



CAUTION

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Archives and Records Staff

MF114491

Unit 7187	Lease Type	Control	Basefile	County
Unit 8313	Free Royalty	08-030506	151421	REEVES
Unit 13095		08-030891	152748	REEVES
Unit 14271		Survey	Public School Land	
14272		Block	55, C-21	
14273		Block Name		
14274		Township		
14275		Section/Tract	14, 5	
14276		Land Part	N2/3	
14277		Acres	Net: 853.340000	Gross: 853.340000
14278		Depth Below	Depth Above	Depth Other
14279				
14280				
Leasing: SSD		Name	PETRO-HUNT LLC	
Maps: 		Lease Date	12/18/2008	
GIS: MC		Primary Term	3 years	
Scanlab: _____		Bonus	\$0.00	
		Lease Royalty	0.06250000	
		Paid Up	Yes	

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① Lease	8/13/12	(See MF110729 items #17-
② Land ID ④ WI	8/13/12	#21 for Nuts 14276, 14277,
③ Royalty Clarification	8/13/12	14278, 14279 & 14280
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See MF114158 #9 For Assignment #9110		#11 for Nuts 14271, 14272,
Expired at Primary Term 12/18/11		14273 , 14273, 14274 & 14275
Scanned PJ	10-22-14	Scanned WM 4-22-2025
Unexpired-reinstated as Active		see MF114160 #12 Division Order
4. Lease extension to 12/18/13 6/11/13		see MF110729 #22 Division Order
5. Lease Amendment + extension 6/5/13		Scanned SM 06/10/2025
See #10 in M-114158 For the		(see MF114160 #15 for
Queen City Horiz Unit #7187		Ratification #13095)
Scanned PJ	7-27-15	Scanned GID 6-30-2025
6. Division Order 8-27-15		see MF114160 #16 Division Order
Scanned PJ	10-26-15	Scanned GID 8-27-2025
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Pipeworks Horizontal Unit #8313		
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7. Division Order 11-29-17		
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see MF109915 #23 Settlement Agreement 7/16/18		
Scanned PJ	7-19-2018	
8. Division Order 8-22-19		
Scanned PJ	9-11-2019	
9. Recon Billing 7/1/2024		
Scanned SM	7/2/2024	

MF 114491

68424-0031
1032979**Oil and Gas Lease (Paid-Up)**

This Agreement, made and entered into this 18th day of December, 2008, by and between H. L. Hawkins, Jr., Inc., a Delaware corporation, whose address is 300 Board of Trade Place, New Orleans, Louisiana 70130-2482, hereinafter called **Lessor(s)**, and Petro-Hunt, L.L.C., whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, TX 75201-7201, hereinafter called **Lessee(s)**. Witnesseth:

1. **Grant and Description** That Lessor, in consideration of the cash bonus in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the sole and only purpose of exploring, drilling and operating for and producing oil and gas and of laying pipelines, storing oil and building tanks, telephone and electric lines, roads and structures thereon to produce, save, care for, treat and transport said substances produced from the land leased hereunder only, the following described land situated in REEVES County, State of TEXAS, to wit:

The North Two-Thirds (N2/3) of Section 5, Block C-21, Public School Land Survey, containing 426.67 acres, more or less

The West Two-Thirds (W2/3) of Section 14, Block 55, Township 4, T&P Ry. Co. Survey, containing 426.67 acres, more or less

Said land containing a total of 853.34 acres (called "leased premises")

2. **Term of Lease.** Subject to the other provisions hereof, this lease shall be for a term of Three (3) years from this date (called "Primary Term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from the leased premises or lands with which the leased premises are pooled hereunder and the royalties are paid as provided.

3. **Royalties.** Lessee shall pay the following royalties, subject to the following provisions:

(a) **Oil.** Lessee shall pay the Lessor One-Fourth (1/4) of the gross proceeds of all oil and other liquid hydrocarbons recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction. provided however, in the event oil and other liquid hydrocarbons are not sold under an arms' length transaction, Lessor's royalty on such oil and other liquid hydrocarbons shall be calculated by using the highest price, plus premium, if any, paid or offered for oil and other liquid hydrocarbons of comparable quality in the general area where produced and when run.

(b) **Gas.** Lessee shall pay the Lessor One-Fourth (1/4) of the gross proceeds received by Lessee for all gas (including substances contained in such gas) recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction; provided, however in the event gas is not sold under an arms' length transaction, Lessor's royalty on such gas (including substances contained in such gas) shall be calculated by using the highest price paid or offered for gas of comparable quality in the general area where produced and when run.

(c) **Products.** Lessee's right to produce substances from the leased premises is limited to substances produced from oil and/or gas wells, and Lessee shall pay Lessor royalty on all marketable substances produced by Lessee from the leased premises (all marketable substances which Lessee may produce from the leased premises hereunder will be collectively referred to as "Products"). It is controllingly provided that the price used to calculate Lessor's royalty shall never be less than the price paid Lessee for any Products produced hereunder, and, if the manner of calculating royalty provided for herein would cause Lessor's royalty to be calculated based upon a lesser amount, the price actually paid Lessee shall be substituted as the basis for the royalty calculation. As to any product which does not fall under the oil or gas royalty clauses above, Lessee shall pay Lessor One-Fourth (1/4) of the gross proceeds received by Lessee for such product in an arms' length transaction; provided, however, in the event the product is not sold under an arms' length transaction, Lessor's royalty shall be calculated by using the highest price paid or offered for the comparable quality of such product in the general area of the leased premises.

(d) **Production Sale Contracts.** Lessee shall pay Lessor One-Fourth (1/4) of all consideration received by or for the benefit of Lessee under any contract for the sale of Products, including, but not limited to, all contract settlements and other sums received by Lessee from any purchaser of Products, whether such sums are advance payments, payments under take-or-pay provisions, price buy-down settlements, or other contractual payments or payments in settlement of claims of whatever kind or character paid by any purchaser of Products to Lessee to the extent related to the sale of production from the leased premises. To the extent that any such consideration is paid in advance of actual production, Lessee shall receive credit for the amount thereof when such production occurs. Lessee agrees that if it enters into any contract for sale of any Products which shall extend for 3 (three) years from the effective date of such sales contract and such contract does not have adequate provisions for redetermination of price at intervals of not less frequently than annually, then Lessee, its successors and assigns, shall in advance of executing any such sales contract provide Lessor with a full and complete copy of the proposed contract for the purpose of allowing Lessor to determine whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract. Lessor shall, within thirty (30) days of receiving such sales contract, notify Lessee as to whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract.

(e) **Royalty to be Free of Expenses.** Lessor's royalty shall not bear or be charged with, directly or indirectly, any cost or expense incurred by Lessee, including without limitation, for exploring, drilling, testing, completing, equipping, storing, separating, dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing products, and no such deduction or reduction shall be made from the royalties payable to Lessor hereunder; provided, however, that Lessor's interest shall bear its proportionate share of severance taxes and other taxes assessed against its interest or its share of production.

(f) **Arms' Length Transaction.** In order to qualify as an arms' length transaction, a sale must be to a non-affiliated entity under an agreement