



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

MF114489

State Lease	Control	Base File	County
MF114489	08-006882	151957	CULBERSON

Survey	T & P RY CO	
Block	59	
Block Name		
Township	1-S	
Section/Tract	18	
Land Part		
Part Description		
Acres	681.9	
Depth Below	Depth Above	Depth Other

Leasing: GH

Analyst: GH

Maps: _____

GIS: MC

DocuShare: _____

Name	CIMAREX ENERGY CO.
Lease Date	1/31/2007
Primary Term	3 yrs
Bonus (\$)	\$0.00
Rental (\$)	\$0.00
Lease Royalty	0.0625

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F1082361

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Scanned SM	6/24/13	Scanned SM	10/14/2021
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EXHIBIT "A"
to
Oil and Gas Lease Extension Agreement
effective January 31, 2007
between The Allar Company, Lessor,
and Cimarex Energy Co., Lessee

Lease 1:

Date: January 31, 2007.

Recorded: Volume 94, Page 286, Oil and Gas Records of Culberson County, Texas.

Lessor: The Allar Company, a Texas corporation.

Lessee: Shaw Interests, Inc.

Land Covered: Section 2, Block 60, Township 1, T&P Ry. Co. Survey, Culberson County, Texas, containing 663.2 acres, more or less.

Lease 2:

Date: January 31, 2007.

Recorded: Volume 94, Page 289, Oil and Gas Records of Culberson County, Texas.

Lessor: The Allar Company, a Texas corporation.

Lessee: Shaw Interests, Inc.

Land Covered: Section 4, Block 60, Township 1, T&P Ry. Co. Survey, Culberson County, Texas, containing 662.9 acres, more or less.

Lease 3:

Date: January 31, 2007.

Recorded: Volume 94, Page 292, Oil and Gas Records of Culberson County, Texas.

Lessor: The Allar Company, a Texas corporation.

Lessee: Shaw Interests, Inc.

Land Covered: Section 26, Block 60, Township 1, T&P Ry. Co. Survey, Culberson County, Texas, containing 673 acres, more or less.

Lease 4:

Date: January 31, 2007.

Recorded: Volume 94, Page 283, Oil and Gas Records of Culberson County, Texas.

Lessor: The Allar Company, a Texas corporation.

Lessee: Shaw Interests, Inc.

Land Covered: Section 18, Block 59, Township 1, T&P Ry. Co. Survey, Culberson County, Texas, containing 681.9 acres, more or less.

#62192

TEXAS

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

**OIL, GAS AND MINERAL LEASE
PAID-UP**

THIS AGREEMENT made this 31st day of January, 2007, between THE ALLAR COMPANY, a Texas Corporation, P.O. Box 1587, Graham, Texas 76460, herein called lessor (whether one or more), and SHAW INTERESTS, INC., 310 W. WML Street, Suite 303, Midland, Texas 79701, lessee:

1. Lessor, in consideration of Ten Dollars and other valuable considerations (\$10.00 & OVC) in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas, and all other minerals, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing otherwise caring for its employees, the following described land in Culberson County, Texas, to wit:

All of Section 18, Block 59, Township 1, T&P RR Co. Survey, Abstract - 6988, Culberson County, Texas containing 681.9 acres more or less.

(This is a paid-up lease. Lessor acknowledges receipt of all annual delay rentals due and/or payable under the terms of this lease.)

For the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 681.9 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"), and as long thereafter as oil, gas, or other mineral is produced from said land or land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well 1/4 of that produced and saved from said land, same to be delivered at the well or to the credit of lessor in the pipe line to which the wells may be connected; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used; (c) on all other minerals mined and marketed 1/4 either in kind or value at the well or mine, at lessee's election, and (d) if at any time while there is a gas well or wells on the above land (and for purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance and classified as gas wells by any governmental authority) such well or wells are shut in, and if this lease is not continued in force by some other provision hereof, then it shall nevertheless continue in force for a period of ninety (90) days from the date such well or wells are shut in, and before the expiration of any such ninety-day (90-day) period, lessee or any assignee hereunder may pay or tender an advance annual royalty equal to the amount of delay rentals provided for in this lease for the acreage then held under this lease by the party making such payment or tender, and if such payment or tender is made, this lease shall continue in force and it shall be considered that gas is being produced from the leased premises in paying quantities within the meaning of paragraph 2 hereof for one (1) year from the date such well or wells are shut in, and in like manner subsequent advance annual royalty payments may be made or tendered and this lease shall continue in force and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of said paragraph 2 during any annual period for which such royalty is so paid or tendered; such advance royalty may be paid or tendered in the same manner as provided herein for the payment or tender of delay rentals; royalty accruing to the owners thereof on any production from the leased premises during any annual period for which advance royalty is paid may be credited against such advance payment.

4. If operations for drilling or mining are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this lease shall terminate as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of N/A - THIS IS A PAID-UP LEASE Dollars (\$ N/A) which shall cover the privilege of deferring commencement of such operations for a period of twelve (12) months. In like manner and upon like payment, or tender, annually, the commencement of said operations may be further deferred for successive periods of the same number of months, each during the primary term. Payment or tender may be made to the Lessor or to the First National Bank (Account #1 008 1) of Graham, Texas, which bank, or any successor thereof, shall continue to be the agent for the lessor and lessor's successors and assigns. If such bank (or any successor bank) shall fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, lessee shall not be held in default until thirty (30) days after lessor shall deliver to lessee a recordable instrument making provision for another method of payment or tender, and any depository change is a liability of the lessor. The payment or tender of rental may be made by check or draft of lessee, mailed or delivered to said bank or lessor, or either lessor if more than one, on or before the rental paying date.

5. Lessee is hereby granted the right to pool or unitize this lease, the land covered by it or any part thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil, gas, or any other minerals. Units pooled for gas hereunder shall not exceed 680 acres. Units pooled for oil hereunder shall not exceed forty (40) acres provided that if any Federal or State law, Executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much acreage as may be so prescribed or as may be used in such allocation or allowable. Lessee shall file written unit designations in the county in which the premises are located. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

6. If, prior to discovery of oil, gas or other minerals on said land or on land pooled therewith, lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil, gas or other minerals, the production thereof should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within ninety (90) days thereafter, or (if it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of three (3) months from date of completion and abandonment of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land or land pooled therewith but lessee is then engaged in operations for drilling, mining or reworking of any well or mine thereon, this lease shall remain in force so long as such operations or said additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than one hundred twenty (120) consecutive days, and, if they result in production, so long thereafter as oil, gas, or other mineral is produced from said land or land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and draining the leased premises, lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: January 27, 2011
COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Theresa D. By DEPUTY

TEXAS

7. Lessee shall have free use of oil, gas, and water from said land, except water from lessor's wells and tanks, for all operations hereunder, including repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee. No such change or division in the ownership of the land, rentals or royalties shall be binding upon lessee for any purpose until such person acquiring any interest has furnished lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original lessor. In the event of an assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder, and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of the rentals due from such lessee or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers a part of said lands upon which lessee or any assignee thereof shall make payment of said rentals.

9. When drilling or other operations are delayed or interrupted by storm, flood, or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, requisition or necessity of the government, or as a result of any cause whatsoever beyond the control of the lessee, the time of such delay or interruption shall not be counted against lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation. And if from such cause lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from, the leased premises or land pooled therewith, the time while lessee is so prevented shall not be counted against lessee, and this lease shall be extended for a period of time equal to that during which such lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from, such leased premises or land pooled therewith, notwithstanding any other provision hereof.

10. Lessor hereby agrees that lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. It is agreed that, if lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately, should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

12. If gas is sold in good faith by Lessee to a purchaser who owns no interest, directly or indirectly, in this lease or the lands covered by this lease and that is not affiliated in any manner with Lessee, the unit price payable to Lessee for such gas shall constitute the unit market value thereof at the well, as that term is used in this lease. All post-production costs connected with gas shall be paid by Lessee in addition to the payment to Lessor of market value at the well. No gathering, transportation, compression, dehydration, processing, plant processing, plant shrinkage, plant fuel, trading, marketing or any other similar charges of any nature shall be deducted from the royalty to be paid to Lessor, and, if incurred by Lessee and deducted from proceeds due to Lessor, shall be added to the royalty to be paid to Lessor in addition to the value of Lessor's royalty based on value at the well to the extent attributable to the royalty percentage share of the gas of Lessor.

13. Operations on or production from a unit created as authorized in Paragraph 5 which does not include all of the leased premises will not be construed as operations on or production from any of the above described land that is not included in said unit. Lessee will furnish Lessor a recorded copy of any unit designation or revision thereof on its return from recording from the county clerk.

14. Notwithstanding anything to the contrary herein contained, this lease shall cover only oil, gas and associated hydrocarbons, together with any sulphur or other minerals produced in association therewith, and all references to sulphur and other minerals contained herein are hereby deleted.

15. Notwithstanding any different royalty amounts specified in Paragraph 3, the royalty to be paid to Lessor in accordance with the provisions of Paragraph 3 is one-fourth (1/4th), subject to the provisions of Paragraph 10 concerning proportionate reduction.

16. If Lessee and/or Operator designated with the Railroad Commission of Texas as operator of any lands covered by this lease, (hereinafter collectively called Operator), fails to pay, or fails to make timely distribution of, the proceeds from the sale of production, including future production under this lease attributable to Lessor's royalty, Operator shall hold such royalty proceeds received by Operator in trust for Lessor and shall make distribution thereof to Lessor at above address with a copy of purchaser's run statement within thirty (30) days after receipt thereof by Operator. If Operator fails to pay or make timely distribution of proceeds from the sale of production, Lessor shall be entitled to recover interest on any amounts due at the rate of 15% per annum, or such lesser maximum rate allowed by law, from the date payment was due until the date payment is received by Lessor in addition to any other relief to which Lessor may be entitled. If Operator fails to pay or to make timely distribution of Lessor's royalty proceeds with a copy of purchaser's run statements, Lessor may file suit in Young County, Texas for the collection thereof and shall be entitled to recover reasonable attorney's fees and court costs in addition to the royalty proceeds, interest and run statements.

17. (a) At the expiration of the primary term or upon cessation of operations as described in Paragraph 6, whichever is the later, if this lease continues in force and Lessee has not engaged in continuous drilling operations as described in subparagraph 17 (b), this lease shall terminate automatically (1) as to all rights and depths 150 feet below the stratigraphic equivalent of the deepest commercially producing perforations from which production of oil and/or gas is being obtained on the leased premises or land unitized therewith, and (2) as to all the lands covered hereby except as to those lands included within the geographical boundaries of a pooled unit or proration unit established in conformity with field rules or spacing rules of the applicable governmental body on which is located a producing well under the terms and provisions of this lease. Should production cease on any of said tracts and operations as described in Paragraph 6 are not timely commenced, this lease on said tract will expire, terminate and revert to Lessors. Lessee agrees to execute a recordable release or partial release of lease, as applicable, and forward the same to Lessor promptly following the time such acreage is to be released under the terms and provisions of this lease.

(b) If at the expiration of the primary term Lessee is then engaged in actual drilling on the leased premises in a bona fide effort to find oil, gas or associated hydrocarbons or Lessee has completed a well, herein after referred to as "said well", either as a dry hole or as a producer on the leased premises or on lands pooled therewith within one hundred twenty (120) days of the expiration of the primary term, Lessee may conduct a continuous development program on the leased premises by commencing the actual drilling of an additional well on or before one hundred twenty (120) days from reaching total depth of or ceasing drilling on said well, and by thereafter allowing no more than one hundred twenty (120) days to elapse between reaching total depth of or ceasing drilling on one well and the commencement of actual drilling of another well in a bona fide effort to find oil, gas or associated hydrocarbons, until such time as the leased premises has been fully developed as to each productive formation in conformity with the field rules or spacing rules of the applicable governmental authority. The leased premises will be fully developed at such time as all the leased premises is included within the geographical boundaries of a pooled unit or included in a proration unit established by the applicable governmental authority. If Lessee commences continuous development operations by actual drilling at or before the expiration of the primary term and fails to continue same, this lease shall terminate automatically (1) as to all rights and depths 150 feet below the stratigraphic equivalent of the deepest commercially producing perforations from which production of oil, gas or associated hydrocarbons is being obtained on the leased premises or land pooled or unitized therewith, and (2) all the leased premises except that portion thereof included within the geographical boundaries of a pooled unit

SPECIAL PROVISIONS - THE ALLAR COMPANY - GENERAL - POOLING 2002 - Page 2 of 2

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: January 27, 2011
LORRA MCKINNON, COUNTY CLERK
CHANDLER COUNTY, TEXAS
BY Veronica D. Bay JMC

TEXAS

pooled unit or proration unit and operations as described in Paragraph 6 are not timely commenced as therein prescribed, this lease will expire as to such pooled unit or proration unit. Upon the partial or full termination of this lease according to its terms, Lessee agrees to promptly execute and forward to Lessor a recordable release covering that portion of the leased premises as to which this lease has expired.

18. The advanced annual shut-in royalty as provided for in Paragraph 3 of the printed lease form shall be equal to ten dollars (\$10.00) per acre as to lands covered by this lease on the date said royalty becomes due, payable as specified in Paragraph 3, subject to the provisions of Paragraph 10 concerning proportionate reduction.

19. It is expressly agreed that this lease cannot be held, maintained, nor extended under or by virtue of the shut-in well provisions of this lease for a longer term beyond the primary term than three (3) consecutive years or for shorter terms at various intervals not to exceed in the aggregate three (3) years in any ten (10) year period. The ten (10) year periods referred to in this paragraph shall be consecutive, beginning with the first such period which commences on the first day that this lease is maintained by virtue of the shut-in well provision of Paragraph 3 of this lease and later ten (10) year periods shall commence at the end of each prior ten (10) year period.

20. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon, provided, however, that, any assignment, mortgage or other transfer of all or any interest in this Lease by Lessee without the prior written consent of Lessor, which consent shall not be unreasonably withheld, shall be void. As an express condition to such approval as may be granted by Lessor, Lessee shall furnish to Lessor a true or certified copy of all such proposed assignments and fully inform Lessor of the identity and address of any such assignee. These provisions shall apply to any type of assignment, sublease, conveyance or transfer of all or a portion of this Lease or rights or interest thereunder.

21. Lessee at any time during the last year of the primary term and while this lease is in force and effect, shall have the option of extending the primary term from three (3) years as specified in Paragraph 2 of this lease to five (5) years. Lessee may exercise such option by paying or tendering to the Lessor or to the credit of the Lessor in the depository bank provided herein, the sum of two hundred seventy-five dollars (\$275.00) per acre for each acre then covered by this lease, which payment shall be prepaid delay rental of any and all delay rentals which would otherwise be payable under this lease for the total of the extended term of this lease.

22. Lessee will furnish Lessor with location plots, notice of commencement of operations, daily drilling reports, a complete copy of all electrical well log surveys, daily mud log reports and results of all tests, including drill stem tests, formation tests and core analyses in any well drilled on lands covered hereby or lands pooled therewith.

23. Notwithstanding any other provisions in this lease to the contrary, this lease is made, executed and delivered by Lessor without warranty of title, express or implied. Lessor does not warrant nor agree to defend the title to any of the lands covered by this lease.

