1944, FROM H.P. DROUGHT TO JOE VARISCO RECORDED IN VOL. 89, PG. 358., DEED RECORDS, BURLESON COUNTY, TEXAS, CONTAINING APPROXIMATELY 2051.69 ACRES, AS SHOWN ON THE OFFICIAL MAP OF BURLESON COUNTY, TEXAS NOW ON FILE IN THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS (SEE EXHIBIT "A" FOR SURFACE USE RESTRICTIONS).



WHEREAS, it is the desire of both Lessor and Lessee to amend said Lease to correct the legal description as it appears in the Lease and to add a "Lesser Estate Clause" in the Lease.

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained in said Lease, it is agreed that said Lease be amended as to the description thereof by deleting the description in its entirety and substituting the following paragraph therefore:

SECTION 1 BEING 2051.69 ACRES, MORE OR LESS, IN THE J.P. COLES SURVEY, A-12, BURLESON CO., TEXAS, BEING CALLED A 2691.69 ACRE TRACT DESCRIBED IN SPECIAL WARRANTY DEED DATED 12/08/1994, FROM TAC REALTY, INC. TO BRAZOS ENTERPRISES, CORP., RECORDED IN VOL. 450, PG. 751, DEED RECORDS, BURLESON CO., SAVE & EXCEPT 640 AC., MORE OR LESS, IN THE J.P. COLES SURVEY, A-12, DESCRIBED AS "TRACT ONE" AND "TRACT TWO" IN A DEED DATED 1/05/1944, FROM H.P. DROUGHT TO JOE VARISCO RECORDED IN VOL. 89, PG. 358, DEED RECORDS, BURLESON COUNTY, TEXAS, CONTAINING APPROXIMATELY 2051.69 ACRES, AS SHOWN ON THE OFFICIAL MAP OF BURLESON COUNTY, TEXAS NOW ON FILE IN THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS (SEE EXHIBIT "A" FOR SURFACE USE RESTRICTIONS).

It is the intention of Lessor to lease all of Lessor's mineral interest in the described land and to exercise all the executive rights owned by Lessor in the described land.

IT IS FURTHER AGREED, that existing paragraph 26 of the Lease be deleted in its entirety and that the following paragraph 26 be substituted therefore:

26. **LESSER ESTATE CLAUSE; REDUCTION OF PAYMENTS:** (a) If this lease covers a less interest in the oil and gas on, in or under all or any part of said land than the entire and undivided fee simple estate therein, whether or not this lease purports to cover the

whole or a fractional interest, then the royalties (including shut-in oil or gas well royalties) and rentals accruing from any part as to which this lease covers less than such full interest shall be paid only in the proportion which the interest herein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. If the mineral interest covered hereby is subject to any outstanding nonparticipating royalty, such royalty shall be deducted from the royalties payable to Lessor hereunder. (b) 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 in accordance with Natural Resources Code Sections 52.151-52.153, 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.

Nothing contained herein shall be construed as altering, ratifying, amending or otherwise affecting said Lease as to any of its other terms and conditions except as stated herein. This Amendment of Oil and Gas Lease shall be binding upon the heirs, successors and assigns of the undersigned.

IN TESTIMONY WHEREOF, witness the signature of this Amendment of Oil and Gas Lease by the undersigned upon the respective dates indicated below, but effective as of July 17, 2012.

Date Executed 7/12/13

STATE OF TEXAS

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



Content  
Energy  
Legal  
Executive

Am  
Ed  
mm  
E

Date Executed 7/18/13

CARR RESOURCES, INC.

By: Lucy A Carr  
as attorney in fact  
Its: for John P. Carr  
president

STATE OF TEXAS

COUNTY OF Smith

This instrument was acknowledged before me on 18<sup>th</sup> day July, 2013, by John P. Carr as President of Carr Resources, Inc., on behalf said corporation.



Amber Heasley  
Notary Public in and for the State of Texas

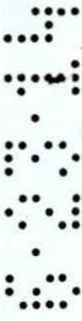
File No. M-114300  
Amendment of Lease

Date Filed: 7/19/13  
Jerry E. Patterson, Commissioner

By [Signature]



2013



MF114300

RENTAL PAYMENT  
3rd yr. Ⓟ

121

SECURITY FEATURES INCLUDE TRUE WATERMARK PAPER, HEAT SENSITIVE ICON AND FOIL HOLOGRAM.

**PETROEDGE BRAZOS LLC**  
2925 BRIARPARK DR. STE 150  
HOUSTON, TX 77042

14714189 1024

DATE 6/12/14

PAY TO THE ORDER OF Texas General Land Office

\$ ~~5,129.23~~

Fifty one hundred twenty nine and 23/100's

DOLLARS

**BBVA Compass** Compass Bank Houston, TX

TWO SIGNATURES REQUIRED OVER 25,000

Mark A. Haluska

FOR \_\_\_\_\_  
⑈001024⑈



Details on Back. Security Features Included

June 17, 2014

Commissioner of the Texas General Land Office  
1700 Congress Ave.  
Austin, TX 78701

RE: Lease Rental Payment  
Oil and Gas Lease dated July 17, 2012 covering 2,051.69 gross acres  
The State of Texas (Lessor) and Carr Resources, Inc. (Lessee)

Dear Owner,

The State of Texas has entered into an Oil and Gas lease with Carr Resources Inc., recorded in Volume 879 Page 536 of the Official Records of Burleson County, Texas. Under the terms of said lease a Delay Rental Payment is due on or before the Anniversary Date of said lease.

Enclosed please find our check no. 1024 in the amount of \$ 5,129.23 from PetroEdge Brazos LLC, a partner of Carr Resources, as payment of the delay rental due on the above-described lease for the period covering July 17, 2014 through July 16, 2015.

Your payment was calculated as follows:

$\$5.00$  (per net mineral acre per year) X 1025.845 (actual net mineral acres) = \$ 5,129.23

Please sign in the space provided on the following page acknowledging receipt of our payment and return one copy to our office. You may keep the other copy for your records.

If you need any additional information or have any questions, please contact me at the address or number listed above.

Sincerely,

**PETROEDGE BRAZOS LLC**

A handwritten signature in blue ink, appearing to read "Brittany Senior". The signature is stylized and cursive.

Brittany Senior  
Lease Analyst



*PETROEDGE BRAZOS LLC*

2925 Briarpark Drive, Suite 150

Houston, Texas 77042

T: 713.954.3650 · F: 713.954.3655

Commissioner of the Texas General Land Office does hereby acknowledge receipt of check no. 1024 from PetroEdge Brazos LLC in the amount of \$5,129.23 for the delay rental payment covering the term of the lease. Furthermore, ~~Lessor does hereby ADOPT, RATIFY and CONFIRM the lease, and declare that same is in full force and effect to date, and do hereby further GRANT, LEASE, DEMISE and LET unto the present owner and holder of said lease.~~

**Commissioner of the Texas General Land Office**

\_\_\_\_\_

Date: \_\_\_\_\_

File No. ME114300 (12)

Rentals - 3<sup>rd</sup> yr.

Date Filed: 06/23/2014

Jerry E. Patterson, Commissioner

By JEP

0537



April 22, 2015

Texas Department of Criminal Justice  
Agribusiness, Land and Minerals Office  
2405 Avenue I, Suite E  
Huntsville, Texas 77342  
Attn: Rhonda Jenson

Texas General Land Office  
P.O. Box 12873  
Austin, Texas 78711  
Attn: Robert Hatter

RE: Original Title Opinions  
Oil and Gas Leases M-114300, M-114301  
Burleson County, Texas

Ms. Jenson and Mr. Hatter,

Pursuant to that certain Oil and Gas Lease dated July 17<sup>th</sup>, 2012 by and between the Commissioner of the General and Land Office of the State of Texas and the School Land Board and Texas and Carr Resource, Inc., recorded in the Official Public Records of Burleson County, Texas at Volume 879, Page 527 and also pursuant to that certain Oil and Gas Lease dated July 17<sup>th</sup>, 2012 by and between the Commissioner of the General and Land Office of the State of Texas and the School Land Board and Texas and Carr Resource, Inc., recorded in the Official Public Records of Burleson County, Texas at Volume 879, Page 536 (the "Leases"), please find enclosed two (2) Original Title Opinions covering the lands leased in the Leases.

These enclosed title opinions have been rendered for the sole and exclusive use of Apache Corporation, or its predecessor in title, and neither said company nor its attorney assume any responsibility or liability to any third party as to correctness of statement, comment, or content thereof.

Should you have any questions or concerns regarding this letter, please do not hesitate to contact me at (281) 302-2209 or [blake.april@apachecorp.com](mailto:blake.april@apachecorp.com).

Sincerely,

APACHE CORPORATION

Blake April  
Landman

w/ Enclosures



21024

13

File No. M-114300

\_\_\_\_\_ County

Ltr. From Apache

Date Filed: 4/23/15

George P. Bush, Commissioner

By \_\_\_\_\_

**JONES GILL LLP**  
ATTORNEYS AT LAW  
6363 WOODWAY, SUITE 1100  
HOUSTON, TEXAS 77057  
TELEPHONE (713) 652-4068  
FAX (713) 651-0716

*Partners*  
Michael D. Jones ♦†‡  
Lee S. Gill \*‡  
Joseph D. Porter  
Jeffrey E. Beck

♦ Also Licensed to Practice in Illinois  
\* Also Licensed to Practice in Louisiana  
■ Also Licensed to Practice in North Dakota  
◊ Also Licensed to Practice in Ohio  
⌘ Also Licensed to Practice in Colorado  
⚡ Also Licensed to Practice in Wyoming

† Board Certified - Civil Trial Law  
‡ Board Certified - Oil, Gas and Mineral Law  
Texas Board of Legal Specialization

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*Senior Counsel*  
Patrick J. McGettigan

*Associates*  
L.R. "Larry" Nauss  
Dan G. Blake ◊‡  
Teresa N. Smith \*■‡◊  
Kevin M. Koel ⌘  
Austin W. Brister ⚡ ■  
Alexander A. Kuiper  
Clayton A. Wheat

June 26, 2014

Mr. Robert B. Owen, CPL,  
Vice President - Land  
PetroEdge Brazos, LLC  
2925 Briarpark, Suite 150  
Houston, Texas 77042

THIS OPINION HAS BEEN RENDERED FOR  
THE SOLE AND EXCLUSIVE USE OF  
APACHE CORPORATION AND NEITHER SAID  
COMPANY NOR ITS ATTORNEY ASSUME ANY  
RESPONSIBILITY OR LIABILITY TO ANY  
THIRD PERSON AS TO THE CORRECTNESS  
OF STATEMENT, COMMENT, OR CONTENT  
THEREOF.

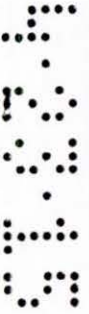
L.R. "Larry" Nauss  
[lnauss@jonesgill.com](mailto:lnauss@jonesgill.com)

**ORIGINAL TITLE OPINION**

PetroEdge Tract No. 002-BR (formerly Tract No. 2)  
2,051.69 acres  
John P. Coles Survey 7 1/2 League Grant, A-12  
Burlleson County, Texas  
State of Texas Lease

Dear Mr. Owen:

At your request, we have examined title to certain land in Burlleson County, Texas (hereinafter referred to as the "Subject Land"), described in the Runsheet submitted as follows:



2,051.69 acres, more or less, located in the J.P. Coles Survey, A-12, being a called 2,691.69 acre tract described in that certain Special Warranty Deed dated December 8, 1994 from TAC Realty, Inc. to Brazos Enterprises Corp., recorded in Volume 450, Page 751, Deed Records, Burleson County, Texas, LESS AND EXCEPT 640 acres, described in that certain Deed dated January 5, 1944 from H.P. Drought to Joe Varisco, recorded in Volume 89, Page 358, Deed Records, Burleson County, Texas.

See plat attached as Exhibit "A" for location of the Subject Land.

### **MATERIALS EXAMINED**

1. Photocopy of Preliminary Lease Title Status Report dated June 18, 2013 rendered by the undersigned, covering record title to mineral and oil and gas leasehold interests in the Subject Land for the period from February 12, 1881 at 7:00 a.m. through June 5, 2013 at 7:00 a.m. (See Comment and Requirement No. 14 below.);
2. Drill Site Runsheet dated April 16, 2014 prepared by David C. Shannon, Jr. of WSH Land, covering record title to the Subject Land for the period from August 19, 1824 at 7:00 a.m. (date of Patent recorded at 16/57 DR) through April 1, 2014 at 7:00 a.m.;
3. Digitally scanned photocopies of instruments of record reflected by the runsheet identified in Item No. 2 above;
4. Photocopy of Tax Certificate dated March 10, 2014 issued by the Burleson County Tax Office, covering 2,623.820 acres of land being assessed in the name of the Texas General Land Office, which presumably covers all of the Subject Land, and other land; and
5. Photocopies of various maps and plats prepared by WSH Land, showing the location of the Subject Land.

Based upon our examination of such materials, but subject to the following Comments and Requirements, we are of the opinion that record title to the Subject Land was vested on April 1, 2014 at 7:00 a.m. as follows:

**SURFACE**

The State of Texas, f/b/o the Permanent School Fund	All	or	1.00000000
<b>TOTAL:</b>	<b><u>All</u></b>	<b>or</b>	<b><u>1.00000000</u></b>

**OIL, GAS AND MINERALS**

**EXECUTIVE (LEASING) RIGHT**

The State of Texas, f/b/o the Permanent School Fund	All	or	1.00000000
<b>TOTAL:</b>	<b><u>All</u></b>	<b>or</b>	<b><u>1.00000000</u></b>

**BONUS and DELAY RENTAL**

<u>Owner</u>	<u>Fractional Interest</u>		<u>Decimal Interest</u>
The State of Texas, f/b/o the Permanent School Fund	1/2	or	0.50000000
James L. Wolfe and Tommy D. Vance, as Co-Trustees of (i) the Stephanie Lynn Adam Malechek 1995 Trust, established pursuant to the Adam 1995 Children's Trust Agreement, and (ii) the Steven Bradley Adam 1995 Trust*	1/2	or	0.50000000
<b>TOTAL:</b>	<b><u>8/8ths</u></b>	<b>or</b>	<b><u>1.00000000</u></b>

\* See Comment and Requirement No. 6 below.



**ROYALTY**

<u>Owner</u>	<u>Fractional Interest</u>		<u>Decimal Interest</u>
The State of Texas, f/b/o the Permanent School Fund	1/2 of 1/4	or	0.12500000
James L. Wolfe and Tommy D. Vance, as Co-Trustees of (i) the Stephanie Lynn Adam Malechek 1995 Trust, established pursuant to the Adam 1995 Children's Trust Agreement, and (ii) the Steven Bradley Adam 1995 Trust*	1/2 of 1/4	or	0.12500000
<b>TOTAL:</b>	<b><u>1/4</u></b>	<b>or</b>	<b><u>0.25000000</u></b>



\*See Comment and Requirement No. 6 below.

**NON-PARTICIPATING ROYALTY**

None indicated by the Materials Examined.

**OIL AND GAS LEASEHOLD ESTATE**

**OVERRIDING ROYALTY**

<u>Owner</u>	<u>Percent Interest</u>		<u>Decimal Interest</u>	<u>Source</u>
Carr Resources, Inc.	1.00%	or	0.01000000	L1, A1
<b>TOTAL OVERRIDING ROYALTY:</b>	<b><u>1.00%</u></b>	or	<b><u>0.01000000</u></b>	

**WORKING INTEREST**

<u>Owner</u>	<u>Working Interest</u>	<u>Net Revenue Interest</u>	<u>Source</u>
PetroEdge Brazos, LLC 75% WI	0.75000000		L1, A1
75% WI less 75% of 1/4 RI less 1.00% ORI		0.55250000	
Carr Resources, Inc. 25% WI	<u>0.25000000</u>		L1, A1
25% WI less 25% of 1/4 RI		<u>0.18750000</u>	
<b>TOTAL:</b>	<b><u>1.00000000</u></b>	<b><u>0.74000000</u></b>	

**SUMMARY OF INTERESTS**

Royalty Interest	0.25000000
Non-participating Royalty Interest	-0-
Overriding Royalty Interest	0.01000000
Unleased Interest	-0-
Net Revenue Interest attributable to the working interest	<u>0.74000000</u>
<b>TOTAL:</b>	<b><u>1.00000000</u></b>



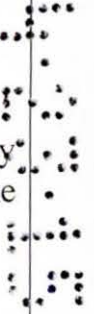
**LEASE ANALYSIS**

**LEASE ONE (L1)**

Lessor:	Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas
Lessee:	Carr Resources, Inc.
Date:	July 17, 2012
Recorded:	Filed for record on November 20, 2012 (879/527 OPR).
Description:	2,051.69 acres, more or less, being all of the Subject Land
Depth Restriction:	None
Primary Term:	Five (5) years from the effective date (July 17, 2012) – expires on July 17, 2017

Royalty:	One-fourth (1/4)
Delay Rental:	<p>\$5.00 per net mineral acre on first anniversary date (7/17/2013);</p> <p>\$5.00 per net mineral acre on second anniversary date (7/17/2014);</p> <p>\$25.00 per net mineral acre on third anniversary date (7/17/2015); and</p> <p>\$25.00 per net mineral acre on fourth anniversary date (7/16/2016).</p>
Depository:	Commissioner of the General Land Office at Austin, Texas
Form:	(State of Texas) Lease Form Revised 04/11 Surveyed School Land
Shut-In Royalties:	<p>\$10.00 per acre, but not less than \$1,200.00 per year for each shut-in gas well. To be effective, each initial shut-in oil or gas royalty must be paid on or before (1) expiration of primary term, (2) 60 days after Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or re-working operation in accordance with the lease provisions, whichever date is latest. If paid, the lease term shall be extended for 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 oil and gas exists, Lessee may extend lease for four more successive periods of one year by paying the same amount each year on or before the expiration of each shut-in year.</p>
Pooling Clause:	None
Warranty of Title:	None
Special Provisions:	Paragraph 4(E) - No Deductions: no production, transportation or processing costs may be deducted from royalty.

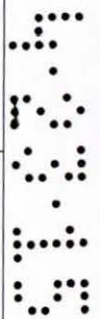
	<p>Paragraph 4(F) – Royalty in Kind</p> <p>Paragraph 4(G) – Plant Fuel and Recycled Gas</p> <p>Paragraph 4(H) – Minimum Royalty: after expiration of primary term, \$5.00 per acre per year, less any royalties paid during the preceding year.</p> <p>Paragraph 4(I) – Marginal Production Royalty</p> <p>Paragraph 5 – Royalty Payments and Reports</p> <p>Paragraph 6 – Reserves, Contracts and Records/Drilling Records/Penalties (for failure to provide records)</p> <p>Paragraph 7 – Retained Acreage: vertical and horizontal “Pugh” Clauses</p> <p>Paragraph 8 – Offset Well Provisions</p> <p>Paragraph 9 – Dry Hole/Cessation of Production During Primary Term</p> <p>Paragraph 10 – Cessation, Drilling and Re-Working: 60 days</p> <p>Paragraph 12 – Compensatory Royalties</p> <p>Paragraph 13 – Extensions</p> <p>Paragraph 14 – Use of Surface Water</p> <p>Paragraph 15 – Pollution</p> <p>Paragraph 16 – Identification Markers</p> <p>Paragraph 17 – Assignments: must be filed with General Land</p>
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	<p>Office within ninety (90) days of execution date.</p> <p>Paragraph 18 – Releases: same filing rules as described under Paragraph 17 next above.</p> <p>Paragraph 19 – Lien (on production)</p> <p>Paragraph 20 – Forfeiture</p> <p>Paragraph 21 – Riverbed Tracts</p> <p>Paragraph 22 – Applicable Laws and Drilling Restrictions</p> <p>Paragraph 23 – Removal of Equipment</p> <p>Paragraph 24 – Force Majeure</p> <p>Paragraph 25 – Lease Security (premises)</p> <p>Paragraph 26 – Reduction of Payments (for land included in pooled units)</p> <p>Paragraph 28 – Antiquities Code</p> <p>Paragraph 30 – Lease Filing: certified copy of recorded lease must be filed with the General Land Office, along with the filing fee.</p> <p>Paragraph 31 – Execution: lease must be signed and acknowledged by Lessee prior to filing for record in county where property is located.</p> <p>Exhibit “A” – Operational Procedures: effective during the time of the existing Surface Lease, along with any renewals or extensions, by and between the General Land Office and the Texas Department of Criminal Justice (Paragraphs 1 through 21 governing operational procedures on the leased premises).</p>
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Amendment:	An Amendment of State Oil and Gas Lease dated July 12, 2013 has been recorded in Burleson County. The amendment replaces Paragraph 26 – Lesser Estate Clause; Reduction of Payments, in the original lease (914/368 OPR). See Comment and Requirement No. 7 below for further discussion.
Ratification:	A Ratification of Oil and Gas Lease dated June 4, 2013 from James. L. Wolfe and Tommy D. Vance, as Co-Trustees for the Stephanie Lynn Adam Malechek 1995 Trust and the Steven Bradley Adam 1995 Trust, has been recorded in Burleson County, and ratifies the above described lease (914/373 OPR).



**ASSIGNMENT ANALYSIS**

<b><u>ASSIGNMENT ONE (A1)</u></b>	
Assignor:	Carr Resources, Inc.
Assignee:	PetroEdge Brazos, LLC
Date:	July 19, 2013
Recorded:	Filed for record on August 8, 2013, 910/174 OPR.
Interest Assigned:	An undivided 75% of Assignor's right, title and interest in L1.
Reservation:	Assignor reserves an overriding royalty interest equal to the lesser of (a) the difference between 74.0% and Assignor's Net Revenue Interest; and (b) 2.5%, proportionately reduced.
Subject to:	Participation Agreement dated June 21, 2013.

\* \* \* \* \*

## COMMENTS AND REQUIREMENTS

1.

### Patent – John P. Coles 7 1/2 League Grant

The Materials Examined include a copy of the Land Grant dated July 13, 1824 from the State of Coahuila and Texas to John P. Coles, granting seven and one-half leagues of land, including the Subject Land. The patent was filed for record on May 13, 1856 (E/142 DR) and also on May 13, 1898 (16/57 DR).

#### REQUIREMENT:

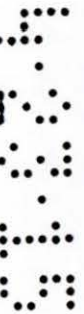
None. Advisory only, to evidence that the Subject Land is properly granted from the sovereign.

2.

### Use and Possession

Record title to the Subject Land contains various breaks, defects and irregularities that, as a practical matter, may be impossible to cure at this time, other than by bringing a suit for such purpose. You may choose to assume the business risk of relying on limitations title to cure such early defects. You are advised; however, that title by limitations requires proof of matters of fact, when and if the necessity therefor arises. The party claiming limitations title has the burden of proof by a preponderance of the evidence in any proceeding to establish title by limitations.

By Special Warranty Deed dated December 28, 1989, First American Bank, Bryan, Texas, conveyed the Subject Land to TAC Realty, Inc., reserving all of the mineral interest in the Subject Land. (393/351 DR). Adverse possession which commenced after the date of this mineral severance will not vest limitations title to the severed mineral interest in the adversely possessing party.



No possession information is included in the Materials Examined. We have assumed that the owners of record title to the surface estate of the Subject Land are in actual and peaceful possession thereof. There is a presumption under Texas law that the record owners of the land are in actual and peaceful possession of that land. A party can only confirm that the record title owner is in actual possession by inspection of the land. A purchaser (or a lessee or creditor) is charged with notice of the rights of parties in possession of land.

REQUIREMENTS:

- A. You should obtain and furnish for our examination affidavits from two credible, disinterested persons setting out with specificity the history of use, occupancy and possession of the Subject Land from one day prior to the earliest mineral severance (December 28, 1989) to the present, to confirm that no third party is in a position, based on the early title inconsistencies, to claim adversely to the mineral owners credited in this Opinion by virtue of any such third-party's, or its predecessor's, possession of the Subject Land or any portion thereof. Such affidavits should state all facts which can be reliably ascertained concerning such matters, including fencing, occupancy, improvements, and other uses, the existence and location of any schools, churches or cemeteries, and the payment of applicable taxes.
  