24. The provisions of this lease shall not be strictly construed against Lessor or Lessee.

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



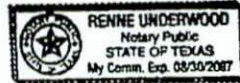
THE ALLAR COMPANY.

By: Edwin Smith Graham IV
Edwin Smith Graham IV, Vice President
ID# 75-6107180

STATE OF TEXAS
COUNTY OF YOUNG

This instrument was acknowledged before me on the 6th day of February, 2007, by EDWIN SMITH GRAHAM IV, Vice President of THE ALLAR COMPANY, a Texas corporation, on behalf of said corporation.

Rennie Underwood
Notary Public, State of Texas



RECEIVED TO BE A YOUNG
SPECIAL PROVISIONS: THE ALLAR COMPANY - GENERAL - POOLING 2002 - Page 1 of 1

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 27, 2011
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
By: Theresa D. By

Filed for record on the 26th day of March, A.D. 2007 @ 11:00 o'clock A.M. and
duly recorded on the 28th day of March, A.D. 2007 @ 9:05 o'clock A.M.

By: Linda M. Caldwell Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF CULBERSON

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Oil and Gas Records of my office, found in VOL. 94, PAGE 283.

I hereby certified on 27th January 2011

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY Harriet D. Bugg DEPUTY

#62192

TEXAS

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**OIL, GAS AND MINERAL LEASE
PAID-UP**

THIS AGREEMENT made this 31st day of January, 2007, between THE ALLAR COMPANY, a Texas Corporation, P.O. Box 1587, Graham, Texas 76450, herein called lessor (whether one or more), and SHAW INTERESTS, INC., 310 W. Wall Street, Suite 305, Midland, Texas 79701, lessee:

1. Lessor, in consideration of Ten Dollars and other valuable considerations (\$10.00 & OVC) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas, and all other minerals, including gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing otherwise caring for its employees, the following described land in Culberson County, Texas, to wit:

All of Section 18, Block 59, Township 1, T&P RR Co. Survey, Abstract - 6986, Culberson County, Texas containing 681.9 acres more or less.

(This is a paid-up lease. Lessor acknowledges receipt of all annual delay rentals due and/or payable under the terms of this lease.)

For the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 681.9 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"), and as long thereafter as oil, gas, or other mineral is produced from said land or land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well 1/4 of that produced and saved from said land, some to be delivered at the wells or to the credit of lessor in the pipe line to which the wells may be connected; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used; (c) on all other minerals mined and marketed 1/4 either in kind or value at the well or mine, at lessee's election; and (d) if at any time while there is a gas well or wells on the above land (and for purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance and classified as gas wells by any governmental authority) such well or wells are shut in, and if this lease is not continued in force by some other provision hereof, then it shall nevertheless continue in force for a period of ninety (90) days from the date such well or wells are shut in, and before the expiration of any such ninety-day (90-day) period, lessee or any assignee hereunder may pay or tender an advance annual royalty equal to the amount of delay rentals provided for in this lease for the acreage then held under this lease by the party making such payment or tender, and if such payment or tender is made, this lease shall continue in force and it shall be considered that gas is being produced from the leased premises in paying quantities within the meaning of paragraph 2 hereof for one (1) year from the date such well or wells are shut in, and in like manner subsequent advance annual royalty payments may be made or tendered and this lease shall continue in force and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of said paragraph 2 during any annual period for which such royalty is so paid or tendered; such advance royalty may be paid or tendered in the same manner as provided herein for the payment or tender of delay rentals; royalty accruing to the owners thereof on any production from the leased premises during any annual period for which advance royalty is paid may be credited against such advance payment.

4. If operations for drilling or mining are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this lease shall terminate as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of N/A - THIS IS A PAID-UP LEASE Dollars (\$ N/A) which shall cover the privilege of deferring commencement of such operations for a period of twelve (12) months. In like manner and upon like payment, or tenders, annually, the commencement of said operations may be further deferred for successive periods of the same number of months, each during the primary term. Payment or tender may be made to the Lessor or to the First National Bank (Account #1 CDB 1) of Graham, Texas, which bank, or any successor thereof, shall continue to be the agent for the lessor and lessor's successors and assigns. If such bank (or any successor bank) shall fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, lessee shall not be held in default until thirty (30) days after lessor shall deliver to lessee a recordable instrument making provision for another method of payment or tender, and any depository change is a liability of the lessor. The payment or tender of rental may be made by check or draft of lessee, mailed or delivered to said bank or lessor, or either lessor if more than one, on or before the rental paying date.

5. Lessee is hereby granted the right to pool or unitize this lease, the land covered by it or any part thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil, gas, or any other minerals. Units pooled for gas hereunder shall not exceed 680 acres. Units pooled for oil hereunder shall not exceed forty (40) acres provided that if any Federal or State law, Executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much acreage as may be so prescribed or as may be used in such allocation or allowable. Lessee shall file written unit designations in the county in which the premises are located. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

6. If, prior to discovery of oil, gas or other minerals on said land or on land pooled therewith, lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil, gas or other minerals, the production thereof should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within ninety (90) days thereafter, or if it is within the primary term) commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of three (3) months from date of completion and abandonment of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land or land pooled therewith but lessee is then engaged in operations for drilling, mining or reworking of any well or mine thereon, this lease shall remain in force so long as such operations or said additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than one hundred twenty (120) consecutive days, and, if they result in production, as long thereafter as oil, gas, or other mineral is produced from said land or land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and draining the leased premises, lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: January 27, 2011
COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Theresa D. [Signature] DEPUTY

TEXAS

7. Lessee shall have free use of oil, gas, and water from said land, except water from lessor's wells and tanks, for all operations hereunder, including repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee. No such change or division in the ownership of the land, rentals or royalties shall be binding upon lessee for any purpose until such person acquiring any interest has furnished lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original lessor. In the event of an assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder, and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of the rentals due from such lessee or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers a part of said lands upon which lessee or any assignee thereof shall make payment of said rentals.

9. When drilling or other operations are delayed or interrupted by storm, flood, or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, requisition or necessity of the government, or as a result of any cause whatsoever beyond the control of the lessee, the time of such delay or interruption shall not be counted against lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation. And if from such cause lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from, the leased premises or land pooled therewith, the time while lessee is so prevented shall not be counted against lessee, and this lease shall be extended for a period of time equal to that during which such lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from, such leased premises or land pooled therewith, notwithstanding any other provision hereof.

10. Lessor hereby agrees that lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. It is agreed that, if lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately; should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

12. If gas is sold in good faith by Lessee to a purchaser who owns no interest, directly or indirectly, in this lease or the lands covered by this lease and that is not obtained in any manner with Lessee, the unit price payable to Lessee for such gas shall constitute the unit market value thereof at the well, as that term is used in this lease. All post-production costs connected with gas shall be paid by Lessee in addition to the payment to Lessor of market value at the well. No gathering, transportation, compression, dehydration, processing, plant processing, plant shrinkage, plant fuel, loading, marketing or any other similar charges of any nature shall be deducted from the royalty to be paid to Lessor, and, if incurred by Lessee and deducted from proceeds due to Lessor, shall be added to the royalty to be paid to Lessor in addition to the value of Lessor's royalty based on value at the well to the extent attributable to the royalty percentage share of the gas of Lessor.

13. Operations on or production from a unit created as authorized in Paragraph 5 which does not include all of the leased premises will not be construed as operations on or production from any of the above described land that is not included in said unit. Lessee will furnish Lessor a recorded copy of any unit designation or revision thereof on its return from recording from the county clerk.

14. Notwithstanding anything to the contrary herein contained, this lease shall cover only oil, gas and associated hydrocarbons, together with any sulphur or other minerals produced in association therewith, and all references to sulphur and other minerals contained herein are hereby deleted.

15. Notwithstanding any different royalty amounts specified in Paragraph 3, the royalty to be paid to Lessor in accordance with the provisions of Paragraph 3 is one-fourth (1/4th), subject to the provisions of Paragraph 10 concerning proportionate reduction.

16. If Lessee and/or Operator designated with the Railroad Commission of Texas as operator of any lands covered by this lease, (hereinafter collectively called Operator), fails to pay, or fails to make timely distribution of, the proceeds from the sale of production, including future production under this lease attributable to Lessor's royalty, Operator shall hold such royalty proceeds received by Operator in trust for Lessor and shall make distribution thereof to Lessor at above address with a copy of purchaser's run statement within thirty (30) days after receipt thereof by Operator. If Operator fails to pay or make timely distribution of proceeds from the sale of production, Lessor shall be entitled to recover interest on any amounts due at the rate of 15% per annum, or such lesser maximum rate allowed by law, from the date payment was due until the date payment is received by Lessor in addition to any other relief to which Lessor may be entitled. If Operator fails to pay or to make timely distribution of Lessor's royalty proceeds with a copy of purchaser's run statements, Lessor may file suit in Young County, Texas for the collection thereof and shall be entitled to recover reasonable attorney's fees and court costs in addition to the royalty proceeds, interest and run statements.

17. (a) At the expiration of the primary term or upon cessation of operations as described in Paragraph 6, whichever is the later, if this lease continues in force and Lessee has not engaged in continuous drilling operations as described in subparagraph 17 (b), this lease shall terminate automatically (1) as to all rights and depths 150 feet below the stratigraphic equivalent of the deepest commercially producing perforations from which production of oil and/or gas is being obtained on the leased premises or land unitized therewith, and (2) as to all the lands covered hereby except as to those lands included within the geographical boundaries of a pooled unit or proration unit established in conformity with field rules or spacing rules of the applicable governmental body on which is located a producing well under the terms and provisions of this lease. Should production cease on any of said tracts and operations as described in Paragraph 6 are not timely commenced, this lease on said tract will expire, terminate and revert to Lessors. Lessee agrees to execute a recordable release or partial release of lease, as applicable, and forward the same to Lessor promptly following the time such acreage is to be released under the terms and provisions of this lease.

(b) If at the expiration of the primary term Lessee is then engaged in actual drilling on the leased premises in a bona fide effort to find oil, gas or associated hydrocarbons or Lessee has completed a well, herein after referred to as "said well", either as a dry hole or as a producer on the leased premises or on lands pooled therewith within one hundred twenty (120) days of the expiration of the primary term, Lessee may conduct a continuous development program on the leased premises by commencing the actual drilling of an additional well on or before one hundred twenty (120) days from reaching total depth of or ceasing drilling on said well, and by thereafter allowing no more than one hundred twenty (120) days to elapse between reaching total depth of or ceasing drilling on one well and the commencement of actual drilling of another well in a bona fide effort to find oil, gas or associated hydrocarbons, until such time as the leased premises has been fully developed as to each productive formation in conformity with the field rules or spacing rules of the applicable governmental authority. The leased premises will be fully developed at such time as all the leased premises is included within the geographical boundaries of a pooled unit or included in a proration unit established by the applicable governmental authority. If Lessee commences continuous development operations by actual drilling at or before the expiration of the primary term and fails to continue same, this lease shall terminate automatically (1) as to all rights and depths 150 feet below the stratigraphic equivalent of the deepest commercially producing perforations from which production of oil, gas or associated hydrocarbons is being obtained on the leased premises or land pooled or unitized therewith, and (2) all the leased premises except that portion thereof included within the geographical boundaries of a pooled unit

SPECIAL PROVISIONS - THE ALLAR COMPANY - GENERAL - POOLING 2002 - Page 2 of 2

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: January 27, 2011
LINDA MCNEIL, COUNTY CLERK
CRAWFORD COUNTY, TEXAS
BY Veronica D. Bay TWC 118

pooled unit or proration unit and operations as described in Paragraph 6 are not timely commenced as therein prescribed, this lease will expire as to such pooled unit or proration unit. Upon the partial or full termination of this lease according to its terms, Lessee agrees to promptly execute and forward to Lessor a recordable release covering that portion of the leased premises as to which this lease has expired.

19. It is expressly agreed that this lease cannot be held, maintained, nor extended under or by virtue of the shut-in well provisions of this lease for a longer term beyond the primary term than three (3) consecutive years or for shorter terms at various intervals not to exceed in the aggregate three (3) years in any ten (10) year period. The ten (10) year periods referred to in this paragraph shall be consecutive, beginning with the first such period which commences on the first day that this lease is maintained by virtue of the shut-in well provision of paragraph 3 of this lease and later ten (10) year periods shall commence at the end of each prior ten (10) year period.

20. The rights and estate in any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon, provided, however, that, any assignment, mortgage or other transfer of all or any interest in this Lease by Lessee without the prior written consent of Lessor, which consent shall not be unreasonably withheld, shall be void. As an express condition to such approval as may be granted by Lessor, Lessee shall furnish to Lessor a true and certified copy of all such proposed assignments and fully inform Lessor of the identity and address of any such assignee. These provisions shall apply to any type of assignment, sublease, conveyance or transfer of all or a portion of this Lease or rights or interest thereunder.

21. Lessee at any time during the last year of the primary term and while this lease is in force and effect, shall have the option of extending the primary term from three (3) years as specified in Paragraph 2 of this lease to five (5) years. Lessee may exercise such option by paying or tendering to this Lessor or to the credit of the Lessor the depositary bank provided herein, the sum of two hundred seventy-five dollars (\$275.00) per acre for each acre then covered by this lease, which payment shall be prepaid delay rental of any and all delay rentals which would otherwise be payable under this lease for the total of the extended term of this lease.

22. Lessee will furnish Lessor with location plots, notice of commencement of operations, daily drilling reports, a complete copy of all electrical well log surveys, daily mud log reports and results of all tests, including drill stem tests, formation tests and core analyses in any well drilled on lands covered hereby or lands pooled therewith.

23. Notwithstanding any other provisions in this lease to the contrary, this lease is made, executed and delivered by Lessor without warranty of title, express or implied. Lessor does not warrant nor agree to defend the title to any of the lands covered by this lease.

24. The provisions of this lease shall not be strictly construed against Lessor or Lessee.

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

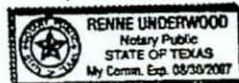
THE ALLAR COMPANY

By: 
Edwin Smith Graham IV, Vice President
ID# 75 0107180


STATE OF TEXAS
COUNTY OF YOUNG

This instrument was acknowledged before me on the 6th day of February, 2007, by EDWIN SMITH GRAHAM IV, Vice President of THE ALLAR COMPANY, a Texas corporation, on behalf of said corporation.

Kerrie Underwood
Notary Public, State of Texas



1. The undersigned hereby certifies that the above is a true and correct copy of the original document.
 2. The undersigned hereby certifies that the above is a true and correct copy of the original document.
 3. The undersigned hereby certifies that the above is a true and correct copy of the original document.
 4. The undersigned hereby certifies that the above is a true and correct copy of the original document.
 5. The undersigned hereby certifies that the above is a true and correct copy of the original document.
 6. The undersigned hereby certifies that the above is a true and correct copy of the original document.
 7. The undersigned hereby certifies that the above is a true and correct copy of the original document.
 8. The undersigned hereby certifies that the above is a true and correct copy of the original document.
 9. The undersigned hereby certifies that the above is a true and correct copy of the original document.
 10. The undersigned hereby certifies that the above is a true and correct copy of the original document.