- B. If the affidavits to be furnished in connection with satisfaction of Requirement 2(A) above reflect that the surface of any portion of the Subject Land upon which you propose to conduct any operations is occupied by a tenant, then we recommend that you obtain, furnish for examination and file for record a Tenant's Consent Agreement prior to conducting any such operations.



3.

Small Tract Outsale Conveyances

The Runsheet submitted lists the following deeds subsequent to January 1, 1900 as "outsale" tracts of land:

- 1) 30/325 DR – Deed dated September 13, 1906 from J.W. Wood to H.E. Wilcox, et al., Trustees of the African Methodist Episcopal Church, conveying a one (1) acre tract of land out of the Mrs. Alva Bouldin tract;
- 2) 29/360 DR – Deed dated September 16, 1907 from J.W. Wood to F. Clark, conveying a 5.00 acre tract of land out of a 1,932-acre tract;
- 3) 60/596 DR – Warranty Deed with Vendor's Lien dated November 25, 1923 from H.P. Drought to J.H. Baker, conveying a 20-acre tract of land;
- 4) 60/593 DR – Warranty Deed with Vendor's Lien dated November 27, 1923 from H.P. Drought to J.H. Baker, conveying a 205.09-acre tract of land;
- 5) 60/594 DR – Warranty Deed with Vendor's Lien dated November 27, 1923 from H.P. Drought to J.H. Baker, conveying a 50.7-acre tract of land;
- 6) 60/595 DR – Warranty Deed with Vendor's Lien dated November 27, 1923 from H.P. Drought to J.H. Baker, conveying a 50.46-acre tract of land;
- 7) 60/592 DR – Warranty Deed with Vendor's Lien dated November 27, 1923 from H.P. Drought to J.H. Baker, conveying a 21.72-acre tract of land.
- 8) 81/205 DR – Deed dated December 13, 1927 from H.P. Drought to Vance Walton, et al., Trustees, conveying a 3.00-acre tract of land,

recited therein as being for the erection and maintenance of a school for Negro children.

All of the above referenced deeds contain no mineral reservations. We presume that all of the tracts of land described in these various deeds are located outside of the boundaries of the Subject Land and are not covered by the Subject Lease (L1).

REQUIREMENT:

None, advisory only.

4.

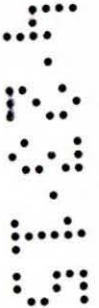
Roadway Conveyances

Some of the maps of the Subject Land submitted for examination appear to show roadways that may be included as a portion of the land under examination, or that may form one or more boundary lines of the Subject Land.

The Materials Examined did not include any fee conveyances describing roads which may traverse or include portions of the Subject Land. It is possible that mineral rights underneath any road tracts could be owned in a different manner than stated in the Ownership section of this Opinion above.

REQUIREMENT:

You should determine whether or not any roads located within or along the boundaries of the Subject Land were originated or created by virtue of any fee conveyances of the land upon which the road(s) are located. If so, you should obtain and submit for examination photocopies of any deed(s) which describe the roads. Upon our review of any such title documents, we will supplement this Opinion.



5.

Lease Provisions – Texas Department of Criminal Justice Rider

As you are aware, your lease premises are primarily located upon the surface of a tract of land presently being utilized as a prison by the Texas Department of Criminal Justice. Your lease (L1) contains an addendum which includes various rules, regulations and conditions which have to be met by the Lessee regarding operations and maintenance of the leased premises included within the prison property.

REQUIREMENT:

You should thoroughly familiarize yourself with the special provisions contained in L1 and comply with the rules regarding operations on the leased premises which constitute any portion of the state prison located on the property.

6.

Stephanie Lynn Adam Malachek 1995 Trust and Steven Bradley Adam 1995 Trust

A Ratification of Oil and Gas Lease dated June 13, 2013 was executed by James L. Wolfe and Tommy D. Vance, as Co-Trustees of the above-referenced trusts. The Ratification appears sufficient to cover the undivided 50% mineral interest owned by these trusts, and contains words of present grant which are effective to constitute a lease.

It appears that there has been a change in trusteeship regarding these trusts since ownership of these interests was acquired in 1995. We have credited ownership of these trust interests in accordance with the names of the Trustees shown in the Ratification, subject to satisfaction of the following Requirement.



REQUIREMENT:

You should obtain and submit for examination a copy of the Trust Agreement or other document which establishes the above named trusts, along with any amendments, to verify that the Trustees named have the authority to execute instruments affecting title to the Subject Land, on behalf of these trusts.

7.

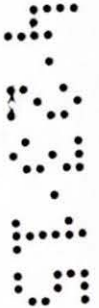
Defective Acknowledgment – Amendment to State Oil and Gas Lease

The lease amendment submitted for examination is executed by Lucy A. Carr, as Attorney-in-Fact for John P. Carr, President of Carr Resources, Inc. The acknowledgment only reflects the name of John P. Carr, as President of Carr Resources, Inc.

Also, no Power of Attorney or other instrument authorizing the execution of this instrument by the Attorney-in-Fact was included in the Materials Examined.

REQUIREMENT:

- (A) You should return the lease amendment to the Notary Public that took the acknowledgment and have the notary correct the acknowledgment to reflect that it was executed by Lucy A. Carr, as Attorney-in-Fact for John P. Carr, President of Carr Resources, Inc. The instrument should then be re-recorded in Burlison County, and a copy of the recorded instrument should be submitted for examination.
- (B) You should also obtain and submit for examination a photocopy of the Power of Attorney or other instrument which authorizes Lucy A. Carr to sign this document on behalf of John P. Carr, as Attorney-in-Fact. The Power of Attorney should also be



recorded in Burleson County, and a copy of the recorded document should be submitted for examination.

8.

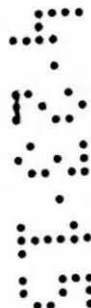
Prior Oil and Gas Leases

The Materials Examined include numerous Oil and Gas Lease(s) and Memorandums thereof, which may act to encumber the Subject Land or portion(s) thereof. At your request and to minimize your expenses, we have listed only prior leases filed for record since January 1, 1993, even though there are additional leases shown on the Runsheet which were filed and recorded prior to this time period. The following is a list of the leases filed for record since January 1, 1993:

None indicated by the Materials Examined, other than the Subject Lease (L1), Amendment, and Ratification, all described in the Lease Analysis section of this Opinion above.

REQUIREMENT:

We presume the Oil, Gas and Mineral Leases filed and recorded prior to January 1, 1993 have expired pursuant to the terms and conditions thereof. You should obtain and furnish for examination (i) a Release of each of such Lease; or (ii) good and sufficient Affidavits of Non-Production substantiating that all such Leases have expired; or (iii) assure yourselves to the extent that you deem advisable that all such Leases have terminated and are no longer in force and effect. These Leases could have been maintained by production from lands other than the Subject Land (including production from the other lands covered by the Leases, and/or lands comprising pooled oil and/or gas units).

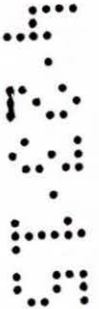


9.

Easements and Rights-of-Way

Based upon the Materials Examined, portions of the Subject Land are (or may be) subject to rights-of-way and easements described as follows:

1. Right-of-Way dated March 22, 1960 from Joe Varisco to Old Ocean Fuel Company, for 40 foot wide pipeline easement across a portion of the Subject Land (141/122 DR);
2. Right-of-Way dated October 27, 1980 from Annette Varisco, Individually and as Independent Executrix of the Estate of Joe Varisco, deceased, to Clajon Gas Company, for a 30 foot wide pipeline easement across the Subject Land (301/962 DR);
3. Right-of-Way dated May 22, 1981 from Annette Varisco, Individually and as Independent Executrix of the Estate of Joe Varisco, deceased, to Wesco Pipe Line Company, for a 30 foot wide pipeline easement across the Subject Land (287/61 DR);
4. Right-of-Way dated June 10, 1981 from Annette Varisco, Individually and as Independent Executrix of the Estate of Joe Varisco, deceased, to Ferguson Crossing Pipe Line Company, for a 30 foot wide pipeline easement across the Subject Land (288/407 DR);
5. Right-of-Way dated August 25, 1981 from Annette Varisco, Individually and as Independent Executrix of the Estate of Joe Varisco, deceased, to the City of Bryan, Texas, for a 20 foot wide electric transmission line easement across the Subject Land (292/493 DR);
6. Right-of-Way Agreement dated January 11, 1991 from TAC Realty, Inc. to Clajon Gas Company, L.P., for two pipeline easements across the Subject Land (60 feet wide and 30 feet wide) (404/721 OPR);



7. Pipeline Easement dated October 20, 2000 from Brazos Enterprises Corporation to Aquila Southwest Pipeline Corporation, for a 30 foot wide pipeline easement across the Subject Land (450/751 OPR); and
8. Surface Easement and Use Agreement dated October 20, 2000 from Brazos Enterprises Corporation to DEPS Austin Gatherings, L.P., for a 100 foot by 150 foot portion of the Subject Land (536/36 OPR).

REQUIREMENT:

This Opinion expressly excludes any opinion as to the validity of any rights-of-way or easements purporting to affect the Subject Land. However, we recommend you note the location of the above-referenced rights-of-way and/or easements and respect the use and enjoyment of same in connection with any operations to be conducted upon the Subject Land. Easements and rights-of-way are sometimes not recorded; therefore you should also note the location of any visible or apparent easements and/or rights-of-way and respect the use and enjoyment of same in connection with any operations to be conducted upon the Subject Land.

10.

Liens and Similar Encumbrances

The Materials Examined did not reflect any Deed of Trusts, Mortgages, or liens currently affecting the Subject Land, presuming that all prior Oil, Gas and Mineral Leases have expired in accordance with the terms of each lease.

REQUIREMENT:

None. Advisory only.



11.

Survey and Navigable Water Issues

We have not been provided with a recent survey of the Subject Land. This Opinion does not cover any matter of conflict or discrepancy with respect to survey, area, boundary, vacancies, excesses, accretions, relictions, rights of parties in possession, or any matters that could be determined only by an investigation upon the ground or by a survey of the Subject Land.

You should establish the location and proper boundaries of the Subject Land on the ground by obtaining a survey from a competent surveyor.

This Opinion does not cover claims by the State of Texas to lands constituting the beds and bottoms, now or formerly, of navigable water bodies, whether or not ownership is claimed by the State of Texas. You should note that portions of the Subject Land are located along the west bank of the Brazos River, which is a navigable waterway as that term is defined under Texas law.

REQUIREMENT:

Note that this Opinion does not cover or address the items discussed above relating to surveys and navigable waters, and that you should obtain a survey of the Subject Land from a competent surveyor.

12.

Ad Valorem Taxes

The Materials Examined include a photocopy of a Tax Certificate dated March 10, 2014 issued by the Burleson County Tax Office, covering 2,623.820 acres, which likely includes most if not all of the Subject Land, for taxes assessed in the name of the Texas General Land Office, on behalf of the State of Texas. The certificate reflects no taxes being assessed or due from the state.

REQUIREMENT:

None. Advisory only.

13.

Notice to Surface Owner(s)

Chapter 91 of the Texas Natural Resources Code provides for notice to a surface owner by an oil and gas well operator of the issuance of a permit to enter the premises of the surface owner for drilling or reworking operations. These provisions are contained in Sections 91.751-91.755; we have included a portion of those sections below for your reference.

§ 91.753. NOTICE REQUIRED.

(a) Not later than the 15th business day after the date the commission issues an oil or gas well operator a permit to drill a new oil or gas well or to reenter a plugged and abandoned oil or gas well, the operator shall give written notice of the issuance of the permit to the surface owner of the tract of land on which the well is located or is proposed to be located.

(b) An oil or gas well operator is not required to give notice under this subchapter to a surface owner if:

(1) the operator and the surface owner have entered into an agreement that contains alternative provisions regarding the operator's obligation to give notice of oil and gas operations; or

(2) the surface owner has waived in writing the owner's right to notice under this subchapter.

Further, when there are multiple undivided owners of the surface estate, the first name listed on the tax roll is the party designated to receive notice. As currently enacted, there is no adverse consequence for failing to provide notice as



required by section 91.753. However, we recommend that you comply with the requirements of section 91.753 as prudent business practice.

REQUIREMENT:

None. Advisory only.

14.

Original Title Opinion

This Opinion supersedes and replaces our Preliminary Lease Title Status Report dated June 18, 2013 covering the Subject Land, listed as Item No. 1 in the Materials Examined section of this Opinion. You may now disregard that report.

REQUIREMENT:

None, advisory only.

General Comment

This Opinion is limited to the ownership of the oil, gas and mineral estate. The Materials Examined in connection with this Opinion reflect title to the Subject Land from sovereignty of the soil, through April 1, 2014 at 7:00 a.m., and this Opinion is limited accordingly. The opinion expressed herein is necessarily limited to the Materials Examined, the limitations thereon, and the facts and issues disclosed thereby. This Opinion does not cover matters relating to boundaries or surveys, rights of persons in possession, improper indexing of public records, errors or omissions of public officials, errors or omissions in the runsheets of title, forgeries, failure of consideration, incapacity of parties, the authenticity of any signatures, improper delivery of deeds, the possibility that execution of instruments resulted from duress or fraud, whether the party executing the instrument personally appeared before the notary public, or any other defect which affects the



validity and enforceability of the instrument which could be ascertained only by a knowledge of facts or information not contained in said instruments, any application of bankruptcy or insolvency laws, liens for current taxes not yet due, statutory mechanic's and materialman's liens not of record, enforcement of regulations or orders by any governmental authority having jurisdiction over the surface and minerals of the Subject Land, the effect of classification of any portion of the Subject Land as "wetlands," the effect upon your proposed operations of the presence of any "endangered species" as defined by federal and/or state law, upon the Subject Land, the presence of any primitive, archaeological or burial sites which would require an archaeological survey or site assessment to be conducted under any present or future law, or any condition associated with the surface or subsurface of the Subject Land which would constitute a violation of any applicable laws, statutes, ordinances, rules, regulations, orders, or determinations of any governmental authority pertaining to the protection of human health or safety or the environment, the allocation of post-production costs or any other matter affecting title to the Subject Land not included in the Materials Examined.

We do not assume responsibility or liability for title problems which in fact occur as a result of the failure to satisfy all Requirements set forth herein or the reliance by you on the assumptions made in this Opinion without confirmation on your own behalf.

This Opinion has been prepared based upon the statutory and common law of the State of Texas as it exists to the date hereof and therefore any subsequent change of such law may result in a different interpretation and construction of the Materials Examined.



PetroEdge Brazos, LLC  
June 26, 2013  
Page 24

This Opinion is rendered solely and exclusively for the benefit of PetroEdge Brazos, LLC, and it is not a representation of the title to the property to any other party, nor is it to be used by any other party without the express written consent of the undersigned.

Respectfully submitted,

JONES GILL LLP

By: 

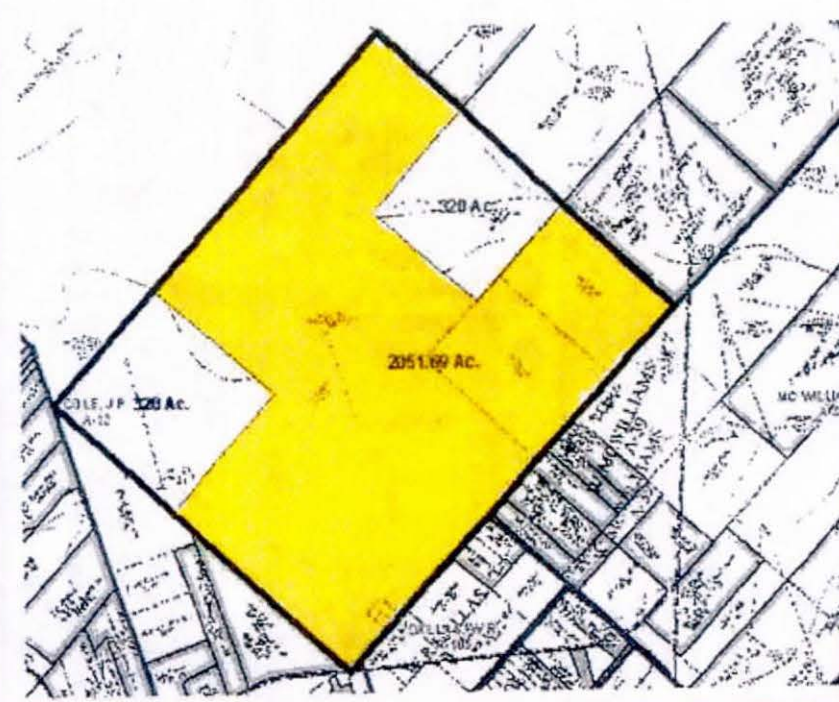
L.R. "Larry" Nauss

THIS OPINION HAS BEEN RENDERED FOR  
THE SOLE AND EXCLUSIVE USE OF  
APACHE CORPORATION AND NEITHER SAID  
COMPANY NOR ITS ATTORNEY ASSUME ANY  
RESPONSIBILITY OR LIABILITY TO ANY  
THIRD PERSON AS TO THE CORRECTNESS  
OF STATEMENT, COMMENT, OR CONTENT  
THEREOF.



EXHIBIT "A"

PetroEdge Tract 002-BR



THIS OPINION HAS BEEN RENDERED FOR THE SOLE AND EXCLUSIVE USE OF APACHE CORPORATION AND NEITHER SAID COMPANY NOR ITS ATTORNEY ASSUME ANY RESPONSIBILITY OR LIABILITY TO ANY THIRD PERSON AS TO THE CORRECTNESS OF STATEMENT, COMMENT, OR CONTENT THEREOF.

14



M-114300

File No.

County

Title Opinion

4/23/15

Date Filed:

George P. Bush, Commissioner

By



May 22, 2015

Texas General Land Office  
P.O. Box 12873  
Austin, Texas 78711-2873  
Attn: Mr. Daryl Morgan

RE: Pooling Agreement  
BR South Unit-1  
Apache Corporation Executed Originals  
Burlison County, Texas

Dear Mr. Morgan,

Please find enclosed two (2) original Pooling Agreements executed by Apache Corporation per your request in that certain letter dated May 6<sup>th</sup>, 2015.

Please have the Commissioner execute the same and return to my attention.

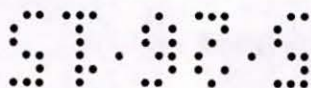
Should you have any questions or concerns regarding this Pooling Agreement, please do not hesitate to call me at 281-302-2209 or email me at [blake.april@apachecorp.com](mailto:blake.april@apachecorp.com).

Sincerely,

APACHE CORPORATION

Blake April  
Landman

w/ Enclosures



File No. M-114300

\_\_\_\_\_ County

Ltr. From Apache

Date Filed: 5/26/15

George P. Bush, Commissioner

By \_\_\_\_\_

2015

# DO NOT DESTROY



## Texas General Land Office UNIT AGREEMENT MEMO

UPA158776

Unit Number 7453  
Operator Name Apache Corporation Effective Date 05/05/2015  
Customer ID C000023272 Unitized For Oil And Gas  
Unit Name BR South Unit-1 Unit Term  
County 1 Burleson RRC District 1 03 Old Unit Number Inactive Status Date  
County 2 RRC District 2  
County 3 RRC District 3  
County 4 RRC District 4  
Unit type Permanent  
State Net Revenue Interest 0.03717589  
State Part in Unit 0.51550988  
Unit Depth Specified Depths Well  
From Depth 7509 TVD Formation Base of Austin Chalk to Top of Buda  
To Depth 7815 TVD Participation Basis Surface Acreage  
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF114301	1	137.950000	316.250000	0.43620553	0.06250000	0.02726285	No
MF114300	2	25.080000	316.250000	0.07930435	0.12500000	0.00991304	No

API Number  
4205133925

051-33924

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:

# Pooling Committee Report

**To:** School Land Board  
**Date of Board Meeting:** 05/05/2015  
**Effective Date:** 05/05/2015  
**Unit Expiration Date:**  
**Applicant:** Apache Corporation  
**Attorney Rep:**  
**Operator:** APACHE CORP.  
**Unit Name:** BR South Unit-1  
**Field Name:** GIDDINGS (EAGLEFORD)

**UPA158776**  
**Unit Number: 7453**

**County:**

<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>
U Fee	MF114301	0.06250000	07/17/2017	5 years	813.266000	137.950000	0.02726285
Upland	MF114300	0.12500000	07/17/2017	5 years	1,025.845000	25.080000	0.00991304

<b>Private Acres:</b>	153.220000
<b>State Acres:</b>	163.030000
<b>Total Unit Acres:</b>	316.250000

<b>Participation Basis:</b>	Surface Acreage
Surface Acreage	
<b>State Acreage:</b>	51.55%
<b>State Net Revenue Interest:</b>	3.72%

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

<b>RRC Rules:</b>	<b>Spacing Acres:</b>
Yes	160 + Horizontal formula (L x 0.064)

**REMARKS:**

- Apache Corporation is requesting permanent oil and gas pooling from the base of the Austin Chalk Formation to the top of the Buda Formation.
- The applicant plans to spud its first unit well May 15, 2015 with a proposed total depth of 17,891 feet MD. A second unit well has been permitted.
- With Board approval, the State's royalty participation will be 3.72%.
- The State will participate on a unitized basis from the date of first production.

**POOLING COMMITTEE RECOMMENDATION:**

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

Mary Smith by Pixella M. Haberk

Mary Smith - Office of the Attorney General

4/22/2015

Date

RJH

Robert Hatter - General Land Office

4/22/15

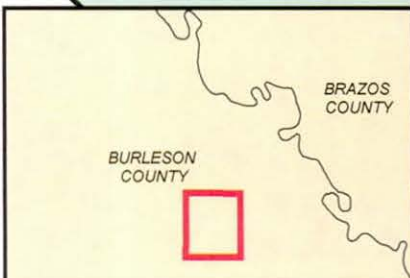
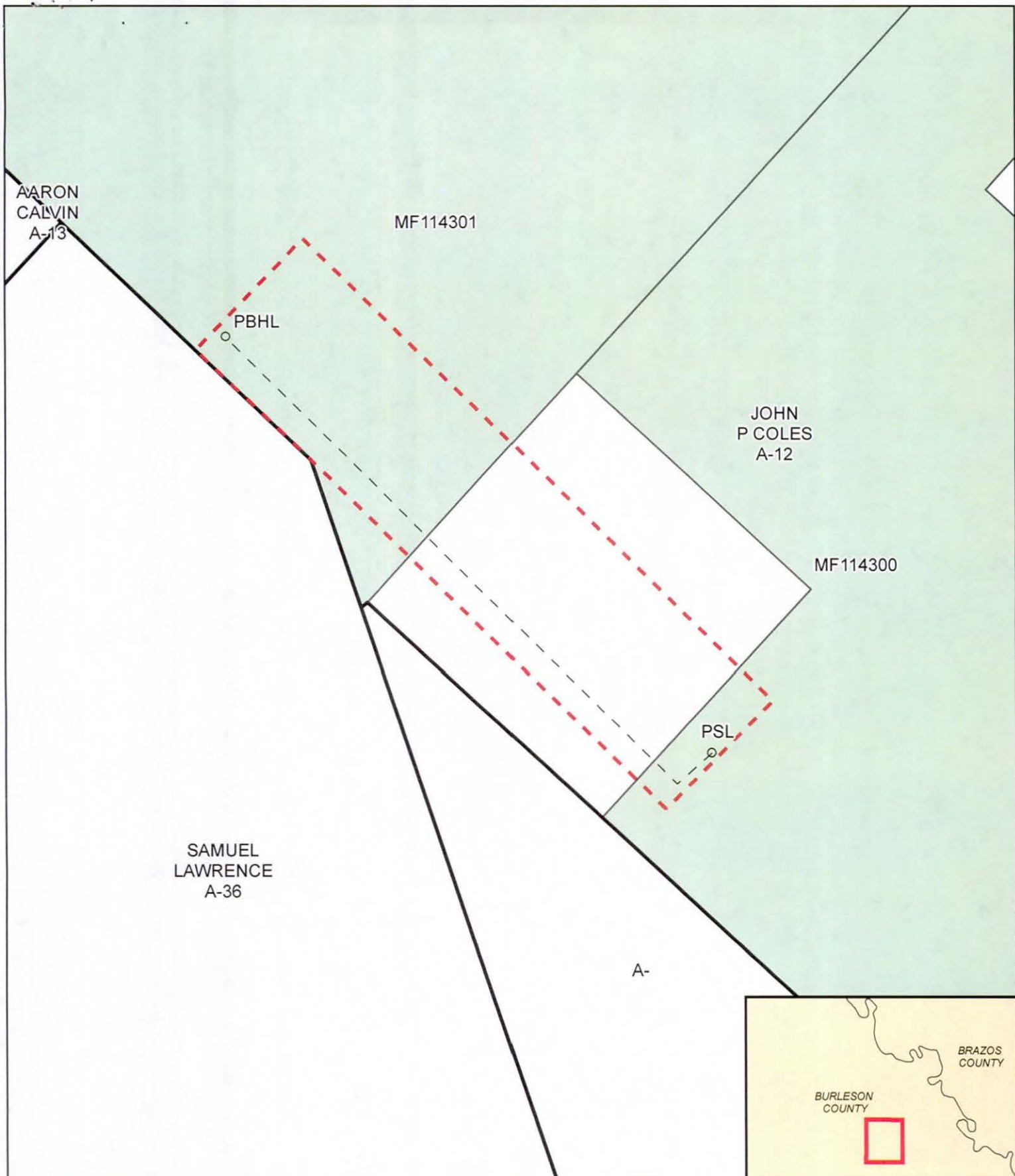
Date

Diane Morris

Diane Morris - Office of the Governor

4-22-2015

Date



Unit #7453  
 Apache Corporation  
 BR South Unit - 1  
 Giddings (Eagleford) Field  
 Burleson County, Texas



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



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

POOLING AGREEMENT  
APACHE CORPORATION  
BR SOUTH UNIT-1  
GLO UNIT NO. 7453  
BURLESON COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the base of the Austin Chalk Formation to the top of the Buda Formation being defined as the stratigraphic interval or its correlative equivalent occurring from 7,509 feet to 7,815 feet as seen on the Dual Induction Laterolog of the Daleco Resources, Sebesta #1 well, API No. 42-051-31008 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

ST 453

within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 316 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

FULL MARKET VALUE:

7.

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

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

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

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of May 5, 2015.

TERM:

9.

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

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.


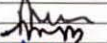

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed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

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

Date Executed 5/29/15

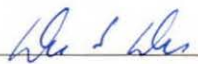
STATE OF TEXAS

By:   
George P. Bush, Commissioner  
of the General Land Office

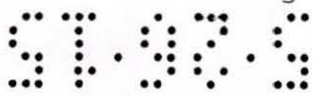
Legal   
Content   
Geology   
Executive 

Date Executed MAY 22, 2015

APACHE CORPORATION

By:   
**Darrell L. Donaldson**  
Attorney In Fact  
Its: \_\_\_\_\_

BA  
EAT



CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 5th day of May, 2015, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

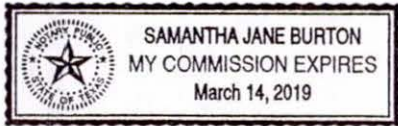
IN TESTIMONY WHEREOF, witness my hand this the 22<sup>nd</sup> day of May, 2015.

Stephanie Crenshaw  
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on MAY 22<sup>ND</sup>, 2015, by DARRELL L. DONALDSON as ATTORNEY IN FACT of Apache Corporation, a DELAWARE corporation, on behalf of said corporation.



Samantha J Burton  
Notary Public in and for the State of Texas

EXHIBIT "A"

Attached hereto and made a part of that certain Pooling Agreement - BR South Unit-1 by and between the Commissioner of the General Land Office, on behalf of the State of Texas, and Apache Corporation dated effective May 5, 2015.

The Leases

1. That certain Oil and Gas Lease No. 114300 by and between the Commissioner of the General Land Office of the State of Texas and Carr Resources, Inc. dated effective July 17, 2012 and recorded in the Official Public Records of Burleson County at Volume 879, Page 527.
2. That certain Oil and Gas Lease No. M-114301 by and between the Commissioner of the General Land Office of the State of Texas and Carr Resources, Inc. dated effective July 17, 2012 and recorded in the Official Public Records of Burleson County at Volume 879, Page 536.
3. That certain Oil, Gas and Mineral Lease by and between Thomas Drought, Individually and as Trustee under the will of Kathleen L. Drought and as Attorney-in-Fact for Anne Lucia Drought Wallace and Carr Resources, Inc. dated effective July 1, 2012 and recorded by Memorandum in the Official Public Records of Burleson County at Volume 873, Page 603.

51.92.5

## EXHIBIT "B"

Attached hereto and made a part of that certain Pooling Agreement - BR South Unit-1 by and between the Commissioner of the General Land Office, on behalf of the State of Texas, and Apache Corporation dated effective May 5, 2015.

**BEGINNING** at a calculated point in the southwesterly line of a called 3,477.78 acre tract described as "**TRACT ONE**" in that certain Memorandum of Oil and Gas Lease No. M-114301, dated September 10, 2012, between The State of Texas, as Lessor, and Carr Resources, Inc., as Lessee, recorded in Volume 879, Page 536 of the Official Public Records of Burleson County, Texas, from which a found  $\frac{3}{4}$  inch iron rod bears South 46° 40' 40" East, a distance of 82.42 feet;

**THENCE** North 44° 29' 57" East across said 3,477.78 acre tract, a distance of 1,802.79 feet to a calculated point;

**THENCE** South 45° 30' 00" East across said 3,477.78 acre tract, crossing a 320 acre tract in that certain Memorandum of Oil and Gas Lease dated June 28, 2012, between Thomas Drought as Lessor and Carr Resources, Inc., as Lessee, recorded in Volume 873, Page 603, Official Public Records, Burleson County, Texas, continuing across a called 2051.69 acres tract in that certain Memorandum of Oil and Gas Lease No. M-114300, dated July 17, 2012, between The State of Texas, as Lessor, and Carr Resources, Inc., as Lessee, recorded in Volume 879, Page 527 of the Official Public Records of Burleson County, Texas, a distance of 7,699.98 feet to a calculated point;

**THENCE** South 44° 29' 55" West continuing across said 2051.69 acres tract, a distance of 1,800.38 feet to a calculated point;

**THENCE** North 45° 17' 01" West continuing across a called 2051.69 acres tract, continuing across said 320 acre tract and crossing into said 3,477.78 acre tract, a distance of 5,841.35 feet to a found  $\frac{1}{2}$  inch iron rod at a corner of said 3,477.78 acre tract, being the apparent common corner of the S. Lawrence Survey, Abstract 36 and the J. Coles Survey, Abstract 12;

**THENCE** following along the southwesterly line of the 3,477.78 acre tract and the apparent common line of the S. Lawrence Survey, Abstract 36 and the J. Coles Survey, Abstract 12 the next two (2) courses and distances:

- 1) North 45° 59' 45" West a distance of 942.52 feet to a found  $\frac{1}{2}$  inch iron rod;
- 2) North 46° 30' 18" West a distance of 833.94 feet to a found  $\frac{3}{4}$  inch iron rod;

**THENCE** North 46° 40' 40" West along the south line of said 3,477.78 acre tract and the apparent common line of the S. Lawrence Survey, Abstract 36 and the J. Coles Survey, Abstract 12, a distance of 82.42 feet to the **PLACE OF BEGINNING** and containing 316.25 acres of land.

### Notes:

1. All bearings, distances and the acreage are based on the Texas State Plane Coordinate System, Central Zone (4203) NAD 27; all distances and acreages are grid.
2. This Exhibit is not intended to be a boundary survey and does not meet the requirements for boundary surveys in the State of Texas. It is intended for illustration purposes, and only for Apache Corporation use.
3. This survey was completed without the benefit of an abstract of title. There may be matters of record not shown. All record information provided by Apache Corporation.

EXHIBIT "B"

Attached hereto and made a part of that certain Pooling Agreement - BR South Unit-1 by and between the Commissioner of the General Land Office, on behalf of the State of Texas, and Apache Corporation dated effective May 5, 2015.

THE STATE OF TEXAS

§  
§  
§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS

That I, Ross C. Andress, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at Houston, Harris County, Texas, the 2nd day of April, 2015 A.D.

Surveying And Mapping, LLC  
11111 Katy Freeway  
Suite 200  
Houston, Texas 77079  
TX Firm # 10064300



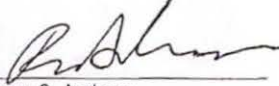
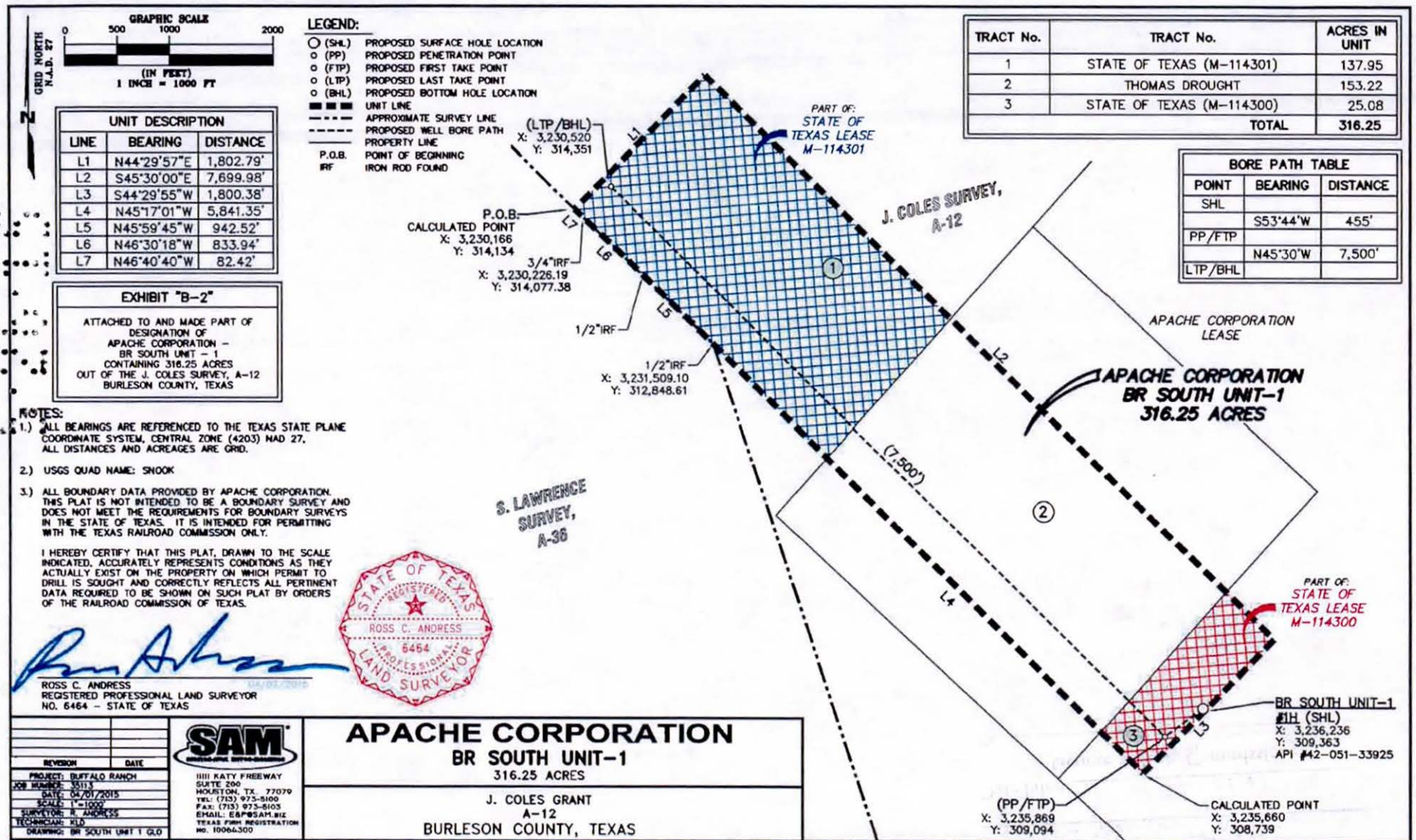
  
\_\_\_\_\_  
Ross C. Andress  
Registered Professional Land Surveyor  
No. 6464 - State of Texas

EXHIBIT "C"

Attached hereto and made a part of that certain Pooling Agreement - BR South Unit-1 by and between the Commissioner of the General Land Office, on behalf of the State of Texas, and Apache Corporation dated effective May 5, 2015.



16

File No. M-114300

Pooling Agmt Packet # 7453  
County

BR South Unit - 1

5/29/15

Date Filed:

George P. Bush, Commissioner

By



2012



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

June 1, 2015

Mr. Blake April  
Apache Corporation  
2000 W. Sam Houston Parkway S., Suite 2000  
Houston, Texas 77042

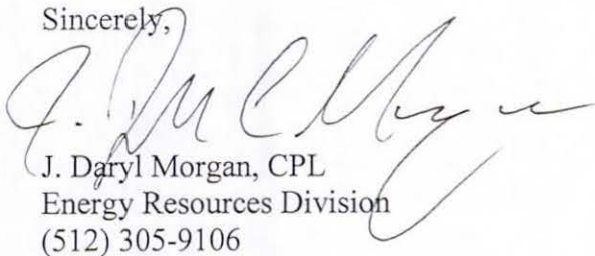
Re: Pooling Agreement  
BR South Unit-1  
GLO Unit No. 7453  
Burleson County, Texas

Dear Mr. April:

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

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

Sincerely,



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

Enclosure

File No. M- 114300

\_\_\_\_\_ County

Ltr. to Anayne

Date Filed: 6/1/15

George P. Bush, Commissioner

By [Signature]

If correspondence is required, please make reference to the identified Lease Number

Lease Date	Lessor	Freq	Start Date	Lease Number/Suffix
07-17-2012	ST TX M-114300	12	07-17-2015	1920003

AGENCY LEASE NUMBER: M-114300 IN PAYMENT OF: DELAY RENTAL  
Operating Compa: APACHE OPC

RECORDED: Book 879 Page 527 Reception # 00004896

15713471

TRACT: 1 COUNTRY: US STATE: TX COUNTY: BURLESON  
Prospect: PETROEDGE - BURLESON  
Region: GULFCOAST (REGION) District: SOUTHEAST TEXAS  
LEGAL (Part of): JOHN P COLES ABST/ID# 12 Grantee

NET ACRES  
2,051.690

FOR THE CREDIT OF:

PAYMENT

STATE OF TEXAS GENERAL LAND DEPT (BA# 9505325001)  
1700 N CONGRESS AVE AUSTIN TX 78701  
ACCT:

\$25,646.12

TX 78701

(DPS# 9505325001)

TOTAL BANK SERVICE CHARGE  
TOTAL AMOUNT PAID

\$ .00  
f \$25,646.12

121

APACHE CORPORATION  
ONE POST OAK CENTRAL  
2000 POST OAK BLVD. HOUSTON, TX 77056-4400

PLEASE SIGN THE RECEIPT COPY AND RETURN  
DETACH STATEMENT BEFORE DEPOSITING

CHECK NO.  
98998



The amount of this check is in payment of DELAY RENTAL  
due party or parties under O / G  
lease described for period specified

15713471  
APACHE CORPORATION 098998  
ONE POST OAK CENTRAL  
2000 POST OAK BLVD. HOUSTON, TX 77056-4400  
Phone 1800-272-2434

Lease Date	Lessor	Freq	Start Date	Lease Number/Suffix	CHECK NO:
07-17-2012	ST TX M-114300	12	07-17-2015	1920003	98998

DATE 06-12-2015

Wells Fargo Bank, N.A. 115 Hospital  
Drive Van Wert, OH 45891

56-382/412

\*\*\*\*\*25,646\*DOLLARS AND\* 12\*CENTS

AMOUNT  
\*\*\*\*\*\$25,646.12

PAY TO THE ORDER OF

STATE OF TEXAS GENERAL LAND DEPT  
1700 N CONGRESS AVE  
AUSTIN TX 78701

LEASE RENTAL ACCOUNT

*[Signature]*  
VICE PRESIDENT & TREASURER  
FACSIMILE SIGNATURE

⑈00098998⑈

File No. MF 114300  
4<sup>th</sup> yr Rental County \_\_\_\_\_

Date Filed: 6/17/15

By BN George P. Bush, Commissioner

0.75.72

Texas General Land Office

5/27/2015

X

100.00,

~~125~~ →

129

15712547

Compass - Operating

Acct. No. 1511

100.00

JONES GILL LLP  
ATTORNEYS AT LAW  
6363 WOODWAY, SUITE 1100  
HOUSTON, TEXAS 77057  
TELEPHONE (713) 652-4068  
FAX (713) 651-0716

*Partners*

Michael D. Jones ♦††  
Lee S. Gill \*‡  
Joseph D. Porter

- ♦ Also Licensed to Practice in Illinois
- \* Also Licensed to Practice in Louisiana
- Also Licensed to Practice in North Dakota
- ◇ Also Licensed to Practice in Ohio
- ⌘ Also Licensed to Practice in Colorado
- £ Also Licensed to Practice in Oklahoma
- Δ Also Licensed to Practice in Pennsylvania

† Board Certified - Civil Trial Law  
‡ Board Certified - Oil, Gas and Mineral Law  
Texas Board of Legal Specialization

*Of Counsel*  
Larry E. Meyer

*Senior Counsel*  
Patrick J. McGettigan

*Associates*  
L.R. "Larry" Nauss  
Dan G. Blake ◇‡  
Teresa N. Smith \*⌘‡  
Kevin M. Koel ⌘  
Alexander A. Kuiper ■  
Clayton A. Wheat ■  
James R. Standing Δ  
Jessica J. Crawford £  
Brian T. Wittpenn

May 27, 2015

Harriett Dunne  
Manager of Mineral Leasing  
Texas General Land Office  
1700 North Congress Ave.  
Austin, Texas 78701

M#114300 } unit # 7453  
M#114301 }

Via Federal Express

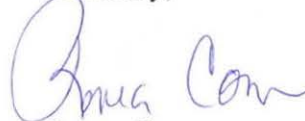
Re: Recording Assignments for Volume 910 Page 174 and Volume 975 Page 234

Dear Harriett:

Enclosed please find for recording the certified copies of Volume 910 Page 174 and Volume 975 Page 234 along with our check in the amount of \$100.00 for the recording fee. I have also enclosed an extra copy for you to place a file stamped copy and return envelope for that purpose. If you have any questions, please feel free to contact our office at 713-652-4068. Thank you for your assistance in this matter.

7-21-15 Renea to  
furnish all #'s

Sincerely,


  
Renea Conn  
Legal Assistant

51005

(19)

File No. MF 114 300  
Ltr from James Gill

Date Filed: 5-28-15

By George P. Bush, Commissioner 

2015

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL 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.

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF TEXAS §  
COUNTIES OF § KNOW ALL MEN BY THESE PRESENTS:  
BRAZOS & BURLESON §

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this "Assignment"), dated and effective as of July 19, 2013 at 7:00 a.m. (the "Effective Time"), is from Carr Resources, Inc., a Texas corporation, located at 305 S. Broadway, Suite 900, Tyler, Texas 75702 ("Assignor"), to PetroEdge Brazos LLC, a Delaware limited liability company, located at 2925 Briarpark Drive, Suite 150, Houston, Texas 77042 ("Assignee"). Assignor and Assignee are each referred to individually herein as a "Party", and collectively as the "Parties".

Each capitalized term used but not defined herein shall have the meaning given such term in that certain Participation Agreement (the "Participation Agreement"), dated as of June 21, 2013 by and among Assignor, ASM Oil & Gas Company and Assignee.

Section 1. Assignment. For Ten Dollars and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), subject to Section 3 below, Assignor does hereby forever GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER unto Assignee an undivided 75% of (a) all of Assignor's right, title and interest in and to the Leases described on Exhibit A attached hereto, subject to any depth limitations described therein (the "Leases"), and (b) all of Assignor's rights to use the surface in the Contract Area, including those rights provided for in the instruments described on Exhibit A (the "Surface Rights") (the Leases and the Surface Rights are collectively referred to herein as the "Conveyed Interests"). The conveyance and assignment herein shall be deemed effective as of the Effective Time.

**TO HAVE AND TO HOLD** the Conveyed Interests unto Assignee and its successors and assigns forever.

Section 2. Special Warranty of Title. Subject to any disclaimers, releases and waivers set forth in the Participation Agreement and except for representations and warranties specifically identified in the Participation Agreement, this Assignment is made without warranties of any kind, either express or implied, except that, subject to the Permitted Encumbrances, Assignor hereby agrees to warrant and defend title to the Leases assigned to Assignee against every Person whomsoever claiming or to claim all or any part of the Leases by, through or under Assignor, but not otherwise. Assignee is hereby assigned and subrogated to all covenants and warranties of title which Assignor or any of its Affiliates may have received to the extent applicable to the

HNV1024340.2

STATE OF TEXAS  
COUNTY OF BURLESON  
The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office.  
Thereby, certified, on 5-14-15  
Anna L Schielack  
County Clerk  
Burleson County, Texas  
By [Signature] Deputy



Leases. To be clear, the Surface Rights are being conveyed to Assignee herein on a quitclaim basis and without any representation or warranty whatsoever, express or implied.

Section 3. Retention of Overriding Royalty Interest. Assignor shall be entitled to retain and hereby reserves an overriding royalty interest in that portion of each Lease transferred to Assignee in an amount equal to the lesser of: (a) the difference obtained by subtracting 74.0% from Assignor's Net Revenue Interest in such Lease immediately prior to the Effective Time, provided that such difference will not be less than zero; and (b) 2.5%; provided that such retained overriding royalty interest shall be proportionately reduced by the proportion that the undivided percentage of the right to develop and produce Hydrocarbons held by Assignor in the lands subject to such Lease bears to the total right to develop and produce Hydrocarbons in the lands subject to such Lease. For the avoidance of doubt, Assignor is not entitled to and does not hereby retain an overriding royalty interest in any Lease for which Assignor has a Net Revenue Interest of 74.0% or less.

Section 4. Further Assurances. Assignor and Assignee agree to take such further actions and to execute, acknowledge and deliver all such further documents as are reasonably requested by the other Party for carrying out the purposes of this Assignment.

Section 5. Participation Agreement; Assumed Obligations. This Assignment is delivered pursuant to, and hereby made subject to, the terms and conditions of the Participation Agreement. In the event that any provision of this Assignment is construed to conflict with any provision of the Participation Agreement, the provisions of the Participation Agreement shall be deemed controlling to the extent of such conflict. Effective as of the Effective Time, Assignee hereby assumes and agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all of the Assumed Obligations. Furthermore, Assignee assumes and agrees to fulfill, perform, pay and discharge all of Assignor's obligations, if any, under the Surface Rights to the extent arising from and related to the period from and after the Effective Time.

Section 6. Successors and Assigns. This Assignment shall bind and inure to the benefit of the Parties and their respective successors, assigns and transferees.

Section 7. Counterparts.

(a) This Assignment may be executed in duplicate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

(b) To facilitate recordation, there may be omitted from the Exhibits to this Assignment in certain counterparts descriptions of property located in recording jurisdictions other than the jurisdiction in which the particular counterpart is to be filed or recorded.