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: James 2-2-01
 LINDA MONTGOMERY, COUNTY CLERK
GARZA COUNTY, TEXAS
BY Vernice D. Bay DEPUTY

Filed for record on the 26th day of March, A.D. 2007 @ 11:00 o'clock A.M. and
duly recorded on the 28th day of March, A.D. 2007 @ 9:05 o'clock A.M.

By Ana M. Calaveras Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF CULBERSON

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Dillard Records of my office, found in VOL. 94, PAGE 283.

I hereby certified on 27th January 2011

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY Theresa D. Brey DEPUTY

①

File No. 11448a

Lease

Date Filed: 9/7/12

Jerry E. Patterson, Commissioner

By _____

**Basefile Number - 151957**

Information for this County -
CULBERSON COUNTY

[Related GloBase Record](#)

[Download GIS Data](#)

[Energy Lease Information](#)

IDENTIFICATION NUMBERS**LAND CLASS NUMBER - 08****BASEFILE NUMBER - 151957****CONTROL NUMBER 08-006882****SURVEY INFORMATION****SURVEY NAME - T&P RR CO****GRANTEE NAME - Graham, E S Jr****ABSTRACT - 6988****BLOCK - TOWNSHIP - 18 T. & P. 59 Tsp. 1****SECTION NUMBER - 18****SECTION/PART -****CURRENT ACRES - 681.9****ORIGINAL ACRES - 681****PATENT INFORMATION:****PATENTEE NAME -****DISTRICT - Bexar****CLASSIFICATION - School****FILE NUMBER - 151957****PATENT DATE -****CERTIFICATE - 3539/5424****PATENT NUMBER -****PATENT VOLUME -****PAGE - 30****LEASE INFORMATION****POOLING AGREEMENTS:**

No Uplands Units

No SubMerged Units

OIL & GAS LEASES:

No Upland Oil & Gas Leases

No Submerged Oil & Gas Leases

HARD MINERAL LEASES:

NONE

PSF SURFACE LEASES:

NONE

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

No Uplands Units

No SubMerged Historical Units

OIL & GAS LEASES:

No Upland Oil & Gas Leases

1/14

CIMAREX ENERGY
15 East 5th Street, Suite 1000
Tulsa, OK 74103

Date: 09/05/2012

Effective Date: 08/01/2012

42-109-32469

FR

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: WAR ADMIRAL 18 FEE 1H - ENT

Complete Property Description Listed Below

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

A-6988

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: State Interest

Interest Type Code: ST1

Decimal Interest: 0.06250000

Property Description

Property: 429971-011.01

WAR ADMIRAL 18 FEE 1H

Operator: CIMAREX ENERGY CO. OF

Location: Culberson, TX

Map Reference Information

Culberson, TX US

Survey: T&P RR CO

18Block: 59Lot: Sec: 18

800 FNL 150 FEL OF SEC 18, BLK 59, T1, T&P
SURVEY

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

CIMAREX ENERGY CO.

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

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

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

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

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

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

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

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

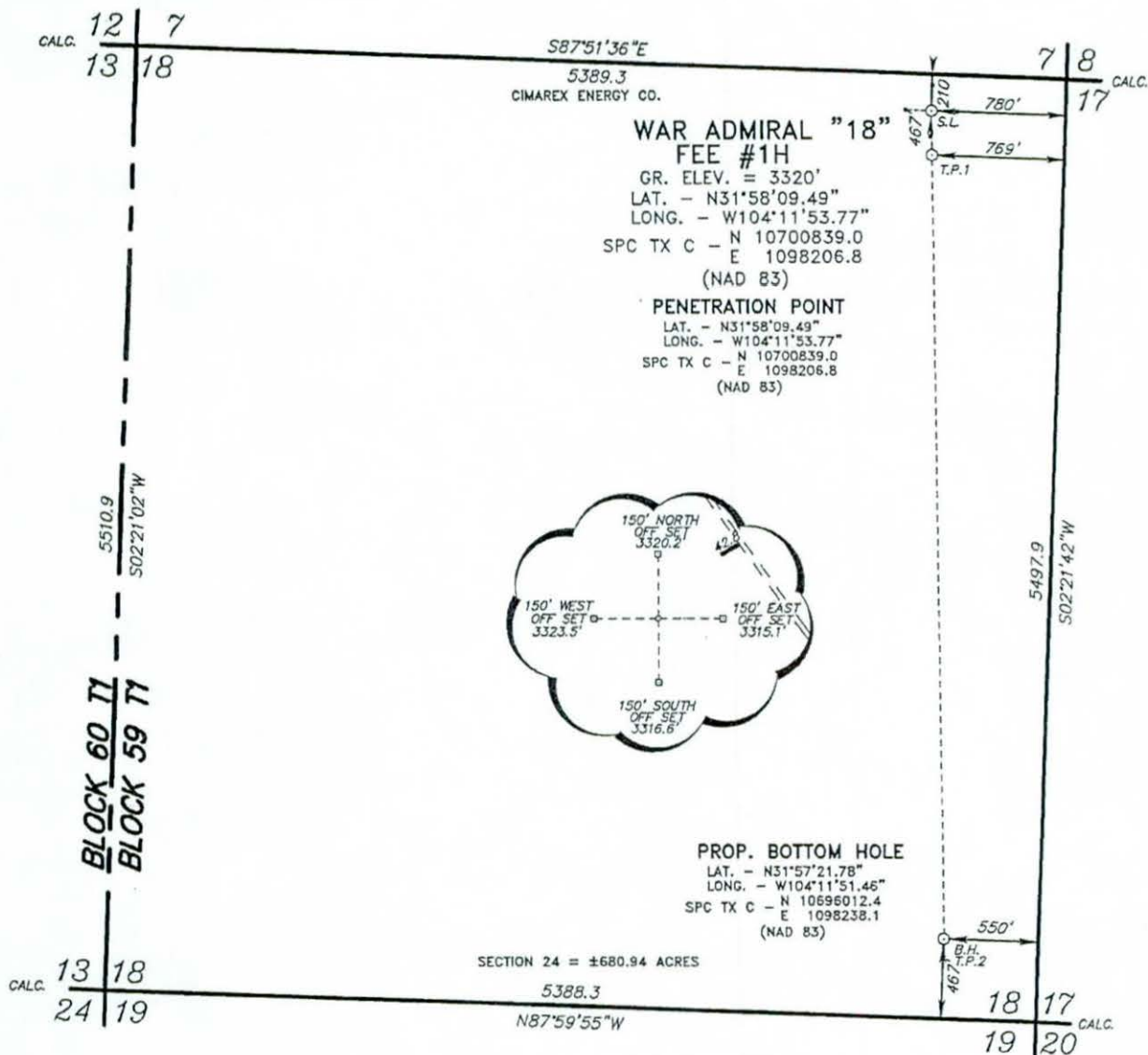
Owner(s) Daytime Phone #: _____

KEEP THIS COPY

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

SECTION 18, BLOCK 59, TOWNSHIP 1, T&P RR SURVEY,
CULBERSON COUNTY, TEXAS.



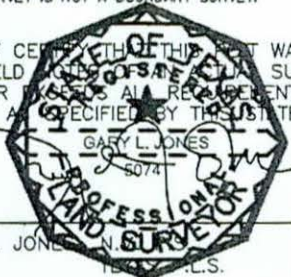
ORLA, TX IS 19.7 MILES TO THE
SOUTHEAST OF LOCATION.

DRIVING DIRECTIONS:

FROM THE JUNCTION OF WHITE CITY AND HWY
285, GO WEST ON WHITE CITY FOR 3.1 MILES TO
LEASE ROAD, ON LEASE ROAD GO SOUTH 4.5
MILES TURNING WEST 5.8 MILES TO PROPOSED
LEASE ROAD.

1. SEE DOCUMENTS FILED FOR RECORD IN THIS
OFFICE WHICH DESCRIBE IN DETAIL THE
RECONSTRUCTION OF THIS SECTION.
2. COORDINATES AND BEARINGS ARE BASED ON A
LAMBERT CONICAL PROJECTION OF THE TEXAS
STATE PLANE COORDINATE SYSTEM (NAD 83),
TEXAS CENTRAL ZONE AND DISTANCES ARE OF
SURFACE VALUE.
3. SURVEY IS NOT A BOUNDARY SURVEY.

I HEREBY CERTIFY THAT THIS MAP WAS PREPARED
FROM FIELD NOTES OF A REAL SURVEY AND
MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND
SURVEYS AS SPECIFIED BY THE STATE.



GARY L. JONES, P.L.S. No. 7977
No. 5074

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 26326 Drawn By: J. M. SMALL

Date: 3-07-2012 Disk: JMS 26326

1000 0 1000 2000 FEET

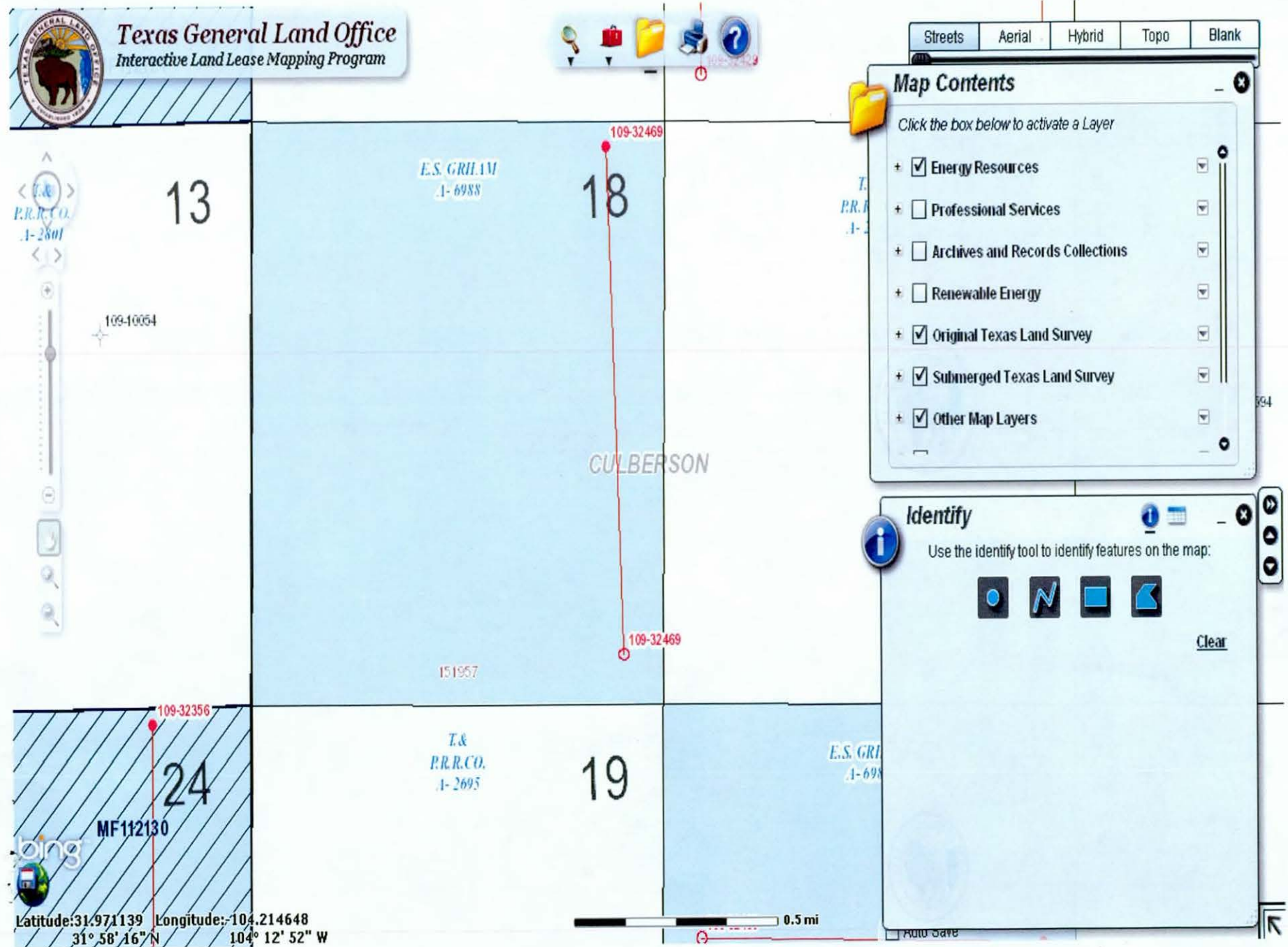
CIMAREX ENERGY CO.

REF: WAR ADMIRAL "18" FEE #1H / WELL PAD TOPO

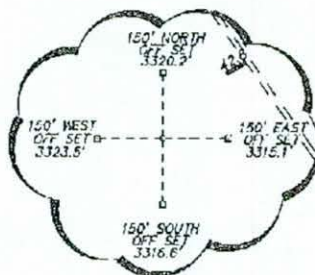
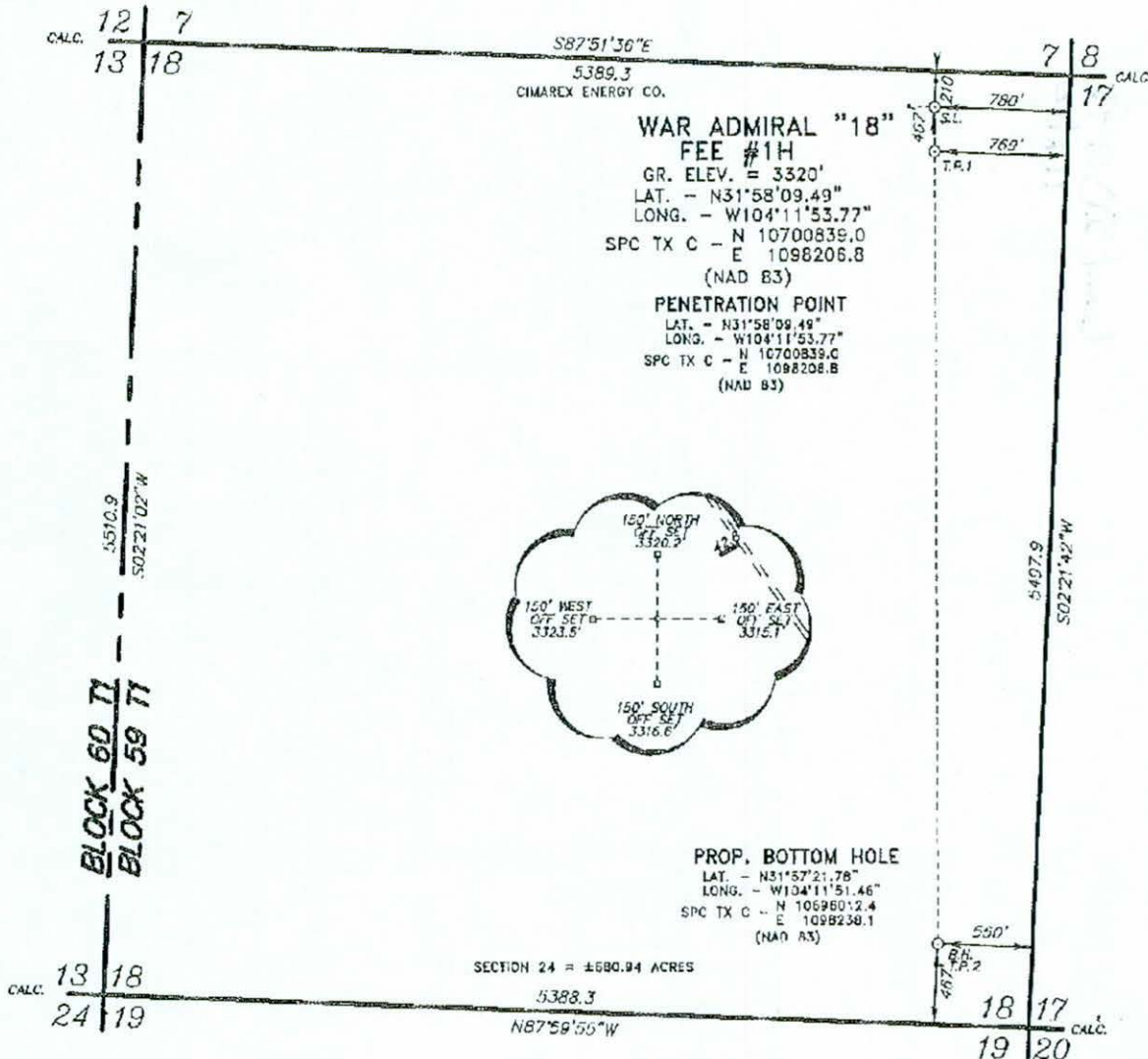
THE WAR ADMIRAL "18" FEE #1H LOCATED 210' FROM
THE NORTH LINE AND 780' FROM THE EAST LINE,
SECTION 18, BLOCK 59, TOWNSHIP 1, T&P RR SURVEY,
CULBERSON COUNTY, TEXAS.