Section 8. Governing Law; Disputes. THIS ASSIGNMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION. THE PARTIES

HNV1024340.2

STATE OF TEXAS  
COUNTY OF BURLESON

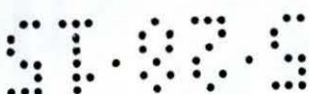
The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.

Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy



CONSENT TO THE EXERCISE OF JURISDICTION IN PERSONAM BY THE FEDERAL AND STATE COURTS LOCATED IN HARRIS COUNTY, TEXAS FOR ANY DISPUTE ARISING OUT OF THIS ASSIGNMENT. THE DISPUTE RESOLUTION PROVISIONS OF SECTION 15.2 OF THE PARTICIPATION AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE HEREIN.

[SIGNATURE PAGE FOLLOWS]

00005506

HN\1024340.2

STATE OF TEXAS  
COUNTY OF BURLESON

The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office.

Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy

00005506

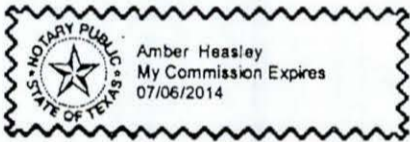
IN WITNESS WHEREOF, each Party has caused this Assignment to be duly executed the day and year first above written.

CARR RESOURCES, INC.,  
a Texas corporation

By: Lucy A Carr  
Lucy A. Carr, as Attorney-in-Fact for  
John P. Carr, President

STATE OF TEXAS           §  
  §  
COUNTY OF Smith       §

This instrument was acknowledged before me on July 8<sup>th</sup>, 2013, by Lucy A. Carr, as Attorney-in-Fact for John P. Carr, President of Carr Resources, Inc., a Texas corporation, on behalf of said corporation.



Amber Heasley  
Notary Public  
Printed Name: Amber Heasley  
My Commission Expires: 7/06/2014



[Signature and Acknowledgment page to Assignment, Bill of Sale and Conveyance]

STATE OF TEXAS  
COUNTY OF BURLESON

The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office.  
Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy



PETROEDGE BRAZOS LLC

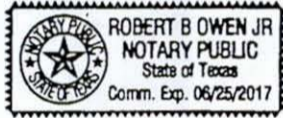
By: *Larry J. Richard*

Name: Larry J. Richard

Title: President

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me on July 17, 2013, by Larry J. Richard, President of PetroEdge Brazos LLC, a Delaware limited liability company, on behalf of said limited liability company.



*Robert B. Owen Jr.*  
Notary Public  
Printed Name: ROBERT B OWEN JR.  
My Commission Expires: 6/25/2017



[Signature and Acknowledgment page to Assignment, Bill of Sale and Conveyance]

STATE OF TEXAS  
COUNTY OF BURLESON

The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office.  
Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy



ATTACHED TO AND MADE PART OF THAT CERTAIN ASSIGNMENT, BILL OF SALE AND CONVEYANCE FROM CARR  
RESOURCES, INC. TO PETROEDGE BRAZOS LLC

**EXHIBIT A  
LEASES**

[See Attached]

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Exhibit A to Assignment, Bill of Sale and Conveyance

HN\1024340.2

STATE OF TEXAS  
COUNTY OF BURLESON

The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.

Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

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EXHIBIT A LEASES

M/F 114301

114300

Lessor	Effective Date	Lessee	Volume	Page	County
State Of Texas	August 22, 2012	Carr Resources Inc.	879	536	Burleson
Plains Capital Bank as Agent for Margaret Chance Evans Rael, As Agent for Vera F. Wyatt	August 22, 2012	Carr Resources Inc.	892	81	Burleson
Abigail Chance Thomason	August 22, 2012	Carr Resources Inc.	892	83	Burleson
Lewis Texas Minerals, LLC	March 7, 2012	Carr Resources Inc.	894	723	Burleson
Carolyn M. Simpson	August 22, 2012	Carr Resources Inc.	In	Recording	Burleson
William M. Simpson et ux Dianne Simpson	August 22, 2012	Carr Resources Inc.	894	121	Burleson
Plains Capital Bank as Agent for Elizabeth Merrell Evans	August 22, 2012	Carr Resources Inc.	892	115	Burleson
Plains Capital Bank as Agent for Thomas Miles Evans	August 22, 2012	Carr Resources Inc.	892	81	Burleson
Thomas Drought Individually and as Trustee	August 22, 2012	Carr Resources Inc.	873	603	Burleson
114300 State Of Texas	June 28, 2012	Carr Resources Inc.	873	603	Burleson
Stephanie Lynn Adam Malechek 1995 Trust and the Steven Bradley Adam 1995 Trust.	August 22, 2012	Carr Resources Inc.	879	527	Burleson
Will Vorwerk	August 22, 2012	Carr Resources Inc.	In	Recording	Brazos
Fred Surovik Jr	November 14, 2012	Carr Resources Inc.	879	545	Burleson
Janice Surovik Elsik	July 13, 2012	Carr Resources Inc.	873	593	Burleson
Jean Surovik Kotrla	July 13, 2012	Carr Resources Inc.	903	353	Burleson
Virginia Surovik Mitchelltree-lenz	July 13, 2012	Carr Resources Inc.	878	363	Burleson
Elaine Surovik Perez	July 13, 2012	Carr Resources Inc.	873	605	Burleson
Bob J. Surovik	July 13, 2012	Carr Resources Inc.	878	359	Burleson
W. L. Surovik	July 13, 2012	Carr Resources Inc.	873	607	Burleson
Mary Helen Surovik	August 16, 2012	Carr Resources Inc.	873	568	Burleson
Marsha Varisco	July 13, 2012	Carr Resources Inc.	873	601	Burleson
Virginia Union University	July 31, 2012	Carr Resources Inc.	878	348	Burleson
Baptist Missionary Society	July 31, 2012	Carr Resources Inc.	In	Recording	Burleson
Spurgeon's College	July 31, 2012	Carr Resources Inc.	In	Recording	Burleson
Thomas K. Bower as Power of Attorney in fact for Frederick E. Rowe Jr.	July 31, 2012	Carr Resources Inc.	In	Recording	Burleson
Thomas K. Bower as Power of Attorney in fact for Marian Rowe Lion	August 10, 2012	Carr Resources Inc.	873	572	Burleson
Karen McLane	August 10, 2012	Carr Resources Inc.	873	585	Burleson
Lobo Minerals	February 28, 2013	Carr Resources Inc.	892	101	Burleson
Scout Royalty Corp.	February 28, 2013	Carr Resources Inc.	892	108	Burleson
Rivendell Royalty Corp.	August 30, 2012	Carr Resources Inc.	878	356	Burleson
CWC	August 22, 2012	Carr Resources Inc.	873	581	Burleson
AWYSP	September 6, 2012	Carr Resources Inc.	892	79	Burleson
I. Sandra Elsik	October 8, 2012	Carr Resources Inc.	892	77	Burleson
I. Sandra Elsik	July 23, 2012	Carr Resources Inc.	873	608	Burleson
David M. Elsik	July 23, 2012	Carr Resources Inc.	873	608	Burleson
Gene N. Elsik	July 23, 2012	Carr Resources Inc.	869	233	Burleson
Mary Lynn Elsik	July 23, 2012	Carr Resources Inc.	869	227	Burleson
David M. Elsik	July 23, 2012	Carr Resources Inc.	869	230	Burleson
Gene N. Elsik	July 23, 2012	Carr Resources Inc.	869	233	Burleson
I. Sandra Elsik	July 23, 2012	Carr Resources Inc.	869	227	Burleson
Mary Lynn Elsik	July 23, 2012	Carr Resources Inc.	873	608	Burleson
Gene N. Elsik	July 23, 2012	Carr Resources Inc.	869	230	Burleson
Mary Lynn Elsik	July 23, 2012	Carr Resources Inc.	869	227	Burleson
I. Sandra Elsik	July 23, 2012	Carr Resources Inc.	869	230	Burleson
David M. Elsik	July 23, 2012	Carr Resources Inc.	869	227	Burleson
I. Sandra Elsik	July 23, 2012	Carr Resources Inc.	869	230	Burleson
David M. Elsik	July 23, 2012	Carr Resources Inc.	873	608	Burleson
I. Sandra Elsik	July 23, 2012	Carr Resources Inc.	869	233	Burleson
David M. Elsik	July 23, 2012	Carr Resources Inc.	869	233	Burleson
James E. Mitchell, Trustor/Trustee, and Bernadette Urbanovsky Mitchell, Trustor/Trustee	August 2, 2012	Carr Resources Inc.	878	367	Burleson
Bernadette Urbanovsky Mitchell, Individually	August 2, 2012	Carr Resources Inc.	878	369	Burleson



Exhibit A-1

STATE OF TEXAS COUNTY OF BURLESON

The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office. Thereby, certified, on 5-14-15

Anna L Schielack County Clerk Burleson County, Texas



By [Signature] Deputy



Lessor	Effective Date	Lessee	Volume	Page	County
David M. Elsik	July 23, 2012	Carr Resources Inc.	869	233	Burleson
Gene N. Elsik	July 23, 2012	Carr Resources Inc.	869	227	Burleson
I. Sandra Elsik	July 23, 2012	Carr Resources Inc.	873	608	Burleson
Mary Lynn Elsik	July 23, 2012	Carr Resources Inc.	869	230	Burleson
Maxine Marek	September 6, 2012	Carr Resources Inc.	878	365	Burleson
David M. Elsik	July 23, 2012	Carr Resources Inc.	869	233	Burleson
Gene N. Elsik	July 23, 2012	Carr Resources Inc.	869	227	Burleson
I. Sandra Elsik	July 23, 2012	Carr Resources Inc.	873	608	Burleson
Mary Lynn Elsik	July 23, 2012	Carr Resources Inc.	869	230	Burleson
Kenneth Walter Weichert	July 26, 2012	Carr Resources Inc.	873	591	Burleson
Michael Glenn Weichert	July 31, 2012	Carr Resources Inc.	873	575	Burleson
Sharon Richuber	July 31, 2012	Carr Resources Inc.	873	579	Burleson
Kenneth Walter Weichert	July 26, 2012	Carr Resources Inc.	873	591	Burleson
Michael Glenn Weichert	July 31, 2012	Carr Resources Inc.	873	575	Burleson
Sharon Richuber	July 31, 2012	Carr Resources Inc.	873	579	Burleson
Thomas F. Urbanovsky	July 27, 2012	Carr Resources Inc.	873	599	Burleson
Harold J. Urbanovsky	July 27, 2012	Carr Resources Inc.	873	597	Burleson
James A. Urbanovsky	July 27, 2012	Carr Resources Inc.	873	601	Burleson
James E. Mitchell, Trustor/Trustee, and Bernadette Urbanovsky Mitchell, Trustor/Trustee	August 2, 2012	Carr Resources Inc.	878	371	Burleson
Sharon Richuber	July 31, 2012	Carr Resources Inc.	873	579	Burleson
Michael Glenn Weichert	July 31, 2012	Carr Resources Inc.	873	575	Burleson
Rogelio Alberto Verdugo Rodriguez Jennifer Lee Wilborn-Verdugo	August 6, 2012	Carr Resources Inc.	878	350	Burleson
June Urbanovsky McDonald	September 28, 2012	Carr Resources Inc.	878	352	Burleson
Pamela Urbanovsky Topletz	September 19, 2012	Carr Resources Inc.	878	354	Burleson
Marie Urbanovsky, Agent and Attorney-In-Fact Gail Gray	August 24, 2012	Carr Resources Inc.	878	361	Burleson
Arnold C. Urbanovsky	August 24, 2012	Carr Resources Inc.	873	574	Burleson
9008 Cr 271 LLC	November 13, 2012	Carr Resources Inc.	In	Recording	Burleson
Maxine Marek	November 6, 2012	Carr Resources Inc.	879	547	Burleson
Vera F. Wyatt	May 25, 2012	Carr Resources Inc.	10812	77	Brazos
Abigail Chance Thomason	May 25, 2012	Carr Resources Inc.	10812	124	Brazos
PlainsCapital Bank as agent for Elizabeth Merrill Evans	May 25, 2012	Carr Resources Inc.	10812	79	Brazos
PlainsCapital Bank as agent for Thomas Miles Evans	May 25, 2012	Carr Resources Inc.	10812	79	Brazos
Plains Capital Bank's agent for Margaret Evans Rael	May 25, 2012	Carr Resources Inc.	10812	79	Brazos
Wells Fargo Bank, Trustee Of The Verra Wyatt Chance Trust	May 25, 2012	Carr Resources Inc.	10812	79	Brazos
Wells Fargo Bank, Trustee Of The Abigail Chance Thomason Trust	May 25, 2012	Carr Resources Inc.	10812	79	Brazos
Plains Capital Bank as agent for Margaret Evans Rael	October 10, 2012	Carr Resources Inc.	10812	81	Brazos
Abigail Chance Thomason	July 5, 2012	Carr Resources Inc.	11350	7	Brazos
Vera F. Wyatt	July 5, 2012	Carr Resources Inc.	11047	51	Brazos
Plains Capital Bank as Agent for Elizabeth Merrell Evans	October 10, 2012	Carr Resources Inc.	10812	75	Brazos
Plains Capital Bank as Agent for Thomas Miles Evans	October 10, 2012	Carr Resources Inc.	10812	81	Brazos
Betty Potter Fry	July 11, 2012	Carr Resources Inc.	10812	83	Brazos
Pamela Gusick	July 23, 2012	Carr Resources Inc.	10898	128	Brazos
Richard Stewart	July 26, 2012	Carr Resources Inc.	10812	67	Brazos
L&M Resource Mgmt.	July 31, 2012	Carr Resources Inc.	10898	126	Brazos
Anne Carter	September 11, 2012	Carr Resources Inc.	11028	86	Brazos
Taylor R. Gibson	September 11, 2012	Carr Resources Inc.	11028	88	Brazos
Walker Family Partnership	3/13/1013	Carr Resources Inc.	11350	23	Brazos
Ronald E Cowe as as Vicepresident of M.D Wheeler GP Inc, General Partner for M.D Wheeler LTD	March 5, 2013	Carr Resources Inc.	11231	196	Brazos

Exhibit A-2

STATE OF TEXAS  
COUNTY OF BURLESON  
The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.

Thereby, certified, on 5-14-15



Anna L. Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy



Lessor	Effective Date	Lessee	Volume	Page	County
Mac Dean Wheeler as, successor Trustee of the F.W Bert Wheeler and Mae Dean Wheeler Family Trust	March 5, 2013	Carr Resources Inc.	11231	206	Brazos
Mae Dean Wheeler individually and as, Trustee of the F.W Bert Wheeler Trust	March 5, 2013	Carr Resources Inc.	11231	206	Brazos
Larry J. Ringer	October 16, 2012	Carr Resources Inc.	10993	82	Brazos
Colette Louise Gibbs, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	90	Brazos
Connie Hearne Pittman, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	84	Brazos
Cynthia Sue Dannenbrink, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	88	Brazos
Claude E. Cooke	September 19, 2012	Carr Resources Inc.	10993	86	Brazos
Karen Jean Kerver North as power of attorney for Dorothy J Kerver Trustee of the KERVER LIVING TRUST Dated December 16th 1993	March 5, 2013	Carr Resources Inc.	11231	194	Brazos
Jean Amanda Adkisson, in her sole and separate property	November 7, 2012	Carr Resources Inc.	11018	40	Brazos
Larry J. Ringer	October 16, 2012	Carr Resources Inc.	10993	82	Brazos
Colette Louise Gibbs, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	90	Brazos
Connie Hearne Pittman, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	84	Brazos
Cynthia Sue Dannenbrink, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	88	Brazos
Claude E. Cooke	September 19, 2012	Carr Resources Inc.	10993	86	Brazos
Karen Jean Kerver North as power of attorney for Dorothy J Kerver Trustee of the KERVER LIVING TRUST Dated December 16th 1993	October 11, 2012	Carr Resources Inc.	11231	194	Brazos
Claude E. Cooke	September 19, 2012	Carr Resources Inc.	10993	86	Brazos
Larry J. Ringer	October 16, 2012	Carr Resources Inc.	10993	82	Brazos
Karen Jean Kerver North as power of attorney for Dorothy J Kerver Trustee of the KERVER LIVING TRUST Dated December 16th 1993	October 11, 2012	Carr Resources Inc.	11231	194	Brazos
Connie Hearne Pittman, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	84	Brazos
Colette Louise Gibbs, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	90	Brazos
Cynthia Sue Dannenbrink, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	88	Brazos
Connie Hearne Pittman, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	84	Brazos
Cynthia Sue Dannenbrink, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	88	Brazos
Colette Louise Gibbs, in her sole and separate property	September 14, 2012	Carr Resources Inc.	10993	90	Brazos
9008 Cr 271 LLC	November 13, 2012	Carr Resources Inc.	In	Recording	Burleson
Michael H. Hensarling and wife Elaine Hensarling	September 19, 2012	Carr Resources Inc.	11047	49	Brazos
Charles B Jones Etal	March 7, 2013	Carr Resources Inc.	11231	181	Brazos
Lieven J. Van Reit Trustee	March 6, 2013	Carr Resources Inc.	11231	192	Brazos
Michael K Davis	March 18, 2013	Carr Resources Inc.	11231	190	Brazos
ParvizVessali	March 18, 2013	Carr Resources Inc.	11231	188	Brazos
Jimmy E. Easterly	March 18, 2013	Carr Resources Inc.	11231	186	Brazos
Northern Trust Company, Trustee for for the Clifford Parker and Betty Jo Parker Charitable annuity Trust	March 5, 2013	Carr Resources Inc.	11291	66	Brazos
Joe Thomas Conaway	March 26, 2013	Carr Resources Inc.	11350	15	Brazos

Exhibit A-3

STATE OF TEXAS  
COUNTY OF BURLESON

The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office.

Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy



Lessor	Effective Date	Lessee	Volume	Page	County
Robert Conaway	March 29, 2013	Carr Resources Inc.	11350	17	Brazos
Josphine Conaway	March 29, 2013	Carr Resources Inc.	11350	19	Brazos
Eugene W Skrabanek, and Betty Skrabanek	April 30, 2013	Carr Resources Inc.	11350	13	Brazos
Eunice Williams; The Eunice E. Williams Revocable Living Trust	April 18, 2013	Carr Resources Inc.	11350	11	Brazos
Charles Anthony Abbate, , Co-Trustees of the Jim Abbate Testamentary Trust, and Grace S Abbate Co-Trustees of the Jim Abbate Testamentary Trust	June 18, 2013	Carr Resources Inc.	11432	83	Brazos
Grace S Abbate Individually	June 18, 2013	Carr Resources Inc.	11432	96	Brazos
Grace S Abbate Individually	June 18, 2013	Carr Resources Inc.	11432	96	Brazos
Charles Abbate and ETUX	June 18, 2013	Carr Resources Inc.	11432	86	Brazos
Pauline Abbate Middle Brook	June 18, 2013	Carr Resources Inc.	11432	99	Brazos
Willie Ann Mosley and Husband Bobby Mosley,	June 18, 2013	Carr Resources Inc.	11432	88	Brazos
Lawrence Paul Wilding and Gladys D. Wilding	June 3, 2013	Carr Resources Inc.	11423	209	Brazos
Bryan Kotrla, and Wendy Kotrla	April 23, 2013	Carr Resources Inc.	In	Recording	Brazos
Paul Lucht, and Stacy Lucht	April 22, 2013	Carr Resources Inc.	11423	205	Brazos
Walter Magnussen jr, and Nancy magnussen	May 6, 2013	Carr Resources Inc.	11423	207	Brazos
Alexandra L Chunn Trustee	September 11, 2012	BRW Land Services, Inc.	10954	11	Brazos
Chantal Van Reit	September 11, 2012	BRW Land Services, Inc.	10954	9	Brazos
Christopher Van Reit	September 11, 2012	BRW Land Services, Inc.	10954	7	Brazos
Gerald Van Reit	September 11, 2012	BRW Land Services, Inc.	10954	5	Brazos
Betty Hill	November 1, 2012	BRW Land Services, Inc.	11028	92	Brazos
David Scott Hill	November 1, 2012	BRW Land Services, Inc.	11028	90	Brazos
Peggy Ann Ellington Sorenson	February 5, 2013	BRW Land Services, Inc.	11145	18	Brazos
Thomas Craig Hill	November 1, 2012	BRW Land Services, Inc.	11028	94	Brazos
Chantal Van Reit	September 11, 2012	BRW Land Services, Inc.	10954	9	Brazos
Christopher Van Reit	September 11, 2012	BRW Land Services, Inc.	10954	7	Brazos
Gerald Van Reit	September 11, 2012	BRW Land Services, Inc.	10954	5	Brazos
Larry Landry	October 18, 2012	BRW Land Services, Inc.	In	Recording	Brazos
George Green	October 18, 2012	BRW Land Services, Inc.	In	Recording	Brazos
Joe Courtney	October 18, 2012	BRW Land Services, Inc.	In	Recording	Brazos
Don R Cain	October 18, 2012	BRW Land Services, Inc.	In	Recording	Brazos
Todd William Fitch	October 18, 2012	BRW Land Services, Inc.	In	Recording	Brazos
Pierre G Normand	October 18, 2012	BRW Land Services, Inc.	In	Recording	Brazos
M. Charles Gandy	November 8, 2012	BRW Land Services, Inc.	11018	44	Brazos

Exhibit A-4

STATE OF TEXAS  
COUNTY OF BURLESON

The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.

Thereby, certified, on 5-14-15

Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy

Lessor	Effective Date	Lessee	Volume	Page	County
Luella Trotter	December 19, 2012	BRW Land Services, Inc.	11145	9	Brazos
Florence King	December 19, 2012	BRW Land Services, Inc.	11145	16	Brazos
Arrenia H Ellis	December 19, 2012	BRW Land Services, Inc.	11145	14	Brazos
Ann Fleming Hays	December 5, 2012	BRW Land Services, Inc.	11047	47	Brazos
Edsel Jones, etal	November 1, 2012	BRW Land Services, Inc.	11000	40	Brazos
John Wheeler Barger Trustee Etal	December 3, 2012	BRW Land Services, Inc.	11145	20	Brazos
Norman B Floeck	January 2, 2013	BRW Land Services, Inc.	11291	71	Brazos
Joseph and Dorothy Mikeska	November 1, 2012	BRW Land Services, Inc.	11035	288	Brazos
Butler J& J Family Partnership Jan Butler Loveless	September 19, 2012	BRW Land Services, Inc.	11145	11	Brazos
Butler J& J Family Partnership LTD James G Butler	September 19, 2012	BRW Land Services, Inc.	11059	218	Brazos
sunset ridge llp	November 1, 2012	BRW Land Services, Inc.	11000	43	Brazos
Patricia Rice	November 8, 2012	BRW Land Services, Inc.	11018	48	Brazos
Karen A Kearns	November 8, 2012	BRW Land Services, Inc.	11018	42	Brazos
David H Gandy	November 8, 2012	BRW Land Services, Inc.	11028	96	Brazos
Henry P Mayo et ux	November 12, 2012	BRW Land Services, Inc.	11018	46	Brazos
Mae Dean Wheeler, Individually; Mae Dean Wheeler, as Trustee of the Mae Dean Wheeler Management Trust; Mae Dean Wheeler, as Successor Trustee of the F.W. Bert Wheeler and Mae Dean Wheeler Family Trust; Mae Dean Wheeler, as Successor Trustee of the F.W. Bert Wheeler Trust	March 5, 2013	Carr Resources	In	Recording	Brazos
PATSY M. GRAHAM, D/B/A PALOMINO ENTERPRISES	June 16, 2013	Carr Resources	11473	221	Brazos
Michael O'Keefe	June 17, 2013	Carr Resources	11473	219	Brazos
Mark O'Keefe	June 17, 2013	Carr Resources	11473	219	Brazos
Don L. Ivey and wife, Cynthia P. Stagg Ivey	June 17, 2013	Carr Resources	In	Recording	Brazos
Scientific Inquiry Inc.	June 17, 2013	Carr Resources	In	Recording	Brazos
Texas A&M Foundation Trust Company, Trustee of The Wanona Carol Randolph Charitable Remainder Unitrust	June 17, 2013	Carr Resources	In	Recording	Brazos



Anna L. Schielack  
Burleson County Clerk

STATE OF TEXAS COUNTY OF BURLESON  
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of:  
Burleson County  
As stamped hereon by me.  
Aug 08, 2013

Exhibit A-5

Filed for Record in:  
Burleson County  
On: Aug 08, 2013 at 09:57A  
As an Official Public Records  
Document Number: 00005506  
Amount 56.00  
Receipt Number - 88603  
By,  
Sharon R Burgess

STATE OF TEXAS  
COUNTY OF BURLESON

The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office. Thereby, certified, on 5-14-15



Anna L. Schielack  
County Clerk  
Burleson County, Texas

By  Deputy



31.06.02

File No. MF 114300 20  
APR #9328

Date Filed: 5-28-15  
George P. Bush, Commissioner  
By: *GPB*

20012

M/F 114300 } eff  
M/F 114301 } 9-1-14

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.

ASSIGNMENT AND BILL OF SALE

STATE OF TEXAS §  
COUNTY OF BURLESON § KNOW ALL MEN BY THESE PRESENTS

This Assignment and Bill of Sale (this "Assignment") is from PetroEdge Energy III LLC, a Delaware limited liability company ("PE III"), PetroEdge Brazos LLC, a Delaware limited liability company ("PEB"), and PetroEdge Operating LLC, a Delaware limited liability company ("PEO", and together with PE III and PEB, collectively, "PetroEdge"), Carr Resources, Inc., a Texas corporation ("Carr"), and ASM Oil & Gas Company, Inc., a Texas corporation ("ASM") (Carr, PetroEdge, and ASM are sometimes referred to herein, collectively, as "Assignors" and, individually, as "Assignor"), with the respective addresses of Assignors being set forth on the signature pages hereto, to Apache Corporation, a Delaware corporation ("Assignee"), whose address is 2000 Post Oak Blvd., Suite 100, Houston, Texas 77056, and is effective as of 12:01 a.m. (Prevailing Central Time) on September 1, 2014 (the "Effective Time").

ARTICLE I  
ASSIGNMENT OF ASSETS

Section 1.1 Assignment. Assignors, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grant, bargain, assign, transfer, and convey unto Assignee, all of Assignors' right, title, and interest in and to the following (excepting the Excluded Assets, as hereinafter defined) (collectively, and subject to such exclusions, the "Assets"):

- (a) the oil and gas leases described in Exhibit A (such interest in such leases, the "Leases"), together with any and all other rights, titles, and interests of Assignors in and to the lands covered or burdened thereby, and all other interests of Assignors of any kind or character in and to the Leases;
- (b) all wells (including all disposal or injection wells) located on any of the Leases or on any other lease or lands with which any Lease has been unitized, whether such wells are producing, shut-in or abandoned (collectively, the "Wells");
- (c) all rights and interests in, under or derived from all unitization or pooling agreements in effect with respect to any of the Leases or Wells and the units created thereby, including, without limitation, those listed on Exhibit A-3 (the "Units");
- (d) all Applicable Contracts;

Assignment and Bill of Sale - Page 1

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gbl

STATE OF TEXAS  
COUNTY OF BURLESON

The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office.

Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy

51075

(e) all Rights-of-Way, to the extent such are used or useful in connection with the ownership or operation of any of the Leases, Wells, Units, or other Assets, including all of those rights identified on Exhibit A-2;

(f) all equipment, machinery, fixtures and other personal and mixed property, operational and nonoperational, known or unknown, located on any of the Leases, Wells, Units or other Assets, that are primarily used or held for use in connection with the ownership, operation or development of the Leases, Wells, Units or other Assets, including, pipelines, gathering systems, well equipment, casing, tubing, pumps, motors, fixtures, machinery, compression equipment, flow lines, processing and separation facilities, structures, materials and other items used in the ownership, operation or development of the Leases, Wells, Units or other Assets (the "*Personal Property*");

(g) all Hydrocarbons attributable to the Leases, Wells and/or Units to the extent such Hydrocarbons were produced from and after the Effective Time and all Imbalances relating to the Assets;

(h) to the extent that they may be assigned, all Permits that are used in connection with the ownership or operation of the other Assets;

(i) all non-proprietary geophysical, seismic and related technical data (in each case) that (i) are held by Assignors or their Affiliates, (ii) are transferable without payment of a fee or other penalty to any Third Party under any Contract (unless Assignee has separately agreed in writing to pay such fee or other penalty), and (iii) relate to the Leases, Wells, Units, or other Assets; and

(j) all files, records and data that (i) primarily relate to the ownership, operation or development of the Assets described above, and (ii) that are in Assignors' or their Affiliates' possession, including: (A) land and title records (including abstracts of title, title opinions and title curative documents); (B) Applicable Contract files; (C) correspondence; (D) operations, environmental, health and safety, pipeline safety, production, accounting and Tax records (other than those primarily relating to income or franchise Taxes or that relate to Assignors' business generally); and (E) facility and well records; provided, however, that (1) those items referenced above in this sub-section (i) that are subject to a valid legal privilege or to disclosure restrictions, (2) those items referenced above in this sub-section (j) that are not transferable without payment of additional consideration (and Assignee has not agreed in writing to pay such additional consideration), (3) all e-mails and other electronic files on Assignors' servers and networks relating to the foregoing items referenced in this sub-section (j) and (4) all employee files, in each case, shall be excluded (the foregoing items, taking into account the exclusions listed above, collectively, the "*Records*").

**TO HAVE AND TO HOLD** the Assets unto Assignee, its successors and assigns, forever, subject, however, to all the terms and conditions of this Assignment.

**STATE OF TEXAS  
COUNTY OF BURLESON**

**The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.**

Thereby, certified, on 5-14-15



**Anna L Schielack  
County Clerk  
Burleson County, Texas**

By [Signature] Deputy

**Section 1.2 Excluded and Reserved Assets.** The Assets shall not include, and there is excepted, reserved and excluded from the sale and assignment contemplated hereby, the Excluded Assets. "Excluded Assets" shall mean:

- (a) all of Assignors' corporate minute books, financial and tax records and other business records that relate to Assignors' businesses generally (including the ownership and operation of the Assets) or other Excluded Assets;
- (b) all trade credits, all accounts, receivables and all other proceeds, income or revenues attributable to the Assets with respect to any period of time prior to the Effective Time;
- (c) all claims and causes of action of any Assignor arising under or with respect to any Applicable Contracts that are attributable to periods of time prior to the Effective Time (including claims for adjustments or refunds);
- (d) subject to Section 13.3 of the Purchase and Sale Agreement, all rights and interests relating to the Assets, (i) under any existing policy or agreement of insurance, (ii) under any bond or (iii) to any insurance or condemnation proceeds or awards arising, in each case, from acts, omissions or events, or damage to or destruction of property;
- (e) all Hydrocarbons produced and sold from the Assets with respect to all periods prior to the Effective Time;
- (f) all claims of any Assignor or its Affiliates for refunds of or loss carry forwards with respect to (i) production or any other Taxes paid by any Assignor or its Affiliates attributable to any period prior to the Effective Time, (ii) income Taxes paid by any Assignor or its Affiliates or (iii) any Taxes attributable to the Excluded Assets;
- (g) all personal computers, network equipment and associated peripherals and telephone equipment (including cellular telephones);
- (h) all of Assignors' proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property;
- (i) all documents and instruments of Assignors that may be protected by an attorney-client privilege;
- (j) all data that cannot be disclosed to Assignee as a result of confidentiality arrangements under agreements with Third Parties;
- (k) all audit rights arising under any of the (i) Applicable Contracts or otherwise to the extent such relate to any period prior to the Effective Time or (ii) Excluded Assets, except for any Imbalances;
- (l) all geophysical and other seismic and related technical data and information relating to the Assets to the extent that such geophysical and other seismic and related technical data and information is (i) proprietary, or (ii) not transferable



*SPK*

**STATE OF TEXAS  
COUNTY OF BURLESON**

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is a full, true and correct copy of the original on  
file and of record in my office.**

Thereby, certified, on 5-14-15



**Anna L Schielack  
County Clerk  
Burleson County, Texas**

By *[Signature]* Deputy



without payment of a fee or other penalty to any Third Party under any Contract (unless Assignee has separately agreed in writing to pay such fee or other penalty);

(m) documents prepared or received by any Assignor or its Affiliates with respect to (i) lists of prospective purchasers for the Assets, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by any Assignor or its Affiliates or any of their representatives of any bids submitted by any prospective purchaser or any valuation of the Assets generally, (iv) correspondence between or among any Assignor, its representatives and any prospective purchaser other than Assignee, but excluding any confidentiality agreements between Assignors (or any of them) and any other prospective purchasers relating to the Assets, and (v) correspondence between any Assignor or any of its representatives with respect to any of the bids, the prospective purchasers or the transactions contemplated by this Assignment or the Purchase and Sale Agreement;

(n) any offices, office leases and any office furniture or office supplies located in or on such offices excluded and/or office leases;

(o) any assets that are excluded pursuant to the provisions of Section 12.1(b), Section 13.2(d)(iii), Section 13.4 or Section 14.1(c)(iii) of the Purchase and Sale Agreement;

(p) any master service agreements or similar Contracts;

(q) the Orion Drilling Contract;

(r) any cars, trucks, or other vehicles;

(s) the assets set forth on Exhibit B;

(t) any rights or obligations which Assignors may have, either now or in the future, with respect to any interests in the Leases which are not being conveyed to Assignee pursuant to this Agreement; and

(u) except for Wells, any wells which are located upon the Leases or any lands pooled therewith, but which are, as of September 12, 2014, producing from or completed in depths which either (i) Assignors do not hold rights as of the September 12, 2014, or (ii) otherwise comprise a part of the Excluded Assets.

**Section 1.3 Retained Rights and Obligations.** The execution and delivery of this Assignment by Assignors, and the execution and acceptance of this Assignment by Assignee, shall not operate to release or impair any surviving rights or obligations of Assignors or Assignee under the Purchase and Sale Agreement.

**ARTICLE II  
DEFINED TERMS**

**Section 2.1 Definitions.** Capitalized terms and not otherwise defined in this Assignment shall have the meanings given to such terms in that certain Purchase and Sale

**STATE OF TEXAS  
COUNTY OF BURLESON**

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Thereby, certified, on 5-14-15



**Anna L Schielack  
County Clerk  
Burleson County, Texas**

By [Signature] Deputy

Agreement, dated September 12, 2014, by and among Assignors and Assignee (the "Purchase and Sale Agreement").

**ARTICLE III  
DISCLAIMERS**

**Section 3.1 Disclaimers of Warranties and Representations.**

(a) EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY SET FORTH IN ARTICLE IX OF THE PURCHASE AND SALE AGREEMENT AND THE SPECIAL WARRANTY OF TITLE CONTAINED IN SECTION 4.1, (I) ASSIGNORS MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) ASSIGNORS EXPRESSLY DISCLAIM ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING, ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ASSIGNEE BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF ASSIGNORS OR ANY OF THEIR AFFILIATES).

(b) EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE IX OF THE PURCHASE AND SALE AGREEMENT AND THE SPECIAL WARRANTY OF TITLE CONTAINED IN SECTION 4.1, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNORS EXPRESSLY DISCLAIM ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE ASSETS, (II) THE CONTENTS, CHARACTER, OR NATURE OF ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT OR ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY ASSIGNORS OR THIRD PARTIES WITH RESPECT TO THE ASSETS, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO ASSIGNEE OR ITS AFFILIATES OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS ASSIGNMENT OR THE PURCHASE AND SALE AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO AND (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR



Assignment and Bill of Sale – Page 5

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**Anna L Schielack  
County Clerk  
Burleson County, Texas**

By [Signature] Deputy



TRADEMARK INFRINGEMENT. EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE IX OF THE PURCHASE AND SALE AGREEMENT AND THE SPECIAL WARRANTY OF TITLE CONTAINED IN SECTION 4.1, ASSIGNORS FURTHER DISCLAIM ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FREEDOM FROM LATENT VICES OR DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY OF THE ASSETS, RIGHTS OF A PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT ASSIGNEE SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS OR DEFECTS (KNOWN OR UNKNOWN, LATENT, DISCOVERABLE OR UNDISCOVERABLE), AND THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS OF THE ASSETS AS ASSIGNEE DEEMS APPROPRIATE.

(c) OTHER THAN AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN SECTION 9.14 OF THE PURCHASE AND SALE AGREEMENT, ASSIGNORS HAVE NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, THE RELEASE OF HAZARDOUS SUBSTANCES INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS ASSIGNMENT OR THE PURCHASE AND SALE AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND SUBJECT TO ASSIGNEE'S LIMITED RIGHTS AS EXPRESSLY SPECIFIED IN THE PURCHASE AND SALE AGREEMENT FOR A BREACH OF ASSIGNORS' REPRESENTATIONS SET FORTH IN SECTION 9.14 OF THE PURCHASE AND SALE AGREEMENT, ASSIGNEE SHALL BE DEEMED TO BE OBTAINING THE ASSETS "AS IS" AND "WHERE IS" WITH ALL FAULTS FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION AND THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH ENVIRONMENTAL INSPECTIONS OF THE ASSETS AS ASSIGNEE DEEMS APPROPRIATE.

(d) ASSIGNORS AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS SECTION 3.1 ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSE OF ANY APPLICABLE LAW.

*GL*

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

ARTICLE IV  
SPECIAL WARRANTY OF TITLE

Section 4.1 Special Warranty of Title. Each Assignor hereby severally agrees to warrant and forever defend title to the Assets unto Assignee against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under such Assignor and its Affiliates, but not otherwise. It is acknowledged and understood that the foregoing shall constitute and be considered a special warranty of title by, through, and under each Assignor and its Affiliates under the applicable laws of the State of Texas, and that such special title warranty shall extend to all liens and encumbrances that burden the Assets (excluding Permitted Encumbrances) to the extent, and only to the extent, arising by, through or under such Assignor and its Affiliates (but not otherwise).

ARTICLE V  
ASSUMED OBLIGATIONS

Section 5.1 Assumed Obligations. As of the Closing, but without limiting and in all cases subject to Assignee's rights to indemnity under the Purchase and Sale Agreement, Assignee assumes and agrees to pay, perform and discharge all Assumed Obligations pursuant to the Purchase and Sale Agreement.

ARTICLE VI  
MISCELLANEOUS

Section 6.1 Assignment Subject to Agreement. This Assignment is expressly made subject to the terms of the Purchase and Sale Agreement (which terms shall control in the event of a conflict herewith). The Purchase and Sale Agreement contains certain representations, warranties, covenants, indemnities and agreements between the parties, some of which may survive the delivery of this Assignment, as more particularly provided for therein, but third parties may conclusively rely on this Assignment to vest title to the Assets in Assignee. Notwithstanding the foregoing and for the avoidance of doubt, this Assignment is only intended to convey the Assets set forth herein as provided for herein.

Section 6.2 Separate Assignments. Where separate assignments of Assets have been or will be executed for filing with and approval by applicable Governmental Authorities, any such separate assignments (a) shall evidence this Assignment and assignment of the applicable Assets herein made and shall not constitute any additional Assignment or assignment of the Assets, (b) are not intended to modify, and shall not modify, any of the terms, covenants and conditions or limitations on warranties set forth in this Assignment and are not intended to create, and shall not create, any representations, warranties or additional covenants of or by any Assignor to Assignee, and (c) shall be deemed to contain all of the terms and provisions of this Assignment, as fully and to all intents and purposes as though the same were set forth at length in such separate assignments.

Section 6.3 Governing Law/Waiver of Jury Trial. THIS ASSIGNMENT AND THE LEGAL RELATIONS AMONG THE PARTIES SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS,

Assignment and Bill of Sale – Page 7

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STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
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Burleson County, Texas

By [Signature] Deputy

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EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION. ALL OF THE PARTIES HERETO CONSENT TO THE EXERCISE OF JURISDICTION IN PERSONAM BY THE COURTS OF THE STATE OF TEXAS FOR ANY ACTION ARISING OUT OF THIS ASSIGNMENT. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT.

**Section 6.4 Successors and Assigns.** This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that nothing in this Assignment shall assign or grant, or in any way operate to assign or grant, any right, title or interest in, to or under the Purchase and Sale Agreement to any successor or assign of Assignee with respect to the Assets or any part thereof, it being expressly understood that rights, titles and interests under the Purchase and Sale Agreement may only be obtained or assigned in strict accordance with the terms thereof.

**Section 6.5 Participation Agreement.** PEB (as successor to PetroEdge Resources III LLC), Carr, and ASM are all of the Parties to that certain Participation Agreement, dated as of June 21, 2013 (the "*Participation Agreement*") referenced in certain previous conveyances of the Assets. Each of PEB, Carr, and ASM hereby agrees and avers that (a) upon the execution of this Assignment, but effective as of the Effective Time: (i) the Assets shall not be subject to the Participation Agreement, (ii) all previous conveyances of the Assets among such parties are hereby released from and are no longer subject to the Participation Agreement, and (b) Assignee is not subject to the Participation Agreement, and (c) the Assets are being conveyed to Assignee hereunder free and clear of the Participation Agreement.

**Section 6.6 Counterparts.** This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument. To facilitate the recording or filing of this Assignment, the counterpart to be recorded in a given county may contain only that portion of the exhibits that describes Assets located in that county.

[Signature Page Follows]



Assignment and Bill of Sale – Page 8

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*Handwritten initials*

STATE OF TEXAS  
COUNTY OF BURLESON

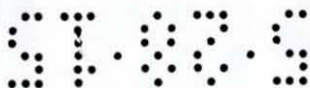
The document to which this certificate is affixed  
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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy



EXECUTED as of the dates set forth below, but effective as of the Effective Time.

**ASSIGNOR:**

**PETROEDGE ENERGY III LLC  
PETROEDGE BRAZOS LLC  
PETROEDGE OPERATING LLC**

By: *Larry J. Richard*  
Name: Larry J. Richard  
Title: President & CEO

2925 Briarpark Drive, Suite 150  
Houston, Texas 77042

STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS       §

This instrument was acknowledged before me on this 23<sup>rd</sup> day of October, 2014, by Larry J. Richard as President & CEO of PetroEdge Energy III LLC, a Delaware limited liability company, PetroEdge Brazos LLC, a Delaware limited liability company, and PetroEdge Operating LLC, a Delaware limited liability company on behalf of each such limited liability company.



*Lynelle Bacon*  
Notary Public - State of Texas

[Signature Page to Assignment and Bill of Sale]

**STATE OF TEXAS  
COUNTY OF BURLESON**

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Thereby, certified, on 5-14-15



**Anna L Schielack  
County Clerk  
Burleson County, Texas**

By *[Signature]* Deputy



ASSIGNOR:

CARR RESOURCES, INC.

By: John P. Carr  
Name: John P. Carr  
Title: President

305 S. Broadway, Suite 900  
Tyler, Texas 75702

STATE OF TEXAS           §  
  §  
COUNTY OF Harris       §

This instrument was acknowledged before me on this 23 day of October, 2014, by John P. Carr as President of Carr Resources, Inc., a Texas corporation, on behalf of said corporation.



Jennifer Roundy  
Notary Public - State of Texas



[Signature Page to Assignment and Bill of Sale]

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By Joskas Rivas Deputy



**ASSIGNOR:**

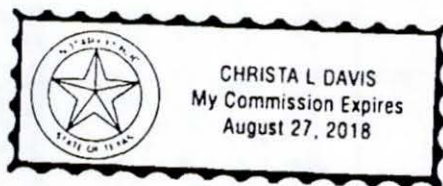
ASM OIL & GAS COMPANY, INC.

By: [Signature]  
Name: Michael Pearson  
Title: President

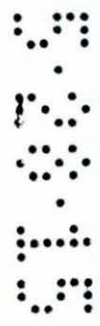
7557 Rambler Road, Suite 915  
Dallas, Texas 75231

STATE OF TEXAS           §  
  §  
COUNTY OF Dallas       §

This instrument was acknowledged before me on this 22<sup>nd</sup> day of October, 2014, by Michael Pearson as President of ASM Oil & Gas Company, Inc., a Texas corporation, on behalf of said corporation.