Survey Date: 3-03-2012 Sheet 1 of 1 Sheets

FL - from Cimarex



SECTION 18, BLOCK 59, TOWNSHIP 1, T&P RR SURVEY,
CULBERSON COUNTY, TEXAS.



PROP. BOTTOM HOLE
LAT. - N31°57'21.78"
LONG. - W104°11'51.46"
SPC TX C - N 10696012.4
E 1098230.1
(NAD 83)

SECTION 24 = 660.94 ACRES
5388.3
N87°59'55\"W

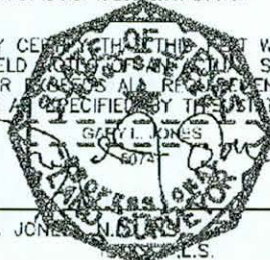
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1. SEE DOCUMENTS FILED FOR RECORD IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THIS SECTION.
2. COORDINATES AND BEARINGS ARE BASED ON A LAMBERT CONICAL PROJECTION OF THE TEXAS STATE PLANE COORDINATE SYSTEM (NAD 83). TEXAS CENTRAL ZONE AND DISTANCES ARE OF SURFACE VALUE.
3. SURVEY IS NOT A BOUNDARY SURVEY.

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED FROM FIELD NOTES OF A FIELD SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THE STATE.



GARY L. JONES, No. 7977
S. L.S. No. 5074

BASIN SURVEYS P.O. BOX 1766-HOBBS, NEW MEXICO

W.O. Number: 26326 Drawn By: J. M. SMALL

Date: 3-07-2012 Disk: JMS 26326

CIMAREX ENERGY CO.

REF. WAR ADMIRAL "18" FEE #1H / WELL PAD TOPO

THE WAR ADMIRAL "18" FEE #1H LOCATED 210' FROM

THE NORTH LINE AND 780' FROM THE EAST LINE,

SECTION 18, BLOCK 59, TOWNSHIP 1, T&P RR SURVEY.

CULBERSON COUNTY, TEXAS.

Survey Date: 3-03-2012

Sheet 1 of 1 Sheets

2

File No. 114489

Cond 2D Plat

Date Filed: 9/7/12

Jerry E. Patterson, Commissioner

By _____

API No. <u>42-109-32469</u> Drilling Permit # <u>735978</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. 153438		2. Operator's Name (as shown on form P-5, Organization Report) CIMAREX ENERGY CO.		3. Operator Address (include street, city, state, zip):		
4. Lease Name WAR ADMIRAL 18 FEE		5. Well No. 1H				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack						
8. Total Depth 10900		9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. 08		12. County CULBERSON		13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore		
14. This well is to be located <u>19.7</u> miles in a <u>SE</u> direction from <u>Orla</u> which is the nearest town in the county of the well site.						
15. Section 18		16. Block 59 T1S		17. Survey T&P RR CO/GRAHAM, E S JR		
		18. Abstract No. A-6988		19. Distance to nearest lease line: 467 ft.		
				20. Number of contiguous acres in lease, pooled unit, or unitized tract: 680.94		
21. Lease Perpendiculars: <u>210</u> ft from the <u>NORTH</u> line and <u>780</u> ft from the <u>EAST</u> line.						
22. Survey Perpendiculars: <u>210</u> ft from the <u>NORTH</u> line and <u>780</u> ft from the <u>EAST</u> line.						
23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	
08	31913800	FORD, WEST (WOLFCAMP)		Gas Well	10650	
31. Distance to Nearest Well in this Reservoir				32. Number of Wells on this lease in this Reservoir		
0.00				1		
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Mar 13, 2012 9:20 AM]: Take Point 1: 467 FNL & 769 FEL Take Point 2: 467 FSL & 550 FEL				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div> Brett Jennings, Regulatory Analyst Name of filer </div> <div> Mar 13, 2012 Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> (432)6201932 Phone </div> <div> bajennings@cimarex.com E-mail Address (OPTIONAL) </div> </div>		
RRC Use Only Data Validation Time Stamp: Mar 24, 2012 7:19 AM('As Approved' Version)						

Permit Status: **Approved**

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

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

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

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

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

Permit # **735978**

Approved Date: **Mar 24, 2012**

1. RRC Operator No. 153438	2. Operator's Name (exactly as shown on form P-5, Organization Report) CIMAREX ENERGY CO.	3. Lease Name WAR ADMIRAL 18 FEE	4. Well No. 1H
--------------------------------------	---	--	--------------------------

Lateral Drainhole Location Information

5. Field as shown on Form W-1 **FORD, WEST (WOLFCAMP) (Field # 31913800, RRC District 08)**

6. Section 18	7. Block 59 T1S	8. Survey T&P RR CO/GRAHAM, E S JR	9. Abstract 6988	10. County of BHL CULBERSON
-------------------------	---------------------------	--	----------------------------	---------------------------------------

11. Terminus Lease Line Perpendiculars

467 ft. from the **South** line, and **550** ft. from the **East** line

12. Terminus Survey Line Perpendiculars

467 ft. from the **South** line, and **550** ft. from the **East** line

13. Penetration Point Lease Line Perpendiculars

467 ft. from the **North** line, and **769** ft. from the **East** line

3

File No. 114489

W-1

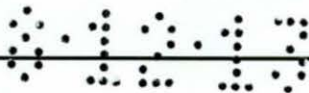
Date Filed: 9/7/12

Jerry E. Patterson, Commissioner

By C-14



CIMAREX ENERGY CO
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103



NADOA Model Form Division Order (Adopted 9/95)

MF 114489

Date: 08/08/2013

Effective Date: 07/01/2013

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: WAR ADMIRAL 18 FEE #4H - ENT

Complete Property Description Listed Below

Production: ☒ Oil ☒ Gas ☐ Other: _____

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE ROYALTY

Decimal Interest: 0.06250000

Interest Type Code: STA1

Property Description

Property: 429971-077.01

WAR ADMIRAL 18 FEE 4H

Operator: CIMAREX ENERGY CO

Location: Culberson, TX

Map Reference Information

Culberson, TX US

E/2W2 OF SECTION: 18, BLOCK 59, T-1

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

CIMAREX ENERGY CO

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

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

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

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

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

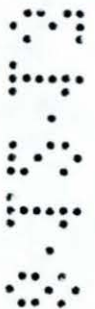
4.
File No. 114409

DIVISION ORDER

Date Filed: 08/12/13

Jerry E. Patterson, Commissioner

By 





CIMAREX ENERGY CO
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 06/19/2013

MF 114489

Effective Date: 04/01/2013

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: WAR ADMIRAL 18 FEE 3H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 429971-062.01 WAR ADMIRAL 18 FEE 3H

Operator: CIMAREX ENERGY CO Location: Culberson, TX

Map Reference Information

Culberson, TX US

Survey: T&P RR CO

18Block: 59Lot: Sec: 18

SHL: 210 FSL 2100 FEL, SEC 7-BLK 59-T2

BHL: 467 FSL 2100 FEL SEC 18-BLK 59-T2

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CIMAREX ENERGY CO

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

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

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

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

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

KEEP THIS COPY

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

SECTION 7, BLOCK 59, TOWNSHIP 1, T&P RR SURVEY,
CULBERSON COUNTY, TEXAS.

WAR ADMIRAL "18"
FEE #3H

GR. ELEV. = 3382'
LAT. - N31°58'16.65"
LONG. - W104°12'10.20"
SPC TX C - N 10701611.5
E 1096817.5
(NAD 83)

SECTION 7 = ±681.78 ACRES
S87°51'36"E

PENETRATION POINT

LAT. - N31°58'06.98"
LONG. - W104°12'09.10"
SPC TX C - N 10700631.5
E 1096877.4
(NAD 83)

5389.3
CIMAREX ENERGY CO.

Well #	Length	Direction
ALYSHEBA #2	2948	S73°42'17"E
WAR ADMIRAL #1	1590	S60°55'32"E
WAR ADMIRAL #2	1311	S54°35'28"E

DRIVING DIRECTIONS:

FROM ORLA, GO WEST 19 MILES TO
LEASE ROAD, ON LEASE ROAD GO
NORTH 9.7 MILES TO LEASE ROAD, GO
WEST TO ADMIRAL 2 LOCATION AND
PROPOSED LEASE ROAD.

1. SEE DOCUMENTS FILED FOR RECORD IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THIS SECTION.
2. COORDINATES AND BEARINGS ARE BASED ON A LAMBERT CONICAL PROJECTION OF THE TEXAS STATE PLANE COORDINATE SYSTEM (NAD 83), TEXAS CENTRAL ZONE AND DISTANCES ARE OF SURFACE VALUE.
3. SURVEY IS NOT A BOUNDARY SURVEY.

PROP. BOTTOM HOLE

LAT. - N31°57'21.70"
LONG. - W104°12'09.42"
SPC TX C - N 10696058.9
E 1096691.3
(NAD 83)

CALC. 13 18
24 19

SECTION 18 = ±681.89 ACRES
5391.1

ORLA, TX IS 19.7 MILES TO THE
SOUTHEAST OF LOCATION.

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED
FROM FIELD NOTES OF A SURVEY AND
MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND
SURVEYS AS SPECIFIED IN THIS STATE.



GARY L. JONES No. 7977
Professional Land Surveyor No. 5074

1000 0 1000 2000 FEET

CIMAREX ENERGY CO.

REF: WAR ADMIRAL "18" FEE #3H / WELL PAD TOPO

THE WAR ADMIRAL "18" FEE #3H LOCATED 510' FROM
THE SOUTH LINE AND 2200' FROM THE EAST LINE,
SECTION 7, BLOCK 59, TOWNSHIP 1, T&P RR SURVEY,
CULBERSON COUNTY, TEXAS.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 28107 Drawn By: J. M. SMALL

Date: 02-14-2013 Disk: JMS 28107

Survey Date: 02-12-2013 Sheet 1 of 1 Sheets

File No. MR 114489
Division Order

Date Filed: 6/24/13
Jerry E. Patterson, Commissioner
By EA

250



CIMAREX ENERGY CO.
15 East 5th Street, Suite 1000
Tulsa, OK 74103

NADOA Model Form Division Order (Adopted 9/95)

Date: 04/05/2013

MF 14489

Effective Date: 03/01/2012

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: WAR ADMIRAL 18 FEE 2H - ENT

Complete Property Description Listed Below

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

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 429971-040.01 WAR ADMIRAL 18 FEE 2H

Operator: CIMAREX ENERGY CO Location: Culberson, TX

Map Reference Information

Culberson, TX US

210 FNL 580 FEL-SECTION: 18 BLOCK 59

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

CIMAREX ENERGY CO.

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

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

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

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

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

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

Owner(s) Daytime Phone #: _____

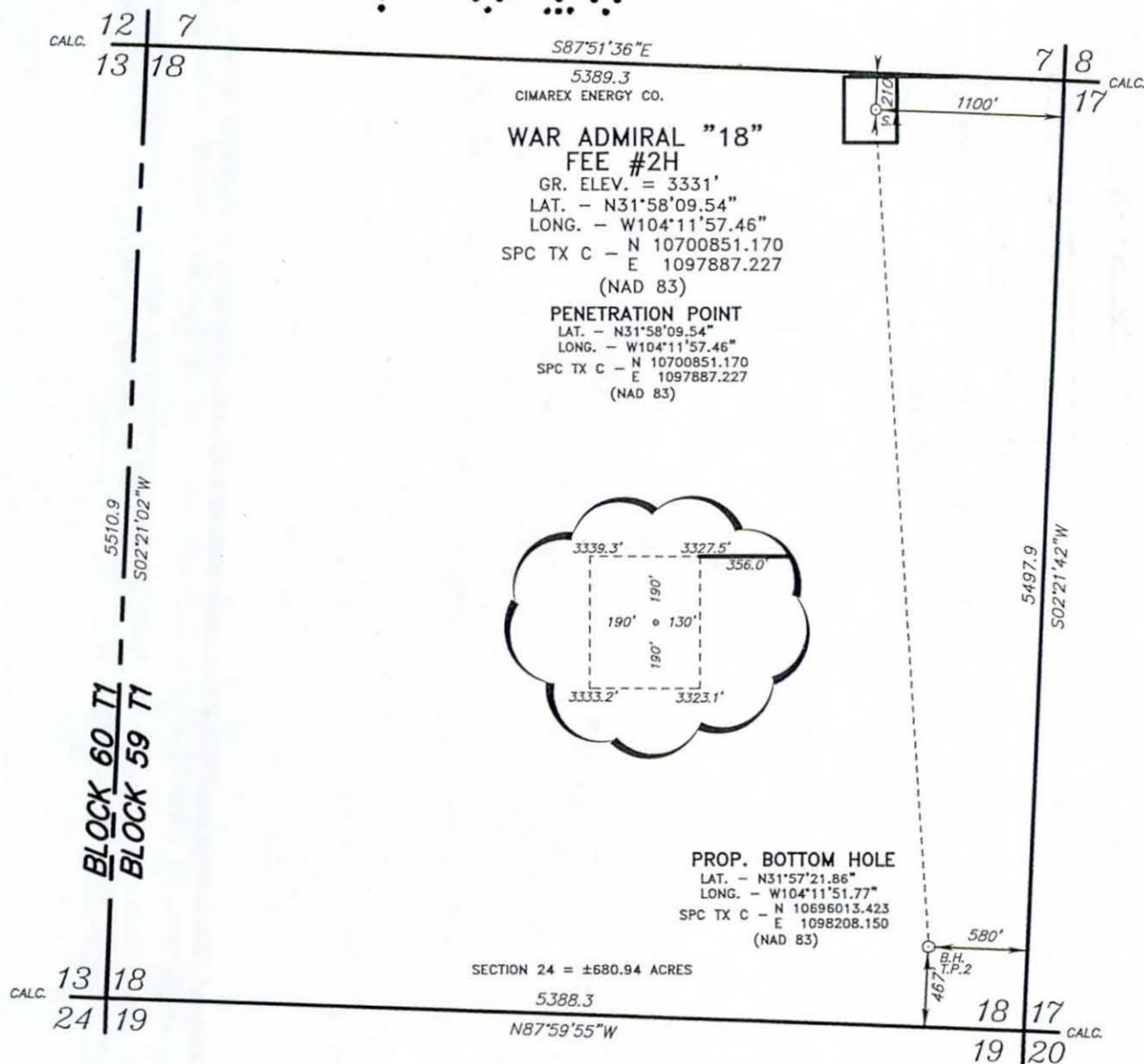
KEEP THIS COPY

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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

SECTION 18, BLOCK 59, TOWNSHIP 1, T&P RR SURVEY,
CULBERSON COUNTY, TEXAS.