[Signature]  
Notary Public - State of Texas



[Signature Page to Assignment and Bill of Sale]

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy



ASSIGNEE:

APACHE CORPORATION

By: Timothy R. Custer  
Name: Timothy R. Custer  
Title: Attorney-in-Fact

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me on this 23<sup>rd</sup> day of October, 2014, by Timothy R. Custer as Attorney-in-Fact of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Lynelle  
Notary Public - State of Texas



[Signature Page to Assignment and Bill of Sale]

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas

By Anna L Schielack Deputy



EXHIBIT A

Leases

(See attached)

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*SL*

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

00009313

5.20.15

Doc 00009313 Bk OR Vol 975 Pg 247

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MTC  
114301  
114300

File Number	Lessor	Lessee	County	Effective Date	Instrument Number	Book	Page	Recordation Date	2nd Instrument Number	2nd Book	2nd Page	2nd Recordation Date
01-0002-GO	I. Sandra Elsik	CARR Resources, Inc.	Burleson	7/23/2012	00003681	873	608	9/14/2012				
01-0003-BR	Commissioner of the General Land	CARR Resources, Inc.	Burleson	7/17/2012	0000489	879	536					
01-0004-BR	Commissioner of the General Land	CARR Resources, Inc.	Burleson	7/17/2012		879	527					
01-0005-GO	Arnold C. Urbanovsky	CARR Resources, Inc.	Burleson	8/24/2012	00003665	873	576					
01-0006-BR	Thomas Drought, Individually and as	CARR Resources, Inc.	Burleson	6/28/2012	00003678	873	603					
01-0007-BR	Bob J. Surovik	CARR Resources, Inc.	Burleson	7/13/2012		873	607	9/14/2012				
01-0008-BR	Elaine Surovik Perez	CARR Resources, Inc.	Burleson	7/13/2012		878	359	11/5/2012				
01-0009-BR	Fred Surovik, Jr.	CARR Resources, Inc.	Burleson	7/13/2012		873	593	9/14/2012				
01-0010-BR	Janice Surovik Elsik	CARR Resources, Inc.	Burleson	7/13/2012		768	302	1/20/2009				
01-0011-BR	Jean Surovik Kotrla	CARR Resources, Inc.	Burleson	7/13/2012		878	363	11/5/2012				
01-0012-BR	Mary Helen Surovik	CARR Resources, Inc.	Burleson	7/13/2012		768	320	1/20/2009				
01-0013-BR	Virginia Surovik Mitcheltree-Lenz	CARR Resources, Inc.	Burleson	7/13/2012		873	605	9/14/2012				
01-0014-BR	Will Vorwerk	CARR Resources, Inc.	Burleson	11/14/2012		879	545	8/8/2012				
01-0015-BR	W.L. Surovik	CARR Resources, Inc.	Burleson	8/16/2012	00003660	873	568					
01-0016-BR	Marsha Varisco	CARR Resources, Inc.	Burleson	7/31/2012	00004663	878	348	5/5/2012				
01-0017-BR	Frost Bank, agent for David A. Bower,	CARR Resources, Inc.	Burleson	8/21/2012	00003663	873	573	9/14/2012				
01-0018-BR	Thomas K. Bower as Power of	CARR Resources, Inc.	Burleson	8/10/2012		873	583	9/14/2012				
01-0019-BR	Thomas K. Bower as Power of	CARR Resources, Inc.	Burleson	8/10/2012		873	572	9/14/2012				
01-0020-BR	Thomas K. Bower as Power of	CARR Resources, Inc.	Burleson	8/10/2012		873	589	9/14/2012				
01-0021-BR	Thomas K. Bower as Power of	CARR Resources, Inc.	Burleson	8/10/2012		873	585	9/14/2012				
01-0022-BR	Thomas K. Bower, Individually	CARR Resources, Inc.	Burleson	8/10/2012		873	587	9/14/2012				
01-0023-BR	AWYSP, HAWY, LLC as the Managing	CARR Resources, Inc.	Burleson	2/7/2013	00001842	892	77	3/26/2013				
01-0024-BR	CWC Minerals, LLC	CARR Resources, Inc.	Burleson	2/7/2013	00001843	892	79	3/26/2013				
01-0025-BR	Rivendell Royalty Corp	CARR Resources, Inc.	Burleson	8/22/2012	00003667	873	581	9/14/2012				
01-0026-BR	Scout Royalty Corp	CARR Resources, Inc.	Burleson	8/30/2012	00004667	878	356	11/5/2012				
01-0029-GO	David M. Elsik	CARR Resources, Inc.	Burleson	7/23/2012	00002857	869	233	7/27/2012				
01-0030-GO	Gene N. Elsik	CARR Resources, Inc.	Burleson	7/23/2012	00002855	869	227	7/27/2012				
01-0031-GO	Mary Lynn Elsik	CARR Resources, Inc.	Burleson	7/23/2012	00002856	869	230	7/27/2012				
01-0032-GO	James E Mitchel and Bernadette	CARR Resources, Inc.	Burleson	8/2/2012	00004672	878	367	11/5/2012				
01-0033-GO	Bernadette Urbanovsky Mitchell,	CARR Resources, Inc.	Burleson	8/2/2012	00004673	878	369	11/5/2012				
01-0034-GO	Kenneth Walter Weichert	CARR Resources, Inc.	Burleson	7/26/2012	00003672	873	591	9/14/2012				

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas  
By [Signature] Deputy



5.20.15

48

Doc 00009313 Bk OR Vol 975 Pg 248

File Number	Lessor	Lessee	County	Effective Date	Instrument Number	Book	Page	Recordation Date	2nd Instrument Number	2nd Book	2nd Page	2nd Recordation Date
01-0035-GO	Michael Glenn Weichert	CARR Resources, Inc.	Burleson	7/31/2012	00003664	873	575	9/14/2012				
01-0036-GO	Sharon Richuber	CARR Resources, Inc.	Burleson	7/31/2012	00003666	873	579	9/14/2012				
01-0037-GO	Harold J. Urbanovsky	CARR Resources, Inc.	Burleson	7/27/2012	00003675	873	597	9/14/2012				
01-0038-GO	James A. Urbanovsky	CARR Resources, Inc.	Burleson	7/27/2012	00003674	873	595	9/14/2012				
01-0039-GO	Thomas F. Urbanovsky	CARR Resources, Inc.	Burleson	7/27/2012	00003676	873	599	9/14/2012				
01-0040-GO	James E Mitchel and Bernadette	CARR Resources, Inc.	Burleson	8/2/2012	00004674	878	371	11/5/2012				
01-0041-GO	Rogelio Alberto Verdugo and Wife	CARR Resources, Inc.	Burleson	8/7/2012	00004664	878	350	8/7/2012				
01-0042-GO	June Urbanovsky McDonald	CARR Resources, Inc.	Burleson	9/28/2012	00004665	878	352	11/5/2012				
01-0043-GO	Pamela Urbanovsky Topletz	CARR Resources, Inc.	Burleson	9/19/2012	00004666	878	354	11/5/2012				
01-0044-GO	Marie Urbanovsky, Agent and	CARR Resources, Inc.	Burleson	8/24/2012	00004669	878	361	11/5/2012				
01-0045-GO	9008 Cr 271 LLC	CARR Resources, Inc.	Burleson	11/13/2012								
01-0046-GO	Maxine Marek	CARR Resources, Inc.	Burleson	11/6/2012	00004899	879	547	11/20/2012				
01-0055-GO	Maxine Marek	CARR Resources, Inc.	Burleson	9/6/2012	00004671	878	365	11/5/2012				
01-0114-BR	9008 Cr 271 LLC	CARR Resources, Inc.	Burleson	11/13/2012								
01-0124-OT	Patrick M. Fuchs	NGS TECHNOLOGIES, INC.	Burleson	7/15/2007	00005111	733	422	11/16/2007				
01-0125-OT	Royalty Clearinghouse Ltd., a Texas	NGS TECHNOLOGIES, INC.	Burleson	6/21/2007	00005110	733	421	11/16/2007				
01-0126-BR	Barbara Ann Horak et al	NGS TECHNOLOGIES, INC.	Burleson	7/25/2007	00005130	733	489	11/16/2007				
01-0127-BR	MARY A. EIMANN	NGS TECHNOLOGIES, INC.	Burleson	8/2/2007	00005125	733	465	11/16/2007				
01-0128-BR	JOHNNY E. KACER	NGS TECHNOLOGIES, INC.	Burleson	8/2/2007	00005126	733	469	11/16/2007				
01-0129-BR	MARVIN F. KACER	ASM OIL & GAS COMPANY INC.	Burleson	7/17/2013	00005024	907	743	7/24/2013				
01-0130-BR	JERRY A. KACER	NGS TECHNOLOGIES, INC.	Burleson	7/31/2007	00005128	733	481	11/16/2007				
01-0131-BR	JERRY A. KACER, AS INDEPENDENT	NGS TECHNOLOGIES, INC.	Burleson	7/31/2007	00005129	733	485	11/16/2007				
01-0132-BR	ELIZABETH POLANSKY, ET AL	NGS TECHNOLOGIES, INC.	Burleson	8/18/2007	00000623	740	502	2/13/2008				
01-0133-BR	ELIZABETH LYNN HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00000624	740	509	2/13/2008				
01-0134-BR	MICHAEL ANDREW HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005135	733	512	11/16/2007				
01-0135-BR	CHERYL HUBENAK WELDON	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005124	733	461	11/16/2007				
01-0136-BR	MILADY KLOBOUK KUCERA	NGS TECHNOLOGIES, INC.	Burleson	9/24/2007	00005123	733	457	11/16/2007				
01-0137-BR	GLENN J. HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005122	733	453	11/16/2007				
01-0138-BR	ANN F. HUBENAK ORSAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005121	733	449	11/16/2007				
01-0139-BR	ROSE M. HUBENAK STANLEY	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005120	733	446	11/16/2007				
01-0140-BR	JOHN JAMES HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005119	733	441	11/16/2007				

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on \_\_\_\_\_

By  Anna L. Schielack  
County Clerk  
Burleson County, Texas  
Deputy



5.20.15

Doc 00009313 Bk OR Vol 975 Pg 249

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File Number	Lessor	Lessee	County	Effective Date	Instrument Number	Book	Page	Recordation Date	2nd Instrument Number	2nd Book	2nd Page	2nd Recordation Date
01-0141-BR	SANDRA L. HUBENAK SEDGWICK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005118	733	437	11/16/2007				
01-0142-BR	ANNA POLANSKY LUBOJACKY	NGS TECHNOLOGIES, INC.	Burleson	9/24/2007	00005117	733	433	11/16/2007				
01-0143-BR	ALLEN L. HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005116	733	429	11/16/2007				
01-0144-BR	JOE ANTHONY HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005134	733	508	11/16/2007				
01-0145-OT	BARBARA JO ZWERNEMANN, ET AL	NGS TECHNOLOGIES, INC.	Burleson	7/20/2007	00005131	733	493	11/16/2007				
01-0146-BR	THE THOMPSON GROUP, L.P. ACTING	NGS TECHNOLOGIES, INC.	Burleson	12/11/2007	00003786	756	423	8/7/2008				
01-0147-BR	JAMES HENRY MATIS AND BRUCE	NGS TECHNOLOGIES, INC.	Burleson	12/11/2007	00003787	756	424	8/7/2008				
01-0148-BR	MARGIE ANN NOHRA	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005260	851	796	12/22/2011				
01-0149-BR	WALTER VAJDAK	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005261	851	799	12/22/2011				
01-0150-BR	HENRY VAJDAK	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005262	851	802	12/11/2011				
01-0151-BR	EDWARD VAJDAK	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005263	851	805	12/22/2011				
01-0152-BR	LYDIA MAE FAUST	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005264	851	808	12/22/2011				
01-0153-BR	MARY ANN VAJDAK	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005265	851	811	12/22/2011				
01-0159-BR	BETTY JANE ANDERSON	NGS TECHNOLOGIES, INC.	Burleson	6/9/2011	00005269	851	819	12/22/2011	01195233	12036	83	5/28/2014
01-0160-BR	JOE R. JANAC, ET UX	NGS TECHNOLOGIES, INC.	Burleson	6/28/2011	00005268	851	817	12/22/2011	01195242	12036	101	5/28/2014
01-0161-BR	BRADLEY PRIHODA	NGS TECHNOLOGIES, INC.	Burleson	6/1/2011	00005271	851	823	12/22/2011	01195234	12036	85	5/28/2014
01-0162-BR	LEWIS B. PORTER, ET UX	NGS TECHNOLOGIES, INC.	Burleson	5/31/2011	00005270	851	821	12/22/2011	01195240	12036	97	5/28/2014
01-0163-BR	DON L. SHEPARD	NGS TECHNOLOGIES, INC.	Burleson	6/9/2011	00005267	851	816	12/22/2011	01195235	12036	87	5/28/2014
01-0164-BR	MARY ANN VAJDAK, TRUSTEE OF	NGS TECHNOLOGIES, INC.	Burleson	5/31/2011	00005272	851	824	12/22/2011	01195239	12036	95	5/28/2014
01-0165-BR	JOE R. JANAC, ET UX	NGS TECHNOLOGIES, INC.	Burleson	6/28/2011	00851	851	814	6/28/2011	01195241	12036	99	5/5/2014
01-0190-GO	Scientific Inquiry, Inc. Profit Sharing	CARR Resources, Inc.	Burleson	7/19/2013	01165231	11521	16	7/31/2013				
01-0392-BR	Joe Janac	PetroEdge Energy	Burleson	5/28/2014	1195241	12036	99	5/13/2014				
01-0487-BR	Thomas David Bayer	PetroEdge Energy	Burleson	10/17/2013	01191792	11977	77	4/28/2014				
01-0648-BR	Finley Company	PetroEdge Energy	Burleson	8/25/2014								
01-0649-BR	Pacific Operating Company	PetroEdge Energy	Burleson	8/25/2014								
01-0650-BR	Butler Oil LLC	PetroEdge Energy	Burleson	8/25/2014								
01-0651-BR	4-W Petroleo, Inc.	PetroEdge Energy	Burleson	8/25/2014								
01-0652-BR	Mary F. Wolford Foundation	PetroEdge Energy	Burleson	8/25/2014								
01-0658-BR	Geraldine May	NGS TECHNOLOGIES, INC.	Burleson	2/1/2008	00002167	748	144	5/15/2008	00005255	851	783	12/11/2011
01-0659-BR	Helen Davis Lewis et al	NGS TECHNOLOGIES, INC.	Burleson	2/7/2008	00002168	748	146	5/15/2008	00005257	851	788	12/11/2011
01-0660-BR	Joyce Sontag	NGS TECHNOLOGIES, INC.	Burleson	5/1/2008	00002162	748	135	5/15/2008	00005256	851	786	12/11/2011

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on

By  Anna L Schielack  
County Clerk  
Burleson County, Texas  
Deputy



5.20.15

Doc 00009313 Bk OR Vol 975 Pg 250

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File Number	Lessor	Lessee	County	Effective Date	Instrument Number	Book	Page	Recordation Date	2nd Instrument Number	2nd Book	2nd Page	2nd Recordation Date
01-0661-BR	Rodney Varner as Trustee	ASM Oil and Gas Company Inc.	Burleson	5/17/2013	00003515	900	369	5/30/2013				
01-0662-BR	Donna Varner Presnal	ASM Oil and Gas Company Inc.	Burleson	5/16/2013	00003516	900	370	5/30/2013				
01-0663-BR	Thanna Varner Magehee	ASM Oil and Gas Company Inc.	Burleson	5/17/2013	00003514	900	368	5/30/2013				
01-0664-BR	Lois Kay (Vavra) Polasek et vir	ASM Oil and Gas Company Inc.	Burleson	5/1/2013	00003517	900	371	5/30/2013				
01-0665-BR	Oscar and Gertrude Johnson Trust	ASM Oil and Gas Company Inc.	Burleson	5/1/2013	00003518	900	372	5/30/2013				
01-0666-BR	Randall and Holly Rice	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00005225	908	594	7/30/2013				
01-0667-BR	Bill N. Barnett	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00004987	907	585	7/23/2013				
01-0668-BR	Howard L. Barnett Residuary Trust	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00004989	907	589	7/23/2013				
01-0669-BR	Mary Margaret Hanson	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004992	907	590	7/23/2013				
01-0670-BR	Barbara Lynn Riley	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004991	907	589	7/23/2013				
01-0671-BR	Hugh C. Barnett Jr.	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004993	907	591	7/23/2013				
01-0672-BR	Bobbie Mae Claypool	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00004988	907	586	7/23/2013				
01-0673-BR	Nita Jean Beavers	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004994	907	592	7/23/2013				
01-0674-BR	Harry H. Bowers Jr.	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004990	907	588	7/23/2013				
01-0675-BR	Peggy Lucille Diver	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00005223	908	592	7/30/2013				
01-0676-BR	Rhea Hughston Shelley	ASM Oil and Gas Company Inc.	Burleson	9/11/2013	00006803	916	59	9/25/2013				
01-0677-BR	Elvira Allen Family Trust	ASM Oil and Gas Company Inc.	Burleson	9/16/2013	00006804	916	61	9/25/2013				
01-0678-BR	Marilil Rychlik	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00004986	907	584	7/23/2013				
01-0679-BR	Nathan B. Smith	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00005025	907	749	7/24/2013				
01-0680-BR	Richard Green	ASM Oil and Gas Company Inc.	Burleson	7/23/2013	00005076	908	92	7/25/2013				
01-0681-BR	Shirley Green	ASM Oil and Gas Company Inc.	Burleson	7/17/2013	00005224	908	593	7/30/2013				
01-0579-BR	Sutherland Resources, Inc.	PetroEdge Energy	Burleson	9/23/2014	00008473	971	282	10/7/2014				
01-0721-BR	Kathryn Ann Hayes	PetroEdge Energy	Brazos	9/23/2014								

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on

Anna L Schielack  
County Clerk  
Burleson County, Texas  
Deputy



EXHIBIT A-2

Certain Surface Use Rights

1. Clarence L. Junek, Surface Use Agreement, September 26, 2013
2. Walker Family Partnership, Surface Use Agreement, June 12, 2014
3. Bryan Traditions L.P., Water Use Agreement, September 8, 2014
4. Seaback Lease – Surface Use designated in Lease, June 24, 2014
5. Cashion Lease – Reserved and designated a 5.7 acre Drill Site Location in Deed, September 24, 2013
6. Judge Peters Lease – Surface Use Agreement Designated in Lease, August 21, 2014
7. Urbanovsky Mitchell Trust Leases – Surface Use Operations Allowed by Lease, August 2, 2012
8. Drought Leases - Surface Use Operations Allowed by Lease, June 28, 2012
9. Richard and Norma Smith Lease - Surface Use Operations Allowed by Lease, June 24, 2014



HN\1172105.3

*Handwritten initials*

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

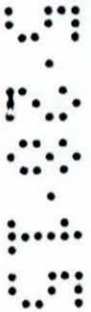
By *[Signature]* Deputy



EXHIBIT A-3

Units

- 1. Production Units
  - a. Carr-Buffalo Ranch Unit-1
    - i. Carr-Buffalo Ranch-1 2H (Permit 771495, Issued October 17, 2013)
- 2. Drilling Units
  - a. Carr-Buffalo Ranch Unit-2
    - i. Carr-Buffalo Ranch-2 1H (Permit 790156, Issued August 4, 2014)
    - ii. Carr-Buffalo Ranch-2 2H (Permit 790186, Issued July 26, 2014)
  - b. Carr-Buffalo Ranch Unit 3
    - i. Carr-Buffalo Ranch-3 1H (Permit 790158, Issued July 26, 2014)
    - ii. Carr-Buffalo Ranch-3 2H (Permit 790190, Issued July 26, 2014)
  - c. Cashion Unit No. 1
    - i. Cashion 1 2H (Permit 789318, Issued July 19, 2014)
  - d. Walker Unit No. 1
    - i. Walker 1 1H (Permit 790351, Issued July 30, 2014)
    - ii. Walker 1 2H (Permit 790502, Issued July 31, 2014)



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*ASL*

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy



**EXHIBIT B**

**Excluded Assets**

1. Proprietary maps and related documents and data prepared by Earthfield Technologies for Carr.
2. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from Carr to PetroEdge Brazos, LLC dated and effective as of July 19, 2013, filed in Brazos County, Texas at Book 11547, Page 152.
3. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from Carr to PetroEdge Brazos, LLC dated effective as of July 19, 2013, filed in Burleson County, Texas at Book 910, Page 174.
4. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from Carr to PetroEdge Brazos, LLC dated and effective as of April 30, 2014, filed in Brazos County, Texas at Book 12163, Page 134.
5. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from Carr to PetroEdge Brazos, LLC dated and effective as of April 30, 2014, filed in Burleson County, Texas at Book 958, Page 420.
6. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from ASM to PetroEdge Brazos, LLC dated and effective as of July 19, 2013, filed in Burleson County, Texas at Book 910, Page 185.
7. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from ASM to PetroEdge Brazos, LLC dated and effective as of July 19, 2013, filed in Burleson County, Texas at Book 910, Page 193.
8. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from ASM to PetroEdge Brazos, LLC dated effective as of February 1, 2014, filed in Burleson County, Texas at Book 932, Page 788.
9. In the case of the Leases held by ASM:
  - (a) all "Woodbine Rights" from the top of the Eagle Ford Formation to the surface;
  - (b) All existing surface equipment associated with the leasehold interests described in item 9(a) above;
  - (c) All pad sites being used or to be used by ASM for the development and exploitation of the Excluded Assets.
10. All mineral fee interests held by Carr and ASM.
11. The Orion Drilling Contract.



*SAC*

**STATE OF TEXAS  
COUNTY OF BURLESON**

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is a full, true and correct copy of the original on  
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Thereby, certified, on 5-14-15



**Anna L Schielack  
County Clerk  
Burleson County, Texas**

By *[Signature]* Deputy



- 12. PetroEdge Brazos LLC, Carr Resources, Inc. and ASM Oil and Gas Company, Inc., Participation Agreement, June 21, 2013.
- 13. ETC Texas Pipeline Ltd. Facilities Construction Agreement, Walker Unit No. 1, August 5, 2014 (in process of termination – refund to PetroEdge).
- 14. All leasehold interests owned by ASM which were not included in the conveyances to PetroEdge Brazos, LLC delivered pursuant to the terms of the Participation Agreement, to the extent such leasehold interests are not described on Exhibit A.

Filed for Record in:  
Burleson County

On: Oct 29, 2014 at 10:20A

As on Official Public Records

Document Number: 00009313

Amount 106.00

Receipt Number - 99953

By:  
Ashley Shupak

STATE OF TEXAS COUNTY OF BURLESON  
 I hereby certify that this instrument  
 was filed on the date and time  
 stamped hereon by me and was duly  
 recorded in the volume and page of  
 the named records of:  
 Burleson County  
 As stamped hereon by me.

Oct 29, 2014

Anna L. Schielack  
Burleson County Clerk

HNV1172105.3

*SLC*

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

51005

0100

File No. MF 114300 (21)

ASSH

Date Filed: 5-28-15

George P. Bush, Commissioner

By CB

0100



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

July 23, 2015

Renea Conn  
Jones Gill, LLP  
6363 Woodway, Ste 1000  
Houston, TX 77057

RE: GLO Assignment ID # 9328 & #9329 - MF114300 & MF114301

Dear Ms. Conn:

The General Land Office received the following instruments and has filed them in the appropriate files.

Assignment of Oil and Gas Leases effective July 19, 2013 from Carr Resources, Inc, as assignor, to PetroEdge Brazos LLC, as assignee. As filed for record in Burleson County, in volume 910, Page 174.

Assignment of Oil and Gas Leases effective September 1, 2014 from PetroEdge, Carr Resources and ASM Oil and Gas Company as assignors, to Apache Corporation, as assignee. As filed for record in Burleson County, in volume 975, Page 234.


Filing fees of \$100.00 were received in connection with the above assignments. Please feel free to contact me if you have any questions.

Best regards,

Carl Bonn, CPL  
Mineral Leasing  
Office: (512) 463-5407  
Email: [carl.bonn@glo.texas.gov](mailto:carl.bonn@glo.texas.gov)  
Fax: (512) 475-1543

File No. MF 114300  
ltr to Jones Gill

Date Filed: 7-23-15

By George P. Bush, Commissioner 



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

October 8, 2015

Darrell Donaldson, Land Manager  
Apache Corporation  
2000 W. Sam Houston Parkway, Ste 1000  
Houston, Texas 77042-3622

RE: GLO Assignment ID #9426 – MF114300 & MF114301 - Burleson County

Dear Mr. Donaldson:

The General Land Office received the following instrument and has filed it in the appropriate files.

Assignment and Bill of Sale, effective September 1, 2014, from PetroEdge Energy III LLC, PetroEdge Brazon LLC and PetroEdge Operating, LLC, as assignors, to Apache Corporation, as assignee. Filed for record in Burleson County in Vol 975 at Pg 234.

Please furnish filing fees in the amount of \$50.00 in connection with the above assignment. You may contact me if you have any questions.

Best Regards,

Carl Bonn, CPL  
Mineral Leasing  
Energy Resources  
(512) 463-5407  
carl.bonn@glo.texas.gov

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

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

512.463.5001 • 800.998.4GLO

[glo.texas.gov](http://glo.texas.gov)

October 24, 2014

Texas General Land Office  
Attn: Energy Resources  
P.O. Box 12873  
Austin, Texas 78711-2873

MF 114300  
MF 114301  
eff 9-1-14

Re: Notice of assignment of oil and gas leases covering state lands

To whom it may concern:

Effective September 1, 2014 ("Effective Date"), **PetroEdge Energy III LLC, PetroEdge Brazos LLC, PetroEdge Operating LLC, Carr Resources, Inc., and ASM Oil & Gas Company, Inc.** (collectively, "Sellers") have assigned their interests in those certain oil and gas leases listed on the attached Exhibit "A" ("State Leases") to **Apache Corporation** ("Buyer"). A recorded copy of the originally executed Assignment and Bill of Sale covering the State Leases is attached hereto as Exhibit "B".

If you have any questions regarding the referenced assignment of State Leases, please feel free to contact Buyer at:

Apache Corporation  
2000 W. Sam Houston Parkway, Suite 1000  
Houston, Texas 77042-3622  
Fax: (281) 302-2661  
E-mail: darrell.donaldson@apachecorp.com  
Attn: Land Manager, Gulf Coast Region

Thank you for your attention to this matter.

*[signatures on the following page]*

ID#

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.

ASSIGNMENT AND BILL OF SALE

9-1-14  
MF 114300  
MF 114301

STATE OF TEXAS §  
COUNTY OF BURLESON § KNOW ALL MEN BY THESE PRESENTS §

This Assignment and Bill of Sale (this "Assignment") is from PetroEdge Energy III LLC, a Delaware limited liability company ("PE III"), PetroEdge Brazos LLC, a Delaware limited liability company ("PEB"), and PetroEdge Operating LLC, a Delaware limited liability company ("PEO", and together with PE III and PEB, collectively, "PetroEdge"), Carr Resources, Inc., a Texas corporation ("Carr"), and ASM Oil & Gas Company, Inc., a Texas corporation ("ASM") (Carr, PetroEdge, and ASM are sometimes referred to herein, collectively, as "Assignors" and, individually, as "Assignor"), with the respective addresses of Assignors being set forth on the signature pages hereto, to Apache Corporation, a Delaware corporation ("Assignee"), whose address is 2000 Post Oak Blvd., Suite 100, Houston, Texas 77056, and is effective as of 12:01 a.m. (Prevailing Central Time) on September 1, 2014 (the "Effective Time").