1. SEE DOCUMENTS FILED FOR RECORD IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THIS SECTION.
2. COORDINATES AND BEARINGS ARE BASED ON A LAMBERT CONICAL PROJECTION OF THE TEXAS STATE PLANE COORDINATE SYSTEM (NAD 83), TEXAS CENTRAL ZONE AND DISTANCES ARE OF SURFACE VALUE.
3. SURVEY IS NOT A BOUNDARY SURVEY.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THE STATE.



GARY L. JONES, No. 7977
No. 5074

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 27834 Drawn By: J. M. SMALL

Date: 12-27-2012 Disk: JMS 27834

1000 0 1000 2000 FEET

CIMAREX ENERGY CO.

REF: WAR ADMIRAL "18" FEE #2H / WELL PAD TOPO

THE WAR ADMIRAL "18" FEE #2H LOCATED 210' FROM

THE NORTH LINE AND 1100' FROM THE EAST LINE,

SECTION 18, BLOCK 59, TOWNSHIP 1, T&P RR SURVEY,

CULBERSON COUNTY, TEXAS.

Survey Date: 12-19-2012 Sheet 1 of 1 Sheets

File No. ME114489DIVISION ORDERDate Filed: 4.8.13

Jerry E. Patterson, Commissioner

By 



MF114489

NADOA Model Form Division Order (Adopted 9/95)

CIMAREX ENERGY CO
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 10/02/2013

Effective Date: 08/01/2013

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: WAR ADMIRAL 18 FEE #5H - ENT

Complete Property Description Listed Below

Production: ☒ Oil ☐ Gas ☐ Other: _____**Owner**

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 429971-086.01 WAR ADMIRAL 18 FEE 5H

Operator: CIMAREX ENERGY CO Location: Culberson, TX

Map Reference Information

Culberson, TX US
SECTION 18 BLOCK 59 T-1
CULBERSON CTY

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

CIMAREX ENERGY CO

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

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

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

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

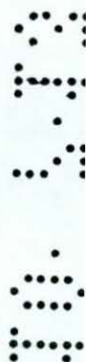
10 7 13



- | | |
|-------------------------|---------------------|
| Survey Date: 04-06-2013 | Sheet 1 of 1 Sheets |
|-------------------------|---------------------|

File No. MF 114489DIVISION ORDERDate Filed: 10.7.13

Jerry E. Patterson, Commissioner

By 

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Cimarex Energy Co.
Attn: Rebecca Johnson
202 S Cheyenne Ave. Ste. 1000
Tulsa, OK.
74103 - 3001

2. Article Number

(Transfer from service label)

7007 0710 0000 5379 0769

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Justin Walla

☐ Agent☐ Addressee

B. Received by (Printed Name) JUSTIN WALLACE

C. Date of Delivery 3/25

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

MF 114489

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

- Sender: Please print your name, address, and ZIP+4 in this box •



Texas General Land Office
George P. Bush, Commissioner
P.O. Box 12873
Austin, Texas 78711-2873

21510





Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

FILE COPY

Cimarex Energy Co.
Attn: Rebecca Johnson
202 S Cheyenne Ave Ste 1000
Tulsa, OK 74103-3001

Billing Date: 2/20/2015
Billing Due Date: 3/22/2015
Customer Number: C000044010

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
15I00327	MF114489	\$9,442.44	\$0.00	\$1,163.96	\$611.25	\$11,217.65
Total Due		\$9,442.44	\$0.00	\$1,163.96	\$611.25	\$11,217.65

Penalty and interest have been calculated thru 2/28/2015. Payment remitted after 2/28/2015 will result in additional penalty and interest charges.

Contact Info: Andrea Charlton (512) 463-5190 or andrea.charlton@glo.texas.gov

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For other royalty reporting questions, visit <http://www.glo.texas.gov>, call (512) 463-6850 or email us at glo123@glo.texas.gov.

This notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Texas Natural Resources Code and, consequently, does not preclude the TGLO from conducting further examinations of these leases, time periods or issues.

Detach and return with payment

Reconciliation Billing

Cimarex Energy Co.

Billing Date: 2/20/2015

Billing Due Date: 3/22/2015

Customer Number: C000044010

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
15I00327	MF114489	\$9,442.44	\$0.00	\$1,163.96	\$611.25	\$11,217.65
Total Due		\$9,442.44	\$0.00	\$1,163.96	\$611.25	\$11,217.65
Amt. Paid						

Customer ID: C000044010

Invoice Number:

GLO Lease: MF114489

GLO Review: CIMAREX ENERGY CO.

Review Period: JANUARY Through DECEMBER 2013

Auditor/AE: Acharito

Billing Date: 2/18/2015

P&I Calculation Date: 2/28/2015

Royalty Rate: 6.25%

Month / Year	RRC Number	(1) Gas Volume	(2) Tract Participation	(3) Price	(4) BTU	(5) Gross Value (1)X(2)x(3)x(4)	(6) Royalty Due (5) * Royalty Rate	(7) Royalty Paid	(8) Additional Royalty Due	(9) Number of Days Late	(10) Interest Rate For Additional Royalty	(11) Penalty From Additional Royalty	(12) Interest From Additional Royalty	Revenue Due (8)+(11)+(12)
Jan-13	08-271057	(916)	1.000000	\$ 3.338426	1.107405	(\$3,386.44)	(\$211.65)	\$0.00	(\$211.65)	715	4.250000%	\$0.00	\$0.00	(\$211.65)
Mar-13	08-271057	1,356	1.000000	\$ 3.575322	1.144608	\$5,549.22	\$346.83	\$0.00	\$346.83	654	4.250000%	\$34.68	\$24.03	\$405.54
Apr-13	08-271057	1,201	1.000000	\$ 4.085193	1.184183	\$5,809.97	\$363.12	\$0.00	\$363.12	623	4.250000%	\$36.31	\$23.85	\$423.28
May-13	08-271057	241	1.000000	\$ 3.963689	1.196232	\$1,142.70	\$71.42	\$0.00	\$71.42	593	4.250000%	\$25.00	\$4.44	\$100.86
Jun-13	08-271057	11,941	1.000000	\$ 3.704719	1.164620	\$51,520.52	\$3,220.03	\$0.00	\$3,220.03	562	4.250000%	\$322.00	\$188.59	\$3,730.62
Jul-13	08-271057	(6,996)	1.000000	\$ 3.667518	1.126811	(\$28,911.67)	(\$1,806.98)	\$0.00	(\$1,806.98)	531	4.250000%	\$0.00	\$0.00	(\$1,806.98)
Aug-13	08-271057	13,735	1.000000	\$ 3.686502	1.167963	\$59,138.76	\$3,696.17	\$0.00	\$3,696.17	501	4.250000%	\$369.62	\$190.23	\$4,256.02
Sep-13	08-271057	13,536	1.000000	\$ 3.791142	1.173415	\$60,216.03	\$3,763.50	\$0.00	\$3,763.50	470	4.250000%	\$376.35	\$180.11	\$4,319.96
TOTALS		34,098				\$151,079.09	\$9,442.44	\$0.00	\$9,442.44			\$1,163.96	\$611.25	\$11,217.65

ATTN: Rebecca Johnson

CERTIFIED MAIL: 7007 0710 0000 5379 0769

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WAS COMPARED TO VOLUMES REPORTED TO THE RRC.

IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAS BEEN UNDER PAID.

COLUMN (1) RRC VOLUME - REPRESENTS UNDER REPORTED RESIDUE PLANT SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-271057, 08-271643, 08-272144, 08-273925, 08-759536

COLUMN (2) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (3) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (10)(11)(12) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, NOTIFY THE AUDITOR AS TO DATE SO THE

⑧

File No. MF 114489

Culberson County

Reconciliation Billing

Date Filed: 3/30/15

By Nayda Ramirez
George P. Bush, Commissioner

Just File Vol 111/623
Note Added IDA NA

Free Royalty - MF 114489

Doc# 00000070102

chf 1-1-13

49.93%

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

PARTIAL ASSIGNMENT OF OIL, GAS AND MINERAL LEASES

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CULBERSON

§

THAT WHEREAS, **CIMAREX ENERGY CO.**, a Delaware corporation, 600 N. Marienfeld, Suite 600, Midland, TX 79701, ("Assignor") is the owner of all or an undivided interest in and to the Oil, Gas and Mineral Leases described on Exhibit "A" attached hereto and made a part hereof (the "Subject Leases").

NOW, THEREFORE, for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY, subject to the reservations, conditions and limitations hereinafter set forth, and insofar and only insofar as the Subject Leases cover those depths from the surface to the base of the Cisco Canyon Formation as such formation is defined on Exhibit A (the "Conveyed Depths"), an undivided 49.934008 percent (49.934008%) in and to all of Assignor's right, title and interest in and to the Subject Leases and rights thereunder (insofar and only insofar as they cover and relate to the Conveyed Depths) to **CHEVRON U.S.A. INC.**, a Pennsylvania corporation ("Assignee"), 1400 Smith Street, Houston, Texas, 77002. This Assignment hereby conveys to Assignee the undivided interest set forth above at a net revenue interest of 75%. To the extent the existing burdens on the Subject Leases exceed 25%, Assignor shall alone bear and be solely responsible for any and all burdens in excess of 25%.

PROVIDED, HOWEVER, Assignor hereby expressly reserves, excepts and retains unto itself, its successors and assigns, from the Subject Leases, and pursuant to the hereinafter described Joint Development Agreement, an overriding royalty interest in the oil, gas, liquid hydrocarbons and other minerals that may be produced, saved and marketed from or attributable to the Conveyed Depths pursuant to the Subject Leases, whether such production be from the lands covered thereby or from lands now or hereafter pooled or unitized therewith, an overriding royalty interest (the "Override") equal to the difference between 25% and the aggregate amount of all lessors' royalties, overriding royalty interests, production payment interests and similar burdens on the Subject Leases existing as of the Effective Date, of all oil, gas, liquid hydrocarbons and other minerals produced, saved and marketed from the Conveyed Depths pursuant to the Subject Leases. If the Subject Leases described in Exhibit "A" do not cover 100% of the oil, gas, liquid hydrocarbons, and other minerals, or if Assignor's working interest in any Subject Lease prior to giving effect to this Assignment is less than 100%, then the Override shall be reduced proportionately. Such share of production shall be delivered to Assignor, its successors and assigns, free and clear of all costs and expenses of drilling, development, production, operation, and marketing thereof (including costs and expenses of dehydrating, treating, transporting, boosting, compressing or otherwise processing such oil, gas, liquid hydrocarbons and other minerals in order to make the same marketable) except the taxes on or attributable to production or income therefrom.

Furthermore, Assignor hereby expressly reserves unto itself, its successors and assigns, the wellbore of the War Admiral 18 Fee 1H well (API #42-109-32469) (the "Well"), all wellhead equipment, facilities, and other personal property related to or used in connection with production and operation of the Well, all hydrocarbon production from the Well (as the wellbore is configured on the Effective Date), and all leasehold and contract rights incident to the Well as necessary to produce hydrocarbons from the wellbore of the Well. The rights retained as to the well are limited to the wellbore as configured on the Effective Date from the surface of the earth to the base of the deepest producing formation in the Well. Notwithstanding the retention set forth in this paragraph of facilities and equipment, Assignee shall have the right to use tank



True and Correct
copy of
Original filed in
Culberson County
Clerks Office
1/1/13

CIMAREX

CIMAREX ENERGY CO

1700 LINCOLN STREET SUITE 3700

DENVER CO 80203-4518

(303) 295-3995

WELLS FARGO BANK NA

FAL3871617

16705651

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001657173	01/13/2016	*****\$25.00

PAY Twenty Five Dollars and Zero CentsTO THE
ORDER
OF

STATE OF TEXAS

1700 N CONGRESS AVE STE 840

AUSTIN TX 78701-1495

D. Mark April
Henri M. Nitta

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

⑈0001657173⑈

PLEASE DETACH AT PERFORATION ABOVE

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX

CIMAREX ENERGY CO
 1700 LINCOLN STREET SUITE 3700
 DENVER CO 80203-4518

(303) 295-3995

Check Number 0001657173

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21712282015B	12/28/2015	CHEVRON U.S.A. INC - FILING FEE	25.00	0.00	25.00
<div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%) rotate(-45deg); font-size: 2em; opacity: 0.5;">16705651</div>					

023492

Vendor

Check Date: 01/13/2016

Check Amount

25.00

batteries and other facilities related to or used in connection with production and operation of such Well as more fully described and set forth in the JDA.

This Assignment is made and accepted expressly subject to the terms and conditions of that certain Joint Development Agreement dated effective January 1, 2013 between Assignor, certain of Assignor's affiliates and Assignee (the "JDA"), the terms and provisions of which shall survive the execution and delivery of this Assignment, and said terms and provisions shall not be merged into the terms of this Assignment. In the event of a conflict between this Assignment and the JDA, the JDA shall control.

TO HAVE AND TO HOLD the undivided interest in Subject Leases conveyed in this Assignment together with all and singular the rights and appurtenances thereto in anywise belonging, unto said Assignee, its successors and assigns.

This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee, and their respective successors and assigns, forever. This Assignment is made and executed by Assignor and accepted by Assignee without warranty of title, either express or implied, except that the interests conveyed hereby shall be free and clear of any overriding royalties, production payments, dedications of production or other processing agreements or other burdens or encumbrances, other than the overriding royalties evidenced in the real property records of Culberson County, Texas on January 1, 2013, the Override, and lessor's royalty.

IN WITNESS WHEREOF, this Assignment has been executed to be effective the 1st day of January, 2013 (the "Effective Date").

ASSIGNOR:

CIMAREX ENERGY CO.,
a Delaware corporation

By: [Signature]
Name: Roger Alexander
Title: Attorney-in-Fact

ASSIGNEE:

CHEVRON U.S.A. INC.,
a Pennsylvania corporation

By: [Signature]
Name: DT Krotz
Title: Attorney-in-Fact



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

1174

625

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me this 12th day of NOVEMBER, 2013, by Roger Alexander, Attorney-in-Fact of Cimarex Energy Co., a Delaware corporation, on behalf of said corporation.

Witness my hand and official seal.

Karolina Mayo
Notary Public

My commission expires: 4/20/2015

(SEAL)



STATE OF Texas)
)
COUNTY OF Harris)

This instrument was acknowledged before me this 19 day of December, 2013, by D.T. Krato as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Witness my hand and official seal.

Brenda L. Guerra
Notary Public

My commission expires: 07-11-2017

(SEAL)



True and Correct
copy of
Original filed in
11-20-15
Culbertson County
Clerks Office



EXHIBIT A

Attached to and made a part of that certain Partial Assignment of Oil, Gas and Mineral Leases dated effective the 1st day of January, 2013, by and between Cimarex Energy Co., as Assignor, and Chevron U.S.A. Inc., as Assignee

Leases

Dated: January 31, 2007
Lessor: The Allar Company, a Texas corporation.
Original Lessee: Shaw Interests, Inc.
Recorded: Vol 94, Page 282 of the Oil and Gas Records of Culberson County, TX
Land Description: All of Section 18, Block 59, Township 1, T&P RR Co. Survey, Culberson County, Texas
Royalty: 1/4

Depth Limitation

The assignment of all of the above leases is limited in depth from the surface of the earth down to the base of Cisco Canyon Formation. The base of the Cisco Canyon Formation is hereby defined the stratigraphic equivalent of the measured depth of 11,580 feet in the Cimarex Dark Star 21 Fee #1H, Section 21 - BLK59 - T1, T&P RR Survey, Culberson County, Texas; API #42-109-32352; Halliburton Spectral Density Dual Spaced Neutron Log dated 12 December 2010.



True and Correct
copy of
Original filed in
Culberson County
Clerks Office
11-20-13

Filed for record on the 13th day of February, A.D. 2014 @ 12:00 o'clock P.M. and
duly recorded on the 27th day of February, A.D. 2014 @ 10:55 o'clock A.M.

By Mia C. Linares, Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

W26

9

File No.

MF 114489

Free Royalty Allg
Chenax & Chover

Date Filed:

5-5-16

George P. Bush, Commissioner

By

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF CULBERSON

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Oil and Gas Records of my office, found in VOL. III, PAGE 623.

I hereby certified on 20TH November 2015

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY Varian D. Bush DEPUTY

114489

114489



Cimarex Energy Co.

600 N. Marientfeld St. ♦ Suite 600 ♦ Midland, TX 79701 ♦ (432) 620-1938 ♦ Fax (432) 620-1940

• A NYSE Listed Company • "XEC"

March 5, 2015

Texas General Land Office

Matthew Scott

Mineral Leasing

1700 N. Congress

Austin, TX 78701

Re: State Lease No: 114489
Oil Surface Commingle
War Admiral 18 Fee Lease
Culberson County, Texas

Dear Mr. Scott,

Attached is a copy of the P-17 commingle permit for the War Admiral 18 Fee Lease. All the wells are on the same lease but are classified as gas wells. Since they are classified as gas wells the TRRC requires a P-17 be filed for the oil commingle.

Please feel free to contact me with any questions regarding the commingling at 918-585-1100.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sheli Armstrong", is written over the typed name.

Sheli Armstrong
Regulatory Analyst

516 • 6

<input checked="" type="checkbox"/> New <input type="checkbox"/> Amended Existing Permit No. _____ Effective Month/Year of Requested Exception: <u>06</u> / <u>2013</u>	RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION APPLICATION FOR EXCEPTION TO STATEWIDE RULES (SWR) 26 AND/OR 27	FORM P-17 Eff 01/2008 \$375 FILING FEE District <u>8</u> County _____
--	---	--

SECTION 1. OPERATOR INFORMATION (See instructions under "Who Files")

3090447

Operator Name (as shown on P-5) Cimarex Energy Co Operator P-5 No. 153438
 Operator Address: 600 N Marienfeld Ste 600 City, State, Zip Midland, TX, 79701

SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)

Gatherer Name (as shown on P-5): Enterprise Crude Oil, LLC Gatherer P-5 No. 253117
 Gatherer Address: 210 Park Ave City, State, Zip: Oklahoma, OK 73102

Gatherer E-mail Address _____
 (Optional – If provided, e-mail address will become part of this public record)

SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☐ OIL ☐ CASINGHEAD GAS ☐ GAS WELL GAS ☐ CONDENSATE

- a. ☐ Gas well full well stream into common separation and storage facility with liquids reported on Form PR
 b. ☐ Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55)
 c. ☐ Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
 d. ☐ This request is for off lease: ☐ storage ☐ separation ☐ metering
 e. ☒ This exception is for common storage.
 f. ☐ This exception is for common separation.
 g. ☐ This exception is for casinghead gas metering by: ☐ deduct metering ☐ allocation by well test ☐ other _____
 h. ☐ This exception is for gas well gas metering by: ☐ deduct metering ☐ allocation by well test ☐ other _____
 i. ☐ This request is an exception to measure liquid with a: (check one below)
☐ a Turbine Meter or ☐ a Coriolis Meter (an additional \$150.00 and a letter of explanation is required for each exception.)

**RECEIVED
 RRC OF TEXAS
 APR 21 2014**

**OIL & GAS DIVISION
 AUSTIN, TEXAS**

SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY) The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:

- a. ☒ The production is measured separately from all leases or individual wells before commingling. (Notice not required, Skip to Section 5)
 b. ☐ The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required)
 c. ☐ The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required)
 If b. or c. checked, production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☐ G-10 (gas)
 d. ☐ The wells produce from multiple reservoirs (Notice required unless 4e or 4f. apply; see instructions for additional requirements)
 e. ☐ The wells produce from multiple reservoirs and have SWR10 exceptions (Notice not required)
 f. ☐ The wells produce from multiple reservoirs and are measured separately from each reservoir (Notice not required)
 g. ☐ Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted (Notice required)

SECTION 5. ☒ Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

SECTION 6. ☐ For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION			LEASE AND FIELD NAME	WELL NO.
8	271643	<input type="checkbox"/> Existing	<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Delete	War Admiral 18 Fee	2H
8	757035	<input type="checkbox"/> Existing	<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Delete	War Admiral 18 Fee	3H
8	761289	<input type="checkbox"/> Existing	<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Delete	War Admiral 18 Fee	4H
8	759536	<input type="checkbox"/> Existing	<input type="checkbox"/> Add	<input type="checkbox"/> Delete	War Admiral 18 Fee	5H

ATTACH ADDITIONAL PAGES AS NEEDED. ☐ No additional pages ☒ Additional pages _____ (# of additional pages)

CERTIFICATE I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected State Agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected State Agencies being obtained

Signature Martina Warren Title Regulatory Analyst Date 4/10/14
 Operator E-mail Address _____ Operator Phone No. _____
 (Optional – If provided, e-mail address will become part of this public record.)

RRC USE ONLY

Commingling Permit No. 60981 Approval date: 4/25/14 Approved by: [Signature]



File No. MF114489

CULBERSON County

REQUEST TO COMMINGLE

Date Filed: 8/4/2016

George P. Bush, Commissioner

By M. J. SCOTT

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SHELL ARMSTRONG
CUMAREX ENERGY CO.
600 N MARIENFELD ST
SUITE 600
MIDLAND TX 79701

2. Article Number

(Transfer from service label)

7011 1150 0001 2416 4509

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Jackie Norris

☐ Agent☐ Addressee

B. Received by (Printed Name)

JACKIE NORRIS

C. Date of Delivery

3-23-15

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

UNITED STATES POSTAL SERVICE

ODessa
TX 787 2 L

23 MAR 2015 PM

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

- Sender: Please print your name, address, and ZIP+4 in this box •

MATTHEW SCOTT

TEXAS GENERAL LAND OFFICE

PO BOX 12873

AUSTIN TX 78711-2873



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 16, 2015

Certified Mail: 7011 1150 0001 2416 4509

Ms. Sheli Armstrong
Regulatory Analyst
Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, Texas 79701

RE: Your Application Dated 3/5/2015 for Authority to Surface Commingle Oil Production from the War Admiral 18 Fee Lease, State Fee Mineral Lease MF114489, RRC Commingling Permit 08-6981, Culberson County, Texas.

Dear Ms. Armstrong:

Your letter dated 3/5/2015 advised that the commingling permit is required due to the commingling of condensate/oil from RRC designated gas leases into common storage. The oil production from state lease MF114489 is not commingled with the production from any other lease tract.

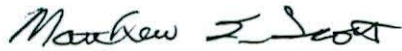
Please be advised that the subject application is approved **subject to the following conditions.**

1. All oil production royalties shall be due based on the gross oil production of state lease MF114489. In this specific case the Lessee may pay monthly oil royalties per Texas Administrative Code (TAC) Title 31, Part 1, Chapter 9, Subchapter D, Rule §9.51.
2. All gas production royalties shall be due based on the gross gas production volumes (adjusted to MMBTUs) as measured by the sales gas meters located at the War Admiral 18 Fee Lease Tank Battery; and any other non-sales dispositions such as fuel, vent, and flare volumes. The gas BTU content shall be obtained by gas sample chromatographic analysis or other industry-accepted practices.
3. Retain, for lease audit purposes, all meter records, volume statements/reports, oil and gas analyses reports, and shrinkage/flash gas calculation records for a period of at least seven (7) years after creation of each report or record.
4. Any changes to the flow process, metering scheme, or the addition of any state lease wells that are not currently processed at the War Admiral 18 Fee Lease Tank Battery shall require the Lessee to obtain permission from the GLO prior to making said changes.

Ms. Sheli Armstrong
Cimarex Energy Co.
March 6, 2015
Page 2 of 2

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

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew T. Scott". The signature is written in a cursive, flowing style.

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

cc: Robert Hatter, Director Mineral Leasing
Dale Sump, Manager Minerals Audit

File No. MF114489
CULBERSON
AGREE TO County

AGREE TO COMMINGLE

Date Filed: 3/4/2016

George P. Bush, Commissioner

By MTSCOTT

Cimarex Energy Co.
202 S. Cheyenne Ave.
Suite 1000
Tulsa, Oklahoma 74103-4346
PHONE: 918.585.1100
FAX: 918.585.1133



April 8, 2016

Texas General Land Office
Matthew Scott
Mineral Leasing
1700 N. Congress
Austin, TX 78701

Re: State Lease No: 114489
RRC Permit #08-6981
Surface Commingle
War Admiral 18 Fee Lease
Culberson County, Texas

Dear Mr. Scott,

Attached is a copy of the amended P-17 commingle permit for the War Admiral 18 Fee Lease that was submitted to the Railroad Commission March 14, 2016. It was amended to add the War Admiral 18 Fee #1H well. All the wells are on the same lease but are gas wells, therefore a commingle permit is required. I will forward you a copy of the approved P-17 as soon as it is received.

Please feel free to contact me with any questions regarding the commingling at 918-585-1100.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sheli Armstrong", is written over a light blue horizontal line.

Sheli Armstrong
Regulatory Analyst

91.374



RAILROAD COMMISSION OF TEXAS

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

Form P-17

Rev. 04/2015

APPLICATION FOR EXCEPTION TO STATEWIDE RULES (SWR) 26 AND/OR 27

☐ New
☒ Amended Existing Permit No. 6981
Effective Month/Year of Requested
Exception: 03 / 2016
District 08
County Culberson

SECTION 1. OPERATOR INFORMATION

Operator Name: Cimarex Energy Co. Operator P-5 No.: 153438
Operator Address: 202 S. Cheyenne Ave., Suite 1000 Tulsa, OK 74103

SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)

Gatherer Name: Plains Marketing, LP Gatherer P-5 No.: 667883
Gatherer Address: P O Box 4648 Houston, TX 77210-4648

Gatherer E-mail Address:

(Optional - If provided, e-mail address will become part of this public record.)

SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☐ OIL ☐ CASINGHEAD GAS ☒ GAS WELL GAS ☒ CONDENSATE

- a) ☐ Gas well full well stream into common separation and storage facility with liquids reported on Form PR.
b) ☐ Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)
c) ☐ Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
d) ☐ This request is for off lease: ☐ Storage ☐ Separation ☐ Metering
e) ☒ This exception is for common storage.
f) ☐ This exception is for common separation.
g) ☐ This exception is for casinghead gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____
h) ☒ This exception is for gas well gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☒ Other Allocation Meter

SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY)

The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:

- a) ☒ The production is measured separately from all leases or individual wells before commingling. (Notice not required; Skip to Section 5)
b) ☐ The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required)
c) ☐ The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required)
If b. or c. checked, production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☐ G-10 (gas)
d) ☐ The wells produce from multiple reservoirs. (Notice required unless 4e. or 4f. apply; see instructions for additional requirements)
e) ☐ The wells produce from multiple reservoirs and have SWR10 exceptions. (Notice not required)
f) ☐ The wells produce from multiple reservoirs and are measured separately from each reservoir. (Notice not required)
g) ☐ Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted. (Notice required)

SECTION 5. ☐ Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

SECTION 6. ☐ For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
08	271057	<input type="checkbox"/> Existing <input checked="" type="checkbox"/> Add <input type="checkbox"/> Delete	War Admiral 18 Fee / Ford, West (Wolfcamp)	1H
08	271643	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete	War Admiral 18 Fee / Sandbar (Bone Spring)	2H
08	272144	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete	War Admiral 18 Fee / Sandbar (Bone Spring)	3H
08	273925	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete	War Admiral 18 Fee / Derby (Bone Spring)	4H

ATTACH ADDITIONAL PAGES AS NEEDED. ☐ No additional pages ☒ Additional pages 1 (# of additional pages)

FEE: \$150 Filing Fee + \$225 Surcharge = \$375 total remittance required (See Statewide Rule 78)

CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.

Signature [Signature] Title Regulatory Analyst Date 3/10/16

Operator E-mail Address: _____ Operator Phone No. 918-585-1100

(Optional - If provided, e-mail address will become part of this public record.)

RRC USE ONLY

Commingling Permit No. _____ Approval date: _____ Approved by: _____

91.31.4

FORM P-17 ATTACHMENT

SECTION 7. (CONT'D) IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

[illegible]

File No. MF114489

CULBERSON County

P-17 QB-6981 AMENDMENT

Date Filed: 8/4/2016

George P. Bush, Commissioner

M T SCOTT

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MF 114489

DIVISION ORDER

KWHE

Date: 9/25/2015

Effective Date: 9/01/2015

Property #: See Exhibit A

Owner #: 8108491

To **Chevron U.S.A. Inc.**
P.O. Box 4538
Houston, Texas 77210

The undersigned severally and not jointly certifies it is the legal owner of the interest all the oil, gas and related liquid hydrocarbons produced from the property described on Exhibit A attached hereto. Until further written notice, Chevron U.S.A. Inc. is hereby authorized to receive and purchase the oil or gas belonging to the undersigned and to account to the undersigned for their interest.

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

The following provisions apply to each interest owner ("owner") who executes this agreement:

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

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

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

Signature of Interest Owner

Social Security/ Tax I.D. No.

Address

_____	_____	_____
_____	_____	_____
_____	_____	_____

Failure to furnish your Social Security/Tax I.D. number will result in withholding tax in accordance with federal law, and any tax withheld will not be refundable by payor.