ARTICLE I  
ASSIGNMENT OF ASSETS

Section 1.1 Assignment. Assignors, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grant, bargain, assign, transfer, and convey unto Assignee, all of Assignors' right, title, and interest in and to the following (excepting the Excluded Assets, as hereinafter defined) (collectively, and subject to such exclusions, the "Assets"):

- (a) the oil and gas leases described in Exhibit A (such interest in such leases, the "Leases"), together with any and all other rights, titles, and interests of Assignors in and to the lands covered or burdened thereby, and all other interests of Assignors of any kind or character in and to the Leases;
- (b) all wells (including all disposal or injection wells) located on any of the Leases or on any other lease or lands with which any Lease has been unitized, whether such wells are producing, shut-in or abandoned (collectively, the "Wells");
- (c) all rights and interests in, under or derived from all unitization or pooling agreements in effect with respect to any of the Leases or Wells and the units created thereby, including, without limitation, those listed on Exhibit A-3 (the "Units");
- (d) all Applicable Contracts;

Assignment and Bill of Sale - Page 1

HNV172105.3

gbl

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy

(c) all Rights-of-Way, to the extent such are used or useful in connection with the ownership or operation of any of the Leases, Wells, Units, or other Assets, including all of those rights identified on Exhibit A-2;

(f) all equipment, machinery, fixtures and other personal and mixed property, operational and nonoperational, known or unknown, located on any of the Leases, Wells, Units or other Assets, that are primarily used or held for use in connection with the ownership, operation or development of the Leases, Wells, Units or other Assets, including, pipelines, gathering systems, well equipment, casing, tubing, pumps, motors, fixtures, machinery, compression equipment, flow lines, processing and separation facilities, structures, materials and other items used in the ownership, operation or development of the Leases, Wells, Units or other Assets (the "Personal Property");

(g) all Hydrocarbons attributable to the Leases, Wells and/or Units to the extent such Hydrocarbons were produced from and after the Effective Time and all Imbalances relating to the Assets;

(h) to the extent that they may be assigned, all Permits that are used in connection with the ownership or operation of the other Assets;

(i) all non-proprietary geophysical, seismic and related technical data (in each case) that (i) are held by Assignors or their Affiliates, (ii) are transferable without payment of a fee or other penalty to any Third Party under any Contract (unless Assignee has separately agreed in writing to pay such fee or other penalty), and (iii) relate to the Leases, Wells, Units, or other Assets; and

(j) all files, records and data that (i) primarily relate to the ownership, operation or development of the Assets described above, and (ii) that are in Assignors' or their Affiliates' possession, including: (A) land and title records (including abstracts of title, title opinions and title curative documents); (B) Applicable Contract files; (C) correspondence; (D) operations, environmental, health and safety, pipeline safety, production, accounting and Tax records (other than those primarily relating to income or franchise Taxes or that relate to Assignors' business generally); and (E) facility and well records; provided, however, that (1) those items referenced above in this sub-section (i) that are subject to a valid legal privilege or to disclosure restrictions, (2) those items referenced above in this sub-section (j) that are not transferable without payment of additional consideration (and Assignee has not agreed in writing to pay such additional consideration), (3) all e-mails and other electronic files on Assignors' servers and networks relating to the foregoing items referenced in this sub-section (j) and (4) all employee files, in each case, shall be excluded (the foregoing items, taking into account the exclusions listed above, collectively, the "Records").

TO HAVE AND TO HOLD the Assets unto Assignee, its successors and assigns, forever, subject, however, to all the terms and conditions of this Assignment.

*4/2*

STATE OF TEXAS  
COUNTY OF BURLESON

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is a full, true and correct copy of the original on  
file and of record in my office.

Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

Section 1.2 Excluded and Reserved Assets. The Assets shall not include, and there is excepted, reserved and excluded from the sale and assignment contemplated hereby, the Excluded Assets. "Excluded Assets" shall mean:

- (a) all of Assignors' corporate minute books, financial and tax records and other business records that relate to Assignors' businesses generally (including the ownership and operation of the Assets) or other Excluded Assets;
- (b) all trade credits, all accounts, receivables and all other proceeds, income or revenues attributable to the Assets with respect to any period of time prior to the Effective Time;
- (c) all claims and causes of action of any Assignor arising under or with respect to any Applicable Contracts that are attributable to periods of time prior to the Effective Time (including claims for adjustments or refunds);
- (d) subject to Section 13.3 of the Purchase and Sale Agreement, all rights and interests relating to the Assets, (i) under any existing policy or agreement of insurance, (ii) under any bond or (iii) to any insurance or condemnation proceeds or awards arising, in each case, from acts, omissions or events, or damage to or destruction of property;
- (e) all Hydrocarbons produced and sold from the Assets with respect to all periods prior to the Effective Time;
- (f) all claims of any Assignor or its Affiliates for refunds of or loss carry forwards with respect to (i) production or any other Taxes paid by any Assignor or its Affiliates attributable to any period prior to the Effective Time, (ii) income Taxes paid by any Assignor or its Affiliates or (iii) any Taxes attributable to the Excluded Assets;
- (g) all personal computers, network equipment and associated peripherals and telephone equipment (including cellular telephones);
- (h) all of Assignors' proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property;
- (i) all documents and instruments of Assignors that may be protected by an attorney-client privilege;
- (j) all data that cannot be disclosed to Assignee as a result of confidentiality arrangements under agreements with Third Parties;
- (k) all audit rights arising under any of the (i) Applicable Contracts or otherwise to the extent such relate to any period prior to the Effective Time or (ii) Excluded Assets, except for any Imbalances;
- (l) all geophysical and other seismic and related technical data and information relating to the Assets to the extent that such geophysical and other seismic and related technical data and information is (i) proprietary, or (ii) not transferable

*gjk*

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

without payment of a fee or other penalty to any Third Party under any Contract (unless Assignee has separately agreed in writing to pay such fee or other penalty);

(m) documents prepared or received by any Assignor or its Affiliates with respect to (i) lists of prospective purchasers for the Assets, (ii) bids submitted by other prospective purchasers of the Assets, (iii) analyses by any Assignor or its Affiliates or any of their representatives of any bids submitted by any prospective purchaser or any valuation of the Assets generally, (iv) correspondence between or among any Assignor, its representatives and any prospective purchaser other than Assignee, but excluding any confidentiality agreements between Assignors (or any of them) and any other prospective purchasers relating to the Assets, and (v) correspondence between any Assignor or any of its representatives with respect to any of the bids, the prospective purchasers or the transactions contemplated by this Assignment or the Purchase and Sale Agreement;

(n) any offices, office leases and any office furniture or office supplies located in or on such offices excluded and/or office leases;

(o) any assets that are excluded pursuant to the provisions of Section 12.1(b), Section 13.2(d)(iii), Section 13.4 or Section 14.1(c)(iii) of the Purchase and Sale Agreement;

(p) any master service agreements or similar Contracts;

(q) the Orion Drilling Contract;

(r) any cars, trucks, or other vehicles;

(s) the assets set forth on Exhibit B;

(t) any rights or obligations which Assignors may have, either now or in the future, with respect to any interests in the Leases which are not being conveyed to Assignee pursuant to this Agreement; and

(u) except for Wells, any wells which are located upon the Leases or any lands pooled therewith, but which are, as of September 12, 2014, producing from or completed in depths which either (i) Assignors do not hold rights as of the September 12, 2014, or (ii) otherwise comprise a part of the Excluded Assets.

Section 1.3 Retained Rights and Obligations. The execution and delivery of this Assignment by Assignors, and the execution and acceptance of this Assignment by Assignee, shall not operate to release or impair any surviving rights or obligations of Assignors or Assignee under the Purchase and Sale Agreement.

ARTICLE II  
DEFINED TERMS

Section 2.1 Definitions. Capitalized terms and not otherwise defined in this Assignment shall have the meanings given to such terms in that certain Purchase and Sale

*gfd*

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy

Agreement, dated September 12, 2014, by and among Assignors and Assignee (the "Purchase and Sale Agreement").

ARTICLE III  
DISCLAIMERS

Section 3.1 Disclaimers of Warranties and Representations.

(a) EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY SET FORTH IN ARTICLE IX OF THE PURCHASE AND SALE AGREEMENT AND THE SPECIAL WARRANTY OF TITLE CONTAINED IN SECTION 4.1, (I) ASSIGNORS MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) ASSIGNORS EXPRESSLY DISCLAIM ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING, ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ASSIGNEE BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF ASSIGNORS OR ANY OF THEIR AFFILIATES).

(b) EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE IX OF THE PURCHASE AND SALE AGREEMENT AND THE SPECIAL WARRANTY OF TITLE CONTAINED IN SECTION 4.1, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNORS EXPRESSLY DISCLAIM ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE ASSETS, (II) THE CONTENTS, CHARACTER, OR NATURE OF ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT OR ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY ASSIGNORS OR THIRD PARTIES WITH RESPECT TO THE ASSETS, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO ASSIGNEE OR ITS AFFILIATES OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS ASSIGNMENT OR THE PURCHASE AND SALE AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO AND (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR

Assignment and Bill of Sale - Page 5

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*SL*

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy

TRADEMARK INFRINGEMENT. EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE IX OF THE PURCHASE AND SALE AGREEMENT AND THE SPECIAL WARRANTY OF TITLE CONTAINED IN SECTION 4.1, ASSIGNORS FURTHER DISCLAIM ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FREEDOM FROM LATENT VICES OR DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY OF THE ASSETS, RIGHTS OF A PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT ASSIGNEE SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS OR DEFECTS (KNOWN OR UNKNOWN, LATENT, DISCOVERABLE OR UNDISCOVERABLE), AND THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS OF THE ASSETS AS ASSIGNEE DEEMS APPROPRIATE.

(c) OTHER THAN AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN SECTION 9.14 OF THE PURCHASE AND SALE AGREEMENT, ASSIGNORS HAVE NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, THE RELEASE OF HAZARDOUS SUBSTANCES INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS ASSIGNMENT OR THE PURCHASE AND SALE AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND SUBJECT TO ASSIGNEE'S LIMITED RIGHTS AS EXPRESSLY SPECIFIED IN THE PURCHASE AND SALE AGREEMENT FOR A BREACH OF ASSIGNORS' REPRESENTATIONS SET FORTH IN SECTION 9.14 OF THE PURCHASE AND SALE AGREEMENT, ASSIGNEE SHALL BE DEEMED TO BE OBTAINING THE ASSETS "AS IS" AND "WHERE IS" WITH ALL FAULTS FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION AND THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH ENVIRONMENTAL INSPECTIONS OF THE ASSETS AS ASSIGNEE DEEMS APPROPRIATE.

(d) ASSIGNORS AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS SECTION 3.1 ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSE OF ANY APPLICABLE LAW.

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STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By  Deputy

ARTICLE IV  
SPECIAL WARRANTY OF TITLE

Section 4.1 Special Warranty of Title. Each Assignor hereby severally agrees to warrant and forever defend title to the Assets unto Assignee against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under such Assignor and its Affiliates, but not otherwise. It is acknowledged and understood that the foregoing shall constitute and be considered a special warranty of title by, through, and under each Assignor and its Affiliates under the applicable laws of the State of Texas, and that such special title warranty shall extend to all liens and encumbrances that burden the Assets (excluding Permitted Encumbrances) to the extent, and only to the extent, arising by, through or under such Assignor and its Affiliates (but not otherwise).

ARTICLE V  
ASSUMED OBLIGATIONS

Section 5.1 Assumed Obligations. As of the Closing, but without limiting and in all cases subject to Assignee's rights to indemnity under the Purchase and Sale Agreement, Assignee assumes and agrees to pay, perform and discharge all Assumed Obligations pursuant to the Purchase and Sale Agreement.

ARTICLE VI  
MISCELLANEOUS

Section 6.1 Assignment Subject to Agreement. This Assignment is expressly made subject to the terms of the Purchase and Sale Agreement (which terms shall control in the event of a conflict herewith). The Purchase and Sale Agreement contains certain representations, warranties, covenants, indemnities and agreements between the parties, some of which may survive the delivery of this Assignment, as more particularly provided for therein, but third parties may conclusively rely on this Assignment to vest title to the Assets in Assignee. Notwithstanding the foregoing and for the avoidance of doubt, this Assignment is only intended to convey the Assets set forth herein as provided for herein.

Section 6.2 Separate Assignments. Where separate assignments of Assets have been or will be executed for filing with and approval by applicable Governmental Authorities, any such separate assignments (a) shall evidence this Assignment and assignment of the applicable Assets herein made and shall not constitute any additional Assignment or assignment of the Assets, (b) are not intended to modify, and shall not modify, any of the terms, covenants and conditions or limitations on warranties set forth in this Assignment and are not intended to create, and shall not create, any representations, warranties or additional covenants of or by any Assignor to Assignee, and (c) shall be deemed to contain all of the terms and provisions of this Assignment, as fully and to all intents and purposes as though the same were set forth at length in such separate assignments.

Section 6.3 Governing Law/Waiver of Jury Trial. THIS ASSIGNMENT AND THE LEGAL RELATIONS AMONG THE PARTIES SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS,

596

STATE OF TEXAS  
COUNTY OF BURLESON

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County Clerk  
Burleson County, Texas

By [Signature] Deputy

EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION. ALL OF THE PARTIES HERETO CONSENT TO THE EXERCISE OF JURISDICTION IN PERSONAM BY THE COURTS OF THE STATE OF TEXAS FOR ANY ACTION ARISING OUT OF THIS ASSIGNMENT. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT.

**Section 6.4 Successors and Assigns.** This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that nothing in this Assignment shall assign or grant, or in any way operate to assign or grant, any right, title or interest in, to or under the Purchase and Sale Agreement to any successor or assign of Assignee with respect to the Assets or any part thereof, it being expressly understood that rights, titles and interests under the Purchase and Sale Agreement may only be obtained or assigned in strict accordance with the terms thereof.

**Section 6.5 Participation Agreement.** PEB (as successor to PetroEdge Resources III LLC), Carr, and ASM are all of the Parties to that certain Participation Agreement, dated as of June 21, 2013 (the "*Participation Agreement*") referenced in certain previous conveyances of the Assets. Each of PEB, Carr, and ASM hereby agrees and avers that (a) upon the execution of this Assignment, but effective as of the Effective Time: (i) the Assets shall not be subject to the Participation Agreement, (ii) all previous conveyances of the Assets among such parties are hereby released from and are no longer subject to the Participation Agreement, and (b) Assignee is not subject to the Participation Agreement, and (c) the Assets are being conveyed to Assignee hereunder free and clear of the Participation Agreement.

**Section 6.6 Counterparts.** This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument. To facilitate the recording or filing of this Assignment, the counterpart to be recorded in a given county may contain only that portion of the exhibits that describes Assets located in that county.

[Signature Page Follows]

*SP*

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy

EXECUTED as of the dates set forth below, but effective as of the Effective Time.

**ASSIGNOR:**

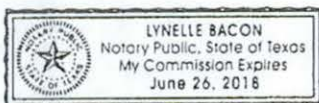
PETROEDGE ENERGY III LLC  
PETROEDGE BRAZOS LLC  
PETROEDGE OPERATING LLC

By: *Larry J. Richard*  
Name: Larry J. Richard  
Title: President & CEO

2925 Briarpark Drive, Suite 150  
Houston, Texas 77042

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me on this 23<sup>rd</sup> day of October, 2014, by Larry J. Richard as President & CEO of PetroEdge Energy III LLC, a Delaware limited liability company, PetroEdge Brazos LLC, a Delaware limited liability company, and PetroEdge Operating LLC, a Delaware limited liability company on behalf of each such limited liability company.



*Lynelle Bacon*  
Notary Public - State of Texas

[Signature Page to Assignment and Bill of Sale]

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

ASSIGNOR:

CARR RESOURCES, INC.

By: John P. Carr  
Name: John P. Carr  
Title: President

305 S. Broadway, Suite 900  
Tyler, Texas 75702

STATE OF TEXAS       §  
                                  §  
COUNTY OF Harris   §

This instrument was acknowledged before me on this 23 day of October, 2014, by John P. Carr as President of Carr Resources, Inc., a Texas corporation, on behalf of said corporation.



Jennifer Roundy  
Notary Public - State of Texas

[Signature Page to Assignment and Bill of Sale]

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas

By [Signature] Deputy

ASSIGNOR:

ASM OIL & GAS COMPANY, INC.

By: [Signature]  
Name: Michael Pearson  
Title: President

7557 Rambler Road, Suite 915  
Dallas, Texas 75231

STATE OF TEXAS §  
COUNTY OF Dallas §

This instrument was acknowledged before me on this 22<sup>nd</sup> day of October, 2014, by Michael Pearson as President of ASM Oil & Gas Company, Inc., a Texas corporation, on behalf of said corporation.



[Signature]  
Notary Public - State of Texas

[Signature Page to Assignment and Bill of Sale]

STATE OF TEXAS  
COUNTY OF BURLESON

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County Clerk  
Burleson County, Texas

By [Signature] Deputy

ASSIGNEE:

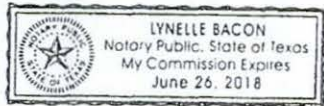
APACHE CORPORATION

By: Timothy R. Custer  
Name: Timothy R. Custer  
Title: Attorney-in-Fact

STATE OF TEXAS §  
  §  
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 23<sup>rd</sup> day of October, 2014, by Timothy R. Custer as Attorney-in-Fact of Apache Corporation, a Delaware corporation, on behalf of said corporation.


Lynelle Bacon  
Notary Public - State of Texas



[Signature Page to Assignment and Bill of Sale]

STATE OF TEXAS  
COUNTY OF BURLESON

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County Clerk  
Burleson County, Texas

By [Signature] Deputy

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EXHIBIT A

Leases

(See attached)

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STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

MF 114301  
MF 114300

Doc 00009313 Bk OR Vol 975 Pg 247

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File Number	Lessor	Lessee	County	Effective Date	Instrument Number	Book	Page	Recordation Date	2nd Instrument Number	2nd Book	2nd Page	2nd Recordation Date
01-0002-GO	I. Sandra Elsik	CARR Resources, Inc.	Burleson	7/23/2012	00003681	873	608	9/14/2012				
01-0003-BR	Commissioner of the General Land	CARR Resources, Inc.	Burleson	7/17/2012	0000489	879	536					
01-0004-BR	Commissioner of the General Land	CARR Resources, Inc.	Burleson	7/17/2012		879	527					
01-0005-GO	Arnold C. Urbanovsky	CARR Resources, Inc.	Burleson	8/24/2012	00003665	873	576					
01-0006-BR	Thomas Drought, Individually and as	CARR Resources, Inc.	Burleson	6/28/2012	00003678	873	603					
01-0007-BR	Bob J. Surovik	CARR Resources, Inc.	Burleson	7/13/2012		873	607	9/14/2012				
01-0008-BR	Elaine Surovik Perez	CARR Resources, Inc.	Burleson	7/13/2012		878	359	11/5/2012				
01-0009-BR	Fred Surovik, Jr.	CARR Resources, Inc.	Burleson	7/13/2012		873	593	9/14/2012				
01-0010-BR	Janice Surovik Elsik	CARR Resources, Inc.	Burleson	7/13/2012		768	302	1/20/2009				
01-0011-BR	Jean Surovik Kotrla	CARR Resources, Inc.	Burleson	7/13/2012		878	363	11/5/2012				
01-0012-BR	Mary Helen Surovik	CARR Resources, Inc.	Burleson	7/13/2012		768	320	1/20/2009				
01-0013-BR	Virginia Surovik Mitcheltree-Lenz	CARR Resources, Inc.	Burleson	7/13/2012		873	605	9/14/2012				
01-0014-BR	Will Vorwerk	CARR Resources, Inc.	Burleson	11/14/2012		879	545	8/8/2012				
01-0015-BR	W.L. Surovik	CARR Resources, Inc.	Burleson	8/16/2012	00003660	873	568					
01-0016-BR	Marsha Varisco	CARR Resources, Inc.	Burleson	7/31/2012	00004663	878	348	5/5/2012				
01-0017-BR	Frost Bank, agent for David A. Bower,	CARR Resources, Inc.	Burleson	8/21/2012	00003663	873	573	9/14/2012				
01-0018-BR	Thomas K. Bower as Power of	CARR Resources, Inc.	Burleson	8/10/2012		873	583	9/14/2012				
01-0019-BR	Thomas K. Bower as Power of	CARR Resources, Inc.	Burleson	8/10/2012		873	572	9/14/2012				
01-0020-BR	Thomas K. Bower as Power of	CARR Resources, Inc.	Burleson	8/10/2012		873	589	9/14/2012				
01-0021-BR	Thomas K. Bower as Power of	CARR Resources, Inc.	Burleson	8/10/2012		873	585	9/14/2012				
01-0022-BR	Thomas K. Bower, Individually	CARR Resources, Inc.	Burleson	8/10/2012		873	587	9/14/2012				
01-0023-BR	AWYSP, HAWY, LLC as the Managing	CARR Resources, Inc.	Burleson	2/7/2013	00001842	892	77	3/26/2013				
01-0024-BR	CWC Minerals, LLC	CARR Resources, Inc.	Burleson	2/7/2013	00001843	892	79	3/26/2013				
01-0025-BR	Rivendell Royalty Corp	CARR Resources, Inc.	Burleson	8/22/2012	00003667	873	581	9/14/2012				
01-0026-BR	Scout Royalty Corp	CARR Resources, Inc.	Burleson	8/30/2012	00004667	878	356	11/5/2012				
01-0029-GO	David M. Elsik	CARR Resources, Inc.	Burleson	7/23/2012	00002857	869	233	7/27/2012				
01-0030-GO	Gene N. Elsik	CARR Resources, Inc.	Burleson	7/23/2012	00002855	869	227	7/27/2012				
01-0031-GO	Mary Lynn Elsik	CARR Resources, Inc.	Burleson	7/23/2012	00002856	869	230	7/27/2012				
01-0032-GO	James E Mitchell and Bernadette	CARR Resources, Inc.	Burleson	8/2/2012	00004672	878	367	11/5/2012				
01-0033-GO	Bernadette Urbanovsky Mitchell,	CARR Resources, Inc.	Burleson	8/2/2012	00004673	878	369	11/5/2012				
01-0034-GO	Kenneth Walter Weichert	CARR Resources, Inc.	Burleson	7/26/2012	00003672	873	591	9/14/2012				