Exhibit A to Division Order dated 9/25/2015

Owner		Effective	
Number:	8108491	Date:	9/1/2015
Owner		Product	
Name:	COMMISSIONER OF THE GENERAL LAND OFFICE STATE OF TEXAS	Code:	Oil & Gas
Owner	LOCKBOX ACCOUNT		
Address:	PO BOX 12873 AUSTIN TX 78711-2873		

Venture Number	Property Name	Legal Description	County, State	Chevron's Burden Share	Interest Type	Interest Sequence	Payment Decimal
MF 112034 71950	CALIFORNIA CHROME 39 STATE UNIT	S/2 OF SECTION 39, BLOCK 59, TOWNSHIP 2, T&P RR CO SURVEY	Culberson County, TX	0.50000000	ROYALTY INTEREST	1	0.04166667
MF 110344 71954	COUNT FLEET 48 STATE UNIT	ALL OF SECTION 48, BLOCK 60, TOWNSHIP 1, T&P RR CO SURVEY	Culberson County, TX	0.49754884	ROYALTY INTEREST	1	0.06219361
71955	COUNT TURF 38 STATE UNIT	TOWNSHIP 1, T&P RR CO SURVEY	Culberson County, TX	0.20088626	INTEREST	1	0.02511078
MF 115407 71958	DONERAIL 8 FEE	ALL OF SECTION 8, BLOCK 59, TOWNSHIP 2, T&P RR CO SURVEY	Culberson County, TX	0.49886027	ROYALTY INTEREST	1	0.03117877
MF 106745 71959	EXTERMINATOR 42 STATE 1	ALL OF SECTION 42 BLOCK 60, TOWNSHIP 2 T&P RR CO. SURVEY ALL OF SECTION 43 BLOCK 60, TOWNSHIP 2 T&P RR CO SURVEY	Culberson County, TX	0.50000000	ROYALTY INTEREST	1	0.05000000
MF 110710 71967	HINDOO 2 STATE UNIT	ALL OF SECTION 11 AND 2 BLOCK 60, TOWNSHIP 2, T&P RR CO SURVEY	Culberson County, TX	0.20000000	ROYALTY INTEREST	1	0.02500000
MF 112130 71970	JET PILOT 24 FEE	ALL OF SECTION 24 AMD 13, BLOCK 60, TOWNSHIP 1, T&P RR CO SURVEY	Culberson County, TX	0.20000000	ROYALTY INTEREST	1	0.01250000

MF 115602 71972	LOOKOUT 18 FEE	ALL OF SECTION 18 BLOCK 59, TOWNSHIP 2, T&P RR CO SURVEY .	Culberson County, TX	0.50021844	ROYALTY INTEREST	1	0.03126365
MF 110345 71973	LORD MURPHY 10 STATE	ALL OF SECTION 10 BLOCK 60, TOWNSHIP 2 T&P RR CO SURVEY	Culberson County, TX	0.19992661	ROYALTY INTEREST	2	0.00099156
71973	LORD MURPHY 10 STATE	ALL OF SECTION 10 BLOCK 60, TOWNSHIP 2 T&P RR CO SURVEY	Culberson County, TX	0.19992661	ROYALTY INTEREST	1	0.02449504
MF 110711 71974	LT GIBSON 12 STATE	ALL OF SECTION 12 BLOCK 60, TOWNSHIP 2 T&P RR CO SURVEY	Culberson County, TX	0.50000000	ROYALTY INTEREST	1	0.12500000
MF 112124 + MF 112128 71982	OWL DRAW 12 UNIT	ALL OF SECTION 12 BLOCK 60, TOWNSHIP 1, T&P RR CO SURVEY	Culberson County, TX	0.49648018	ROYALTY INTEREST	2	0.00775750
71982	OWL DRAW 12 UNIT	ALL OF SECTION 12 BLOCK 60, TOWNSHIP 1, T&P RR CO SURVEY	Culberson County, TX	0.49648018	ROYALTY INTEREST	1	0.02327251
MF 112126 71984	UNBRIDLED 36 FEE 2H	ALL OF SECTION 36 BLOCK 60, TOWNSHIP 1, T&P RR CO SURVEY	Culberson County, TX	0.19977933	ROYALTY INTEREST	1	0.01248621
MF 110708 71989	SEA HERO 13 STATE UNIT	ALL OF SECTION 13 AND SOUTH 341 ACRES OF SECTION 12, BLOCK 59, TOWNSHIP 1, T&P RR CO SURVEY	Culberson County, TX	0.49997553	ROYALTY INTEREST	1	0.04170539
MF 110709 71997	WAR EMBLEM 30 STATE	ALL OF SECTION 30, BLOCK 59, TOWNSHIP 1, T&P RR CO SURVEY	Culberson County, TX	0.20000000	ROYALTY INTEREST	1	0.05000000
MF 114489 71999	WAR ADMIRAL 18 FEE	ALL OF SECTION 18 BLOCK 59, TOWNSHIP 1, T&P RR CO SURVEY	Culberson County, TX	0.49966982	ROYALTY INTEREST	1	0.03122936



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

October 13, 2016

Kelly Sandoval
Division Order Analyst
Chevron U.S.A., Inc.
P.O. BOX 4538
Houston, TX 77210-4538

Re: State Lease Nos. MF112034 California Chrome 39; MF110344 Count Fleet 48/Count Turf 38; MF115407 Donerail 8; MF106745 Exterminator 42; MF110710 Hindoo 2; MF112130 Jet Pilot 24; MF115602 Lookout 18; MF110345 Lord Murphy 10; MF110711 LT Gibson 12; MF112124/MF112128 Owl Draw 12; MF112126 Unbridle 36 Fee 2H; MF110708 Sea Hero 13; MF110709 War Emblem 30 and MF114489 War Admiral 18

Dear Mrs. Sandoval:

The Texas General Land Office (GLO) has received your Division Orders for the referenced units. These Division Orders have been filed in the appropriate mineral files.

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

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

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

Thank you,

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

File No. MF 114489

13.

Division Order

Date Filed: 10-14-16

George P. Bush, Commissioner

By V.H.

Cimarex Energy Co.
202 S. Cheyenne Ave.
Suite 1000
Tulsa, Oklahoma 74103-4346
PHONE: 918.585.1100
FAX: 918.585.1133



March 6, 2017

Texas General Land Office
Matthew Scott
Mineral Leasing
1700 N. Congress
Austin, TX 78701

Re: State Lease No: 114489
Gas Lift Gas Usage
War Admiral 18 Fee 1H, 2H, 3H, 4H & 5H
Culberson County, Texas

Dear Mr. Scott,

Cimarex Energy respectfully requests approval for off-lease gas lift on the above referenced General Land Office (GLO) lease. The gas lift gas will be routed through a gas lift meter located at the well head (#429971011G; 429971040G; 429971062G; 429971077G; 429971086G).

Cimarex will continuously meter the off-lease gas to be utilized for gas lift purposes. The gas BTU content and component analysis obtained at the gas lift meter shall be determined by gas sample chromatographic analysis.

Please feel free to contact me with any questions regarding the commingling at 918-560-7275.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sheli Armstrong", is written over the printed name.

Sheli Armstrong
Regulatory Analyst

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File No. ME 114489

CULBERSON County

REQUEST TO GASLIFT

Date Filed: 3/30/17

George P. Bush, Commissioner

By MT SCOTT



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 28, 2017

Certified Mail: 7016 2070 0000 7391 7987

Ms. Sheli Armstrong
Regulatory Analyst
Cimarex Energy Co.
202 S. Cheyenne Ave.
Suite 1000
Tulsa, Oklahoma 74103-4346

RE: Your Letter Dated 03/6/2017 Requesting Authority to Utilize Gas Produced on the Leased Premises for Gas Lift Purposes and/or to Use Off-Lease Gas for Gas Lift or Gas Lift Makeup Supply as Applicable to the War Admiral 18 Fee Lease, Free Royalty MF 114489, Culberson County, Texas.

Dear Ms. Armstrong:

General Land Office staff has reviewed your letter dated March 6, 2017 that requested permission to utilize gas lift as an artificial lift method on the leased premises and to use off-lease gas for the gas lift supply to the wells on the lease. Per GLO records GLO Unit 7192 was cancelled and GLO Unit 7701 was terminated, thus please verify the lease and unit status with Ms. Joy McCauley at 512-463-4704 else the request to utilize gas lift will be moot.

Pursuant to the terms of the applicable State lease, please be advised that the request to utilize gas lift on the lease and to commingle the gas produced by the wells on the lease with the off-lease gas used for gas lift supply is approved subject to the following conditions:

1. Lessee shall install and utilize square-edged orifice meters and meter tubes per all applicable specifications and requirements of API MPMS 14.3/AGA Report No. 3 for gas measurement.
2. Lessee shall continuously meter the gas lift supply to each well and the gas that passes through any other gas lift supply and distribution meter.
3. The gas BTU content and component analysis obtained at each lease/unit gas meter shall be determined by gas sample chromatographic analysis.

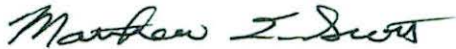
Please be advised that if the volumes and energy content of the off-lease gas supply are deducted directly from the volumes reported by the lease facility meters discharging into a gas gathering system, then the actual lease production volumes and royalty due amounts may be under-

Ms. Sheli Armstrong
Cimarex Energy Co.
March 28, 2017
Page 2 of 2

reported due to the commingling of the off-lease gas with that of the gas produced from the lease wells. Not all of the gas that passes through an off-lease gas lift supply meter and/or a buy-back gas meter is returned through the lease facility meters since a portion is consumed as lease use and absorbed by the oil.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew T. Scott". The signature is fluid and cursive, with the first name "Matthew" being more prominent than the last name "Scott".

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

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

File No. ME 114489

CULBERSON County

AGREE TO GAS LIFT

Date Filed: 3/30/17

George P. Bush, Commissioner

By MT SCOTT



ME114489

NADOA Model Form Division Order (Adopted 9/95)

CIMAREX ENERGY CO
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 09/10/2018

Effective Date: 09/01/2018

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: WAR ADMIRAL 18 FEE #6H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 429971-288.01

WAR ADMIRAL 18 FEE 6H

Operator: CIMAREX ENERGY CO

Location: Culberson, TX

Map Reference Information

Culberson, TX US

SECTION 18, BLOCK 59 T-1

CULBERSON COUNTY

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

CIMAREX ENERGY CO

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

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

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

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

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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



INSTRUCTIONS TO ALL INTEREST OWNERS

Read Carefully Before Signing the Instrument

- SIGNATURE:** Individuals: Sign name as shown in the instrument.
- Corporations: If signing for a corporation, please provide the name and title of the signatory party.
- SIGNATURE BY SECOND PARTY:** If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any other party other than the named interest owner, we must have evidence of the rights vested in the signatory party.
- MORTGAGE STIPULATION** If your interest is subject to a mortgage(s), please have the mortgagee(s) execute the document in the space(s) provided below your signature. If the mortgage(s) has been released, please provide us with a copy of the RECORDED release(s).
- MAILING ADDRESS:** If the checks should be mailed to a different address than shown with your name, please insert the address change. Print or type. Do not abbreviate. If you are already receiving checks from this company, be sure to use the same address to which we are now mailing checks.
- PAYMENT POLICY:** Payments are made upon accrual of \$100.00, or when proceeds for six (6) months have accumulated. An owner has the option of requesting to be paid monthly for proceeds totaling \$25.00. Should you require payments on the optional basis, please send us your written request.
- PROPERTY NUMBER:** On the left portion of the instrument you will find the number assigned to this well. This number will appear on the statement attached to your check and should always be used when corresponding with this company.
- CHANGE OF ADDRESS:** You should notify us promptly of any change in mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your Owner Number (which will appear on your check from this company) and your old address, then state your new address with zip code.

THIS INSTRUMENT SHOULD NOT BE ALTERED IN ANY WAY UNLESS ACCOMPANIED BY DOCUMENTARY EVIDENCE TO SUPPORT THE CHANGE. FAILURE TO COMPLY WITH THESE INSTRUCTIONS MAY DELAY PAYMENT. RETURN THE EXECUTED INSTRUMENT TO THE ADDRESS BELOW. KEEP ONE (1) COPY FOR YOUR RECORDS.

IRS W-9 FORM: FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY NUMBER. IN ADDITION TO INSERTING IT ON THE ENCLOSED DIVISION ORDER YOU MUST ALSO COMPLETE AND SIGN THE ENCLOSED IRS W-9 FORM AND RETURN IT WITH THE EXECUTED DIVISION ORDER.

Should you have any questions, please contact Jeanine Hill at 918-560-7076 or jhale-hill@cimarex.com.

CIMAREX ENERGY CO.
DIVISION ORDER DEPARTMENT
202 SOUTH CHEYENNE AVE, SUITE 1000
TULSA, OK 74103-3001
ATTENTION: Jeanine Hill
(918) 560-7076 -- Phone
(918) 295-1896 -- Fax
E-Mail: JHale-Hill@cimarex.com



REVENUE INTEREST OWNER COMMON QUESTIONS AND ANSWERS

- **Revenue check schedule**
Revenue checks are issued monthly on the 15th. If the amount of revenue due is less than \$100.00, payment is withheld until the amount due equals or exceeds \$100.00, subject to state regulations. All checks less than \$100.00 are issued in December on an annual basis.
- **Check not on schedule**
If payment is delayed more than 10 days, you should contact us to see if a check was issued.
- **Check Lost, stolen or outdated**
Immediately notify us in writing of lost or stolen checks so we may issue a replacement check. If the check is stale dated, return it to us without defacing it so a replacement may be issued.
- **Determine interest value**
The evaluation or appraisal of interest requires geologic or engineering review and judgement. Therefore, we do not attempt such evaluations for interest owners. An appraisal can be obtained by contacting the services of an independent geologist, petroleum engineer or royalty broker. Revenue resulting from sales from the property is an important factor in evaluating royalty interests. Your check stubs or detail statements provide payment history for this analysis.
- **Requirements if Sell interest**
Because the sale of a royalty interest usually represents a real property transaction, we will need a certified copy of the deed recorded in the county where the property is located. For additional information about our requirements, please contact our Division Order Department.
- **Requirements for Death of Owner**
When an interest owner dies, an authorized representative or relative of the deceased must immediately notify the Division Order Department in writing. The deceased owner's name and owner number must appear in the notification as they appear on the revenue checks. State requirements differ, but generally a Will, Letters Testamentary, and/or other documents issued by the court are required to change royalty ownership records. Cimarex Energy Co does NOT accept Heirship Affidavits.
- **Change of Address**
You should notify us of any changes in address. Failure to report changes may delay delivery of your revenue checks and in many cases force us to place the revenue in suspense until we are notified of the change. Reinstatement of payment will resume upon receipt of an authorized address change. For your protection, changes of address must be made in writing. With your notification, please include your owner number, social security or tax identification number, old address and new address, including zip code. Please send your change of address to the attention of the Division Order Department. Form available at <https://www.cimarex.com/owner-information/>.



Form **W-9**
(Rev. November 2017)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)
5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign
Here

Signature of
U.S. person ►

Date ►

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

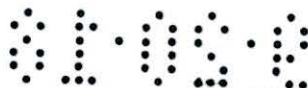
An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.



By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

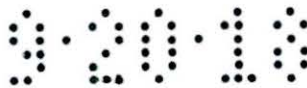
Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.



Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual	Individual/sole proprietor or single-member LLC
• Sole proprietorship, or	
• Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	
• LLC treated as a partnership for U.S. federal tax purposes,	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or	
• LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

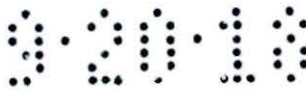
Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.



1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

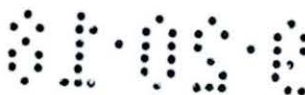
If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.



The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

9.29.19

Direct Deposit Enrollment

Request Type: ☐ New or Updated Enrollment ☐ Cancellation

(If you are adding a well to an existing owner number you do not need to complete this form)

To enroll in direct deposit directly into your bank account, please complete and sign this application and submit it along with a voided check or deposit ticket for your account. Payments will settle to your bank account on the second business day after the 14th of each month. The enrollment process may take up to 50 days. In an effort to go green, paper statements will no longer be mailed. The detail will be available online at www.cimarex.com. Click on the owner information tab and then owner login. You will be prompted to contact PDS Energy for a login name and password.

Owner Information

Incomplete forms will not be processed

		X X X X X
Owner / Company Name	Owner No from Remittance	Federal Tax ID or SSN (last 4 digits)

Mailing Address

Contact Information (if different than authorizer below)

Name	Phone Number	Email Address

Bank Information

Bank Name	Bank Routing # (9 digits)

Name on Account	Account #	Account Type: Checking or Savings

Authorization

I am an authorized representative of the company listed above and I hereby authorize Cimarex Energy Co and its subsidiaries to deposit payments into the account listed above. This agreement simply allows for a direct deposit in lieu of paper check payments. This authorization will remain in effect until your 30 day written notification of change or cancellation has been received by Cimarex. I agree to submit changes to the above remittance contact information in writing to Cimarex. It is agreed that Cimarex will not be held liable for any interest or other claim arising from failing to submit changes to the payment instruction or error in the payment instructions provided.

Signature	Title (If Company)	Date

Printed Name	Phone Number	Email Address

Return To

Cimarex Energy Co.
Attn: Treasury Dept.
1700 Lincoln Street, Suite 3700
Denver, CO 80203-4537

Fax (303) 285-0229
Email: treasury@cimarex.com



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 27, 2018

Jeanine Hale-Hill
Division Order Analyst
Cimarex Energy Co
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103-3001

Re: State Lease No. MF114489 War Admiral 18 Fee 6H

Dear Mrs. Hale-Hill:

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

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

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

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

Thank you,

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

File No. MF 114489Culberson CountyDivision OrderDate Filed: 11-29-18

George P. Bush, Commissioner

By: Vz

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

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\$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$ _____
☐ Return Receipt (electronic) \$ _____
☐ Certified Mail Restricted Delivery \$ _____
☐ Adult Signature Required \$ _____
☐ Adult Signature Restricted Delivery \$ _____

Postage

\$

Total Postage and Fees

\$

Sent To

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

MF114489

Postmark
Here

Attn: Rebecca Johnson
Cimarex Energy Co
202 S Cheyenne Ave Ste 1000
Tulsa, OK 74103-3001

Certified Mail service provides the following benefits:

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece;

for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.

- Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
- Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
- Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Cimarex Energy Co
202 S Cheyenne Ave Ste 1000
Tulsa, Ok 74103-3001
Attn: Rebecca Johnson



9590 9402 1972 6123 7483 58

2. Article Number (Transfer from service label)

7016 2070 0000 7391 0841

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

WALLACE

☐ Agent

☐ Addressee

B. Received by (Printed Name)

STEIN WALLACE

C. Date of Delivery

8-22-19

D. Is delivery address different from item 1? ☐ Yes

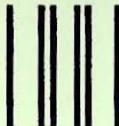
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

USPS TRACKING #



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9402 1972 6123 7483 58

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box •

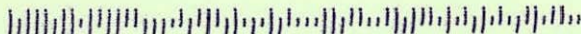


Texas General Land Office

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873



MF114489

7th FLR

ENERGY

Verdis



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

Cimarex Energy Co.
Attn: Rebecca Johnson
202 S Cheyenne Ave Ste 1000
Tulsa, OK 74103-3001

Billing Date: 8/19/2019
Billing Due Date: 9/18/2019
Customer Number: C000044010

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00676	MF114489	\$15,962.54	\$0.00	\$1,596.27	\$945.87	\$18,504.68
Total Due		\$15,962.54	\$0.00	\$1,596.27	\$945.87	\$18,504.68

Penalty and interest have been calculated thru 8/31/2019. Payment remitted after 8/31/2019 will result in additional penalty and interest charges.

Contact Info:

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For other royalty reporting questions, visit <http://www.glo.texas.gov>, call (512) 463-6850 or email us at glo123@glo.texas.gov.

This notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Texas Natural Resources Code and, consequently, does not preclude the TGLO from conducting further examinations of these leases, time periods or issues.

Detach and return with payment

Reconciliation Billing

Cimarex Energy Co.

Billing Date: 8/19/2019

Billing Due Date: 9/18/2019

Customer Number: C000044010

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00676	MF114489	\$15,962.54	\$0.00	\$1,596.27	\$945.87	\$18,504.68
Total Due		\$15,962.54	\$0.00	\$1,596.27	\$945.87	\$18,504.68
Amt. Paid						

Customer ID: C000044010
 Invoice Number:
 GLO Lease: MF114489
 GLO Review: Cimarex Energy Co
 Review Period: September 2017 through August 2018

Category: Gas
 Auditor/AE: Asoriano
 Billing Date: 8/13/2019
 P&I Calculation Date: 8/31/2019
 Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate From	Interest Rate From	Revenue Due
Feb-18	08-271057	0	0	0	0	0	\$4,923.45	\$0.00	\$4,923.45	503	5.50%	\$492.35	\$329.40	\$5,745.20
Aug-18	08-271057	0	0	0	0	0	\$3,885.69	\$0.00	\$3,885.69	320	5.50%	\$388.57	\$152.82	\$4,427.08
Oct-17	08-271057	5,279	1.00000000	2.601095	1.247092	\$17,124.04	\$1,070.25	\$0.00	\$1,070.25	624	4.75%	\$107.03	\$78.69	\$1,255.97
Nov-17	08-271057	4,618	1.00000000	2.164274	1.259798	\$12,591.20	\$786.95	\$0.00	\$786.95	593	5.50%	\$78.70	\$63.32	\$928.97
Dec-17	08-271057	4,387	1.00000000	2.009843	1.275844	\$11,249.35	\$703.08	\$0.00	\$703.08	562	5.50%	\$70.31	\$53.29	\$826.68
Jan-18	08-271057	4,405	1.00000000	2.866476	1.272512	\$16,067.79	\$1,004.24	\$0.00	\$1,004.24	534	5.50%	\$100.42	\$71.88	\$1,176.54
Feb-18	08-271057	3,724	1.00000000	1.991054	1.280220	\$9,492.43	\$593.28	\$0.00	\$593.28	503	5.50%	\$59.33	\$39.69	\$692.30
Mar-18	08-271057	3,485	1.00000000	1.934393	1.323960	\$8,925.29	\$557.83	\$0.00	\$557.83	473	5.50%	\$55.78	\$34.80	\$648.41
Apr-18	08-271057	4,901	1.00000000	1.979269	1.305634	\$12,665.17	\$791.57	\$0.00	\$791.57	442	5.50%	\$79.16	\$45.68	\$916.41
May-18	08-271057	2,621	1.00000000	1.841417	1.333420	\$6,435.56	\$402.22	\$0.00	\$402.22	412	5.50%	\$40.22	\$21.39	\$463.83
Jun-18	08-271057	2,632	1.00000000	2.063884	1.312806	\$7,131.35	\$445.71	\$0.00	\$445.71	381	5.50%	\$44.57	\$21.63	\$511.91
Jul-18	08-271057	2,543	1.00000000	2.003561	1.303064	\$6,639.18	\$414.95	\$0.00	\$414.95	350	5.50%	\$41.50	\$18.20	\$474.65
Aug-18	08-271057	2,662	1.00000000	1.762463	1.307228	\$6,133.09	\$383.32	\$0.00	\$383.32	320	5.50%	\$38.33	\$15.08	\$436.73
TOTALS		41,257				\$114,454.45	\$15,962.54	\$0.00	\$15,962.54			\$1,596.27	\$945.87	\$18,504.68

ATTN: Mary Jane Russell
 CERTIFIED MAIL: 7016 2070 0000 7391 0841

COMMENTS: BILLING ON UNDERPAYMENT OF ROYALTIES DUE TO GLO FOR MONTHS 02/2018 & 08/2018.
 BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC FOR MONTHS 10/2017 - 08/2018.

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-271057, 08-271643, 08-272144, 08-273925, 08-275381
 COLUMN (5) (6) PRICE & BTU - TAKEN FROM GLO REPORTS
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, NOTIFY THE AUDITOR AS TO THE REMITTANCE DATE SO THE INVOICE CAN BE PROPERLY CREDITED.

File No. MF114 489

County

Reconciliation Billing

Date Filed: 8/21/19

George P. Bush, Commissioner

By

VD



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

Cimarex Energy Co.
Attn: Rebecca Johnson
202 S Cheyenne Ave Ste 1000
Tulsa, OK 74103-3001

Billing Date: 7/7/2020
Billing Due Date: 8/6/2020
Customer Number: C000044010

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
20I13724	MF114489	\$12,268.23	\$0.00	\$1,243.91	\$1,736.05	\$15,248.19
Total Due		\$12,268.23	\$0.00	\$1,243.91	\$1,736.05	\$15,248.19

Penalty and interest have been calculated thru 7/31/2020. Payment remitted after 7/31/2020 will result in additional penalty and interest charges.

Andrea Charlton (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

This notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Texas Natural Resources Code and, consequently, does not preclude the TGLO from conducting further examinations of these leases, time periods or issues.

Detach and return with payment

Reconciliation Billing

Cimarex Energy Co.

Billing Date: 7/7/2020

Billing Due Date: 8/6/2020

Customer Number: C000044010

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
20I13724	MF114489	\$12,268.23	\$0.00	\$1,243.91	\$1,736.05	\$15,248.19
Total Due		\$12,268.23	\$0.00	\$1,243.91	\$1,736.05	\$15,248.19
Amt. Paid						

[illegible]

COMMENTS: SALES VOLUMES REPORTED TO THE GLG WERE COMPARED TO VOLUMES REPORTED TO THE RAC. IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (B) - RRC VOLUME - REPRESENTS UNDER-REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL. EW 06-271057 06-271543 06-272144 06-275361 06-273825 06-280573

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS, SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMB (B) STU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (11) (4) (5) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ADDITION: <http://www.irs.gov/efile/efilehelp/efilehelp04.htm#penalty>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, NOTIFY THE AUDITOR AS TO THE REMITTANCE DATE SO THE INVOICE CAN BE PROPERLY CREDITED.

18

File No. MF 114489

Recon Billing County

Date Filed: 10/12/2021

George P. Bush, Commissioner

Fy VD



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

Cimarex Energy Co.
Attn: Rebecca Johnson
202 S Cheyenne Ave Ste 1000
Tulsa, OK 74103-3001

Billing Date: 7/7/2020
Billing Due Date: 8/6/2020
Customer Number: C000044010

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
20I13724	MF114489	\$12,268.23	\$0.00	\$1,243.91	\$1,736.05	\$15,248.19
Total Due		\$12,268.23	\$0.00	\$1,243.91	\$1,736.05	\$15,248.19

Penalty and interest have been calculated thru 7/31/2020. Payment remitted after 7/31/2020 will result in additional penalty and interest charges.

Andrea Charlton (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

This notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Texas Natural Resources Code and, consequently, does not preclude the TGLO from conducting further examinations of these leases, time periods or issues.

Detach and return with payment

Reconciliation Billing

Cimarex Energy Co.

Billing Date: 7/7/2020

Billing Due Date: 8/6/2020

Customer Number: C000044010

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
20I13724	MF114489	\$12,268.23	\$0.00	\$1,243.91	\$1,736.05	\$15,248.19
Total Due		\$12,268.23	\$0.00	\$1,243.91	\$1,736.05	\$15,248.19
Amt. Paid						

Billing Type(Dropdown)
Volume Reconciliation

Revenue Status(Dropdown)
Recognized

Customer ID: C000044010
Invoice Number: 2013724
GLO Lease: MF114459
GLO Review: CIMAREX ENERGY CO
Review Period: 201809-201908

Category: Gas
Auditor(AE): Acharito
Billing Date: 7/1/2020
P&I Calculation Date: 7/31/2020
Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Portfolio	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Rd	Number of Dr	Interest Rate For	Penalty Rate For	Interest Rate For	Revenue Due
Sep-17	06-271057	9,638	1.00000000	1.429161	1.035077	\$14,182.83	\$896.43	\$0.00	\$896.43	889	5.50%	\$86.64	\$124.22	\$1,069.26
Oct-17	06-271057	20,181	1.00000000	1.286288	1.032630	\$27,080.15	\$1,693.13	\$0.00	\$1,693.13	899	5.50%	\$169.31	\$239.62	\$2,099.06
Nov-17	06-271057	16,389	1.00000000	1.572789	1.028439	\$26,525.84	\$1,657.86	\$0.00	\$1,657.86	898	6.50%	\$165.79	\$256.56	\$2,080.21
Dec-17	06-271057	16,338	1.00000000	1.391620	1.045490	\$23,770.56	\$1,485.06	\$0.00	\$1,485.06	897	6.50%	\$148.57	\$221.71	\$1,855.94
Jan-18	06-271057	21,841	1.00000000	2.000311	1.014812	\$44,327.17	\$2,770.45	\$0.00	\$2,770.45	889	6.50%	\$277.05	\$399.63	\$3,447.13
Feb-18	06-271057	18,941	1.00000000	1.652365	1.015776	\$31,781.19	\$1,986.95	\$0.00	\$1,986.95	898	6.50%	\$198.70	\$275.64	\$2,461.29
Mar-18	06-271057	20,607	1.00000000	1.071725	1.013854	\$22,610.55	\$1,413.16	\$0.00	\$1,413.16	898	6.50%	\$141.32	\$188.49	\$1,742.97
Jul-18	06-271057	6,173	1.00000000	0.201892	1.018135	\$1,269.86	\$79.31	\$0.00	\$79.31	885	6.00%	\$5.00	\$8.84	\$113.15
Aug-18	06-271057	5,642	1.00000000	0.785234	1.020912	\$4,724.55	\$295.28	\$0.00	\$295.28	895	6.50%	\$29.53	\$31.34	\$359.15
TOTALS		136,100				\$196,391.92	\$12,268.23	\$0.00	\$12,268.23			\$1,243.91	\$1,736.05	\$16,248.18

ATTN: Mary Jane Russell
CERTIFIED MAIL: Mrussell@cmarex.com

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 06-271057 06-271643 06-272144 06-275381 06-273925 06-285573

COLUMN (8) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (8) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT.
<http://www.glo.texas.gov/general-business/oil-gas/royalties/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, NOTIFY THE AUDITOR AS TO THE REMITTANCE DATE SO THE INVOICE CAN BE PROPERLY CREDITED.

File No. MF 114489

County

Recon Billing

Date Filed: 12/13/2021

George R. Bush, Commissioner

By VD