MF 114301  
MF 114300

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on



Anna L. Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

Doc BK Vol Pg  
00009313 OR 975 248

48

File Number	Lessor	Lessee	County	Effective Date	Instrument Number	Book	Page	Recordation Date	2nd Instrument Number	2nd Book	2nd Page	2nd Recordation Date
01-0035-GO	Michael Glenn Weichert	CARR Resources, Inc.	Burleson	7/31/2012	00003664	873	575	9/14/2012				
01-0036-GO	Sharon Richuber	CARR Resources, Inc.	Burleson	7/31/2012	00003666	873	579	9/14/2012				
01-0037-GO	Harold J. Urbanovsky	CARR Resources, Inc.	Burleson	7/27/2012	00003675	873	597	9/14/2012				
01-0038-GO	James A. Urbanovsky	CARR Resources, Inc.	Burleson	7/27/2012	00003674	873	595	9/14/2012				
01-0039-GO	Thomas F. Urbanovsky	CARR Resources, Inc.	Burleson	7/27/2012	00003676	873	599	9/14/2012				
01-0040-GO	James E Mitchel and Bernadette	CARR Resources, Inc.	Burleson	8/2/2012	00004674	878	371	11/5/2012				
01-0041-GO	Rogelio Alberto Verdugo and Wife	CARR Resources, Inc.	Burleson	8/7/2012	00004664	878	350	8/7/2012				
01-0042-GO	June Urbanovsky McDonald	CARR Resources, Inc.	Burleson	9/28/2012	00004665	878	352	11/5/2012				
01-0043-GO	Pamela Urbanovsky Topletz	CARR Resources, Inc.	Burleson	9/19/2012	00004666	878	354	11/5/2012				
01-0044-GO	Marie Urbanovsky, Agent and	CARR Resources, Inc.	Burleson	8/24/2012	00004669	878	361	11/5/2012				
01-0045-GO	9008 Cr 271 LLC	CARR Resources, Inc.	Burleson	11/13/2012								
01-0046-GO	Maxine Marek	CARR Resources, Inc.	Burleson	11/6/2012	00004899	879	547	11/20/2012				
01-0055-GO	Maxine Marek	CARR Resources, Inc.	Burleson	9/6/2012	00004671	878	365	11/5/2012				
01-0114-BR	9008 Cr 271 LLC	CARR Resources, Inc.	Burleson	11/13/2012								
01-0124-OT	Patrick M. Fuchs	NGS TECHNOLOGIES, INC.	Burleson	7/15/2007	00005111	733	422	11/16/2007				
01-0125-OT	Royalty Clearinghouse Ltd., a Texas	NGS TECHNOLOGIES, INC.	Burleson	6/21/2007	00005110	733	421	11/16/2007				
01-0126-BR	Barbara Ann Horak et al	NGS TECHNOLOGIES, INC.	Burleson	7/25/2007	00005130	733	489	11/16/2007				
01-0127-BR	MARY A. EIMANN	NGS TECHNOLOGIES, INC.	Burleson	8/2/2007	00005125	733	465	11/16/2007				
01-0128-BR	JOHNNY E. KACER	NGS TECHNOLOGIES, INC.	Burleson	8/2/2007	00005126	733	469	11/16/2007				
01-0129-BR	MARVIN F. KACER	ASM OIL & GAS COMPANY INC.	Burleson	7/17/2013	00005024	907	743	7/24/2013				
01-0130-BR	JERRY A. KACER	NGS TECHNOLOGIES, INC.	Burleson	7/31/2007	00005128	733	481	11/16/2007				
01-0131-BR	JERRY A. KACER, AS INDEPENDENT	NGS TECHNOLOGIES, INC.	Burleson	7/31/2007	00005129	733	485	11/16/2007				
01-0132-BR	ELIZABETH POLANSKY, ET AL	NGS TECHNOLOGIES, INC.	Burleson	8/18/2007	00000623	740	502	2/13/2008				
01-0133-BR	ELIZABETH LYNN HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00000624	740	509	2/13/2008				
01-0134-BR	MICHAEL ANDREW HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005135	733	512	11/16/2007				
01-0135-BR	CHERYL HUBENAK WELDON	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005124	733	461	11/16/2007				
01-0136-BR	MILADY KLOBOUK KUCERA	NGS TECHNOLOGIES, INC.	Burleson	9/24/2007	00005123	733	457	11/16/2007				
01-0137-BR	GLENN J. HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005122	733	453	11/16/2007				
01-0138-BR	ANN F. HUBENAK ORSAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005121	733	449	11/16/2007				
01-0139-BR	ROSE M. HUBENAK STANLEY	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005120	733	446	11/16/2007				
01-0140-BR	JOHN JAMES HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005119	733	441	11/16/2007				

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on



Anna L Schielack  
County Clerk  
Burleson County, Texas

By Deputy

Doc 00009313 Bk OR Vol 975 Pg 249

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File Number	Lessor	Lessee	County	Effective Date	Instrument Number	Book	Page	Recordation Date	2nd Instrument Number	2nd Book	2nd Page	2nd Recordation Date
01-0141-BR	SANDRA L. HUBENAK SEDGWICK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005118	733	437	11/16/2007				
01-0142-BR	ANNA POLANSKY LUBOJACKY	NGS TECHNOLOGIES, INC.	Burleson	9/24/2007	00005117	733	433	11/16/2007				
01-0143-BR	ALLEN L. HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005116	733	429	11/16/2007				
01-0144-BR	JOE ANTHONY HUBENAK	NGS TECHNOLOGIES, INC.	Burleson	8/24/2007	00005134	733	508	11/16/2007				
01-0145-OT	BARBARA JO ZWERNEMANN, ET AL	NGS TECHNOLOGIES, INC.	Burleson	7/20/2007	00005131	733	493	11/16/2007				
01-0146-BR	THE THOMPSON GROUP, L.P. ACTING	NGS TECHNOLOGIES, INC.	Burleson	12/11/2007	00003786	756	423	8/7/2008				
01-0147-BR	JAMES HENRY MATIS AND BRUCE	NGS TECHNOLOGIES, INC.	Burleson	12/11/2007	00003787	756	424	8/7/2008				
01-0148-BR	MARGIE ANN NOHRA	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005260	851	796	12/22/2011				
01-0149-BR	WALTER VAJDAK	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005261	851	799	12/22/2011				
01-0150-BR	HENRY VAJDAK	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005262	851	802	12/11/2011				
01-0151-BR	EDWARD VAJDAK	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005263	851	805	12/22/2011				
01-0152-BR	LYDIA MAE FAUST	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005264	851	808	12/22/2011				
01-0153-BR	MARY ANN VAJDAK	NGS TECHNOLOGIES, INC.	Burleson	7/11/2011	00005265	851	811	12/22/2011				
01-0159-BR	BETTY JANE ANDERSON	NGS TECHNOLOGIES, INC.	Burleson	6/9/2011	00005269	851	819	12/22/2011	01195233	12036	83	5/28/2014
01-0160-BR	JOE R. JANAC, ET UX	NGS TECHNOLOGIES, INC.	Burleson	6/28/2011	00005268	851	817	12/22/2011	01195242	12036	101	5/28/2014
01-0161-BR	BRADLEY PRIHODA	NGS TECHNOLOGIES, INC.	Burleson	6/1/2011	00005271	851	823	12/22/2011	01195234	12036	85	5/28/2014
01-0162-BR	LEWIS B. PORTER, ET UX	NGS TECHNOLOGIES, INC.	Burleson	5/31/2011	00005270	851	821	12/22/2011	01195240	12036	97	5/28/2014
01-0163-BR	DON L. SHEPARD	NGS TECHNOLOGIES, INC.	Burleson	6/9/2011	00005267	851	816	12/22/2011	01195235	12036	87	5/28/2014
01-0164-BR	MARY ANN VAJDAK, TRUSTEE OF	NGS TECHNOLOGIES, INC.	Burleson	5/31/2011	00005272	851	824	12/22/2011	01195239	12036	95	5/28/2014
01-0165-BR	JOE R. JANAC, ET UX	NGS TECHNOLOGIES, INC.	Burleson	6/28/2011	00851	851	814	6/28/2011	01195241	12036	99	5/5/2014
01-0190-GO	Scientific Inquiry, Inc. Profit Sharing	CARR Resources, Inc.	Burleson	7/19/2013	01165231	11521	16	7/31/2013				
01-0392-BR	Joe Janac	PetroEdge Energy	Burleson	5/28/2014	1195241	12036	99	5/13/2014				
01-0487-BR	Thomas David Bayer	PetroEdge Energy	Burleson	10/17/2013	01191792	11977	77	4/28/2014				
01-0648-BR	Finley Company	PetroEdge Energy	Burleson	8/25/2014								
01-0649-BR	Pacific Operating Company	PetroEdge Energy	Burleson	8/25/2014								
01-0650-BR	Butler Oil LLC	PetroEdge Energy	Burleson	8/25/2014								
01-0651-BR	4-W Petroleo, Inc	PetroEdge Energy	Burleson	8/25/2014								
01-0652-BR	Mary F. Wolford Foundation	PetroEdge Energy	Burleson	8/25/2014								
01-0658-BR	Geraldine May	NGS TECHNOLOGIES, INC.	Burleson	2/1/2008	00002167	748	144	5/15/2008	00005255	851	783	12/11/2011
01-0659-BR	Helen Davis Lewis et al	NGS TECHNOLOGIES, INC.	Burleson	2/7/2008	00002168	748	146	5/15/2008	00005257	851	788	12/11/2011
01-0660-BR	Joyce Sontag	NGS TECHNOLOGIES, INC.	Burleson	5/1/2008	00002162	748	135	5/15/2008	00005256	851	786	12/11/2011

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas  
By  Deputy



Doc 00009313 Bk OK Vol 975 Pg 250

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File Number	Lessor	Lessee	County	Effective Date	Instrument Number	Book	Page	Recordation Date	2nd Instrument Number	2nd Book	2nd Page	2nd Recordation Date
01-0661-BR	Rodney Varner as Trustee	ASM Oil and Gas Company Inc.	Burleson	5/17/2013	00003515	900	369	5/30/2013				
01-0662-BR	Donna Varner Presnal	ASM Oil and Gas Company Inc.	Burleson	5/16/2013	00003516	900	370	5/30/2013				
01-0663-BR	Thanna Varner Magehee	ASM Oil and Gas Company Inc.	Burleson	5/17/2013	00003514	900	368	5/30/2013				
01-0664-BR	Lois Kay (Vavra) Polasek et vir	ASM Oil and Gas Company Inc.	Burleson	5/1/2013	00003517	900	371	5/30/2013				
01-0665-BR	Oscar and Gertrude Johnson Trust	ASM Oil and Gas Company Inc.	Burleson	5/1/2013	00003518	900	372	5/30/2013				
01-0666-BR	Randall and Holly Rice	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00005225	908	594	7/30/2013				
01-0667-BR	Bill N. Barnett	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00004987	907	585	7/23/2013				
01-0668-BR	Howard L. Barnett Residuary Trust	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00004989	907	589	7/23/2013				
01-0669-BR	Mary Margaret Hanson	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004992	907	590	7/23/2013				
01-0670-BR	Barbara Lynn Riley	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004991	907	589	7/23/2013				
01-0671-BR	Hugh C. Barnett Jr.	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004993	907	591	7/23/2013				
01-0672-BR	Bobbie Mae Claypool	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00004988	907	586	7/23/2013				
01-0673-BR	Nita Jean Beavers	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004994	907	592	7/23/2013				
01-0674-BR	Harry H. Bowers Jr.	ASM Oil and Gas Company Inc.	Burleson	7/16/2013	00004990	907	588	7/23/2013				
01-0675-BR	Peggy Lucille Diver	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00005223	908	592	7/30/2013				
01-0676-BR	Rhea Hughston Shelley	ASM Oil and Gas Company Inc.	Burleson	9/11/2013	00006803	916	59	9/25/2013				
01-0677-BR	Elvira Allen Family Trust	ASM Oil and Gas Company Inc.	Burleson	9/16/2013	00006804	916	61	9/25/2013				
01-0678-BR	Marilil Rychlik	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00004986	907	584	7/23/2013				
01-0679-BR	Nathan B. Smith	ASM Oil and Gas Company Inc.	Burleson	7/2/2013	00005025	907	749	7/24/2013				
01-0680-BR	Richard Green	ASM Oil and Gas Company Inc.	Burleson	7/23/2013	00005076	908	92	7/25/2013				
01-0681-BR	Shirley Green	ASM Oil and Gas Company Inc.	Burleson	7/17/2013	00005224	908	593	7/30/2013				
01-0579-BR	Sutherland Resources, Inc.	PetroEdge Energy	Burleson	9/23/2014	00008473	971	282	10/7/2014				
01-0721-BR	Kathryn Ann Hayes	PetroEdge Energy	Brazos	9/23/2014								

STATE OF TEXAS  
COUNTY OF BURLESON

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Anna L Schielack  
County Clerk  
Burleson County, Texas



By \_\_\_\_\_ Deputy

EXHIBIT A-2

Certain Surface Use Rights

1. Clarence L. Junek, Surface Use Agreement, September 26, 2013
2. Walker Family Partnership, Surface Use Agreement, June 12, 2014
3. Bryan Traditions L.P., Water Use Agreement, September 8, 2014
4. Seaback Lease – Surface Use designated in Lease, June 24, 2014
5. Cashion Lease – Reserved and designated a 5.7 acre Drill Site Location in Deed, September 24, 2013
6. Judge Peters Lease – Surface Use Agreement Designated in Lease, August 21, 2014
7. Urbanovsky Mitchell Trust Leases – Surface Use Operations Allowed by Lease, August 2, 2012
8. Drought Leases - Surface Use Operations Allowed by Lease, June 28, 2012
9. Richard and Norma Smith Lease - Surface Use Operations Allowed by Lease, June 24, 2014

HNV1172105.3

*gk*

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

EXHIBIT A-3

Units

- 1. Production Units
  - a. Carr-Buffalo Ranch Unit-1
    - i. Carr-Buffalo Ranch-1 2H (Permit 771495, Issued October 17, 2013)
- 2. Drilling Units
  - a. Carr-Buffalo Ranch Unit-2
    - i. Carr-Buffalo Ranch-2 1H (Permit 790156, Issued August 4, 2014)
    - ii. Carr-Buffalo Ranch-2 2H (Permit 790186, Issued July 26, 2014)
  - b. Carr-Buffalo Ranch Unit 3
    - i. Carr-Buffalo Ranch-3 1H (Permit 790158, Issued July 26, 2014)
    - ii. Carr-Buffalo Ranch-3 2H (Permit 790190, Issued July 26, 2014)
  - c. Cashion Unit No. 1
    - i. Cashion 1 2H (Permit 789318, Issued July 19, 2014)
  - d. Walker Unit No. 1
    - i. Walker 1 1H (Permit 790351, Issued July 30, 2014)
    - ii. Walker 1 2H (Permit 790502, Issued July 31, 2014)

HN\1172105.3

*ASL*

STATE OF TEXAS  
COUNTY OF BURLESON

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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

EXHIBIT B

Excluded Assets

1. Proprietary maps and related documents and data prepared by Earthfield Technologies for Carr.
2. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from Carr to PetroEdge Brazos, LLC dated and effective as of July 19, 2013, filed in Brazos County, Texas at Book 11547, Page 152.
3. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from Carr to PetroEdge Brazos, LLC dated effective as of July 19, 2013, filed in Burleson County, Texas at Book 910, Page 174.
4. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from Carr to PetroEdge Brazos, LLC dated and effective as of April 30, 2014, filed in Brazos County, Texas at Book 12163, Page 134.
5. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from Carr to PetroEdge Brazos, LLC dated and effective as of April 30, 2014, filed in Burleson County, Texas at Book 958, Page 420.
6. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from ASM to PetroEdge Brazos, LLC dated and effective as of July 19, 2013, filed in Burleson County, Texas at Book 910, Page 185.
7. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from ASM to PetroEdge Brazos, LLC dated and effective as of July 19, 2013, filed in Burleson County, Texas at Book 910, Page 193.
8. The overriding royalty interests contained in that certain Assignment, Bill of Sale and Conveyance from ASM to PetroEdge Brazos, LLC dated effective as of February 1, 2014, filed in Burleson County, Texas at Book 932, Page 788.
9. In the case of the Leases held by ASM:
  - (a) all "Woodbine Rights" from the top of the Eagle Ford Formation to the surface;
  - (b) All existing surface equipment associated with the leasehold interests described in item 9(a) above;
  - (c) All pad sites being used or to be used by ASM for the development and exploitation of the Excluded Assets.
10. All mineral fee interests held by Carr and ASM.
11. The Orion Drilling Contract.

*gpc*

STATE OF TEXAS  
COUNTY OF BURLESON

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is a full, true and correct copy of the original on  
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Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy

- 12. PetroEdge Brazos LLC, Carr Resources, Inc. and ASM Oil and Gas Company, Inc., Participation Agreement, June 21, 2013.
- 13. ETC Texas Pipeline Ltd. Facilities Construction Agreement, Walker Unit No. 1, August 5, 2014 (in process of termination – refund to PetroEdge).
- 14. All leasehold interests owned by ASM which were not included in the conveyances to PetroEdge Brazos, LLC delivered pursuant to the terms of the Participation Agreement, to the extent such leasehold interests are not described on Exhibit A.

Filed for Record in:  
Burleson County

On: Oct 29, 2014 at 10:20A

As an Official Public Records

Document Number: 00009313

Amount 106.00

Receipt Number - 99953

By:  
Ashley Shupak

STATE OF TEXAS COUNTY OF BURLESON  
I hereby certify that this instrument  
was filed on the date and time  
stamped hereon by me and was duly  
recorded in the volume and page of  
the named records of:  
Burleson County  
As stamped hereon by me.

Oct 29, 2014

Anna L. Schielack  
Burleson County Clerk

HN\1172105.3

*SL*

STATE OF TEXAS  
COUNTY OF BURLESON

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is a full, true and correct copy of the original on  
file and of record in my office.

Thereby, certified, on 5-14-15



Anna L Schielack  
County Clerk  
Burleson County, Texas

By *[Signature]* Deputy


File No. MF 114300

AIRN ID #9426

PetroEdge to Apache

Date Filed: 11-5-14

George P. Bush, Commissioner

By 



*Just File*  
*MF=114300*

November 11, 2015

Texas General Land Office  
Mr. Carl Bonn, CPL  
Energy Resources  
1700 Congress Avenue  
Austin, TX 78711

RE: GLO Assignment ID #9426 – MF114300 & MF114301  
Burleson County, Texas

Dear Mr. Bonn,

Please find enclosed Apache Corporation's check number 4768494 in the amount of \$50.00 as payment for filing fees associated with the assignments referenced above. Please contact Carson Hebert at 281-302-2525 or me at 281-302-2506 with any questions.



Apache Corporation  
ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
HOUSTON, TEXAS 77056-4400  
(713) 296-6000

16703298 Date: 11/11/2015

Check #: 4768494

INVOICE NO.	DATE	GROSS AMOUNT	DEDUCTIONS	NET AMOUNT
GLO FILING FEES	11/10/2015	50.00	0.00	50.00

(24)

MF-114300

File No. \_\_\_\_\_  
Alche Filing fees

Date Filed: 3-8-16

George P. Bush, Commissioner

By \_\_\_\_\_ *CB*

11.10.12



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

Certified USPS 7009 0960 0001 1892 3720

December 13, 2016

Attn: Michele Doyle  
Apache Corporation  
2000 Post Oak Boulevard  
Houston, Texas 77056

Re: State Lease **MF 114300** being 1025.845 acres more or less Tract #1 Burleson County Texas.

Ms. Doyle:

Our records indicate that the referenced lease has terminated due to failure to pay the delay rentals due on July 17, 2016.

You have thirty days from the receipt of this letter in which to present evidence and convince the General Land Office that this termination has not occurred. If such evidence has not been presented at the expiration of the 30 day period, the lease shall be endorsed "terminated" with no further communication from this office prior to the endorsement.

Pursuant to the Texas Administrative Code, we request that you file with this office a certified, recorded copy of a Release of State Oil and Gas Lease, effective as of the termination date and recorded in the county in which the lease tract is located. After recording the release, mail a certified copy of the release, along with the filing fee of \$25.00 per lease, to my attention at the GLO.

We look forward to hearing from you.

Yours truly,

Travis Matthews  
Landman, Energy Resources  
512-463-5118  
512-475-1543 (fax)  
Travis.Matthews@GLO.TEXAS.GOV

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File No. MF 114300

~~George~~  
TERMINATION LETTER

Date Filed: 12/13/16

By TM George P. Bush, Commissioner

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For delivery information visit our website at [www.usps.com](http://www.usps.com)®

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark  
Here

Total Postage

**Attn: Michele Doyle**  
**Apache Corporation**  
**2000 Post Oak Boulevard**  
**Houston, Texas 77056**

Sent To  
 Street, Apt. No.  
 or PO Box No.  
 City, State, ZIP

7009 0960 0001 1892 3720



Apache Corporation  
ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
HOUSTON, TEXAS 77056-4400  
(713) 296-6000

Date: 01/04/2017  
Check #: 4805799

INVOICE NO.	DATE	GROSS AMOUNT	DEDUCTIONS	NET AMOUNT
201612294540	12/29/2016	25.00	0.00	25.00
			17706164	
<b>TOTALS</b>		25.00	0.00	25.00

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January 5, 2017

Texas General Land Office  
Mr. Travis Matthews, Energy Resources  
P.O. Box 12873  
Austin, TX 78711-2873

RE: Release of Oil & Gas Lease, State of Texas/Carr Resources  
State Lease MF-114300 – TR 1  
Burleson County, TX

Dear Mr. Morgan,

Please find enclosed one (1) original recorded document referenced document above; fully executed and recorded on October 6, 2016, COB 1068, Pg 20, Doc# 00006244. Included is Apache Corporation's check number 4805809 in the amount of \$25.00 as payment for filing fees associated with the release referenced.

If you have any further questions or concerns, please contact Carson Hebert at 281-302-2525 or me at 281-302-2506.

Regards,

APACHE CORPORATION

A handwritten signature in black ink that reads "Michele Doyle".

Michele Doyle  
Land Admin Analyst  
[Michele.Doyle@apachecorp.com](mailto:Michele.Doyle@apachecorp.com)

Encl

**RELEASE OF OIL AND GAS LEASE**

THE STATE OF TEXAS §  
COUNTY OF BURLESON §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, on July 17, 2012, Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas, as Lessor, executed and delivered to Carr Resources Inc., as Lessee, an Oil and Gas Lease (State Lease No. M-114300) which is recorded in Vol. 879, Page 527, of the Official Public Records of Burleson County, Texas, and amended by such Amendment of State Oil and Gas Lease recorded in Vol. 914, Page 368, of the Official Public Records of Burleson County, Texas (the "Lease"), and covering the following described lands located in Burleson County, Texas, containing 2051.69 acres of land, more or less, as more particularly described therein, including any amendments, modifications, extensions, renewals and ratifications thereto (the Lease);

**Tract 1:**

**Section 1 being 2051.69 acres, more or less, in the J.P. Coles Survey, A-12, Burleson Co., Texas, being called a 2691.69 acre tract described in Special Warranty Deed dated 12/08/1994, from TAC Realty, Inc. to Brazos Enterprises Corp., recorded in Vol. 450, Page. 751, deed records, Burleson Co., Save & Except 640 acres, more or less, in the J.P. Coles Survey, A-12, described as "Tract One" and "Tract Two" in a deed dated 01/05/1944, from H.P. Drought to Joe Varisco recorded in Vol. 89, Pg. 358, Deed Records, Burleson County, Texas, containing approximately 2051.69 acres, as shown on the official map of Burleson County, Texas now on file in the Texas General Land Office, Austin, Texas.**

WHEREAS, Apache Corporation ("Apache") is the successor in interest to Carr Resources, Inc.; such Lease has expired by its own terms and Apache wishes to release, relinquish, and surrender all of its right, title, and interest in and to the Lease;

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Apache hereby RELEASES, RELINQUISHES, and SURRENDERS to the present owner(s) of the mineral estate in the lands covered by the Lease and who are affected by this Release of Oil and Gas Lease, all of Apache's right, title, and interest in the Lease.

This Release of Oil and Gas Lease is executed by Apache on the date of the acknowledgement below, but is effective for all purposes as of July 17, 2016.

**APACHE CORPORATION**

By: *Darrell L. Donaldson* *CH*  
Darrell L. Donaldson  
Attorney in Fact

THE STATE OF TEXAS §  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Darrell L. Donaldson, Attorney in Fact of Apache Corporation, a Delaware corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 19<sup>th</sup> day of Sept., 2016.



*Helen K. Mele*  
NOTARY PUBLIC-STATE OF TEXAS

File No. MF 114300  
BURLESON County  
RELEASE  
Date Filed: 1/17/17  
By JW George P. Bush, Commissioner

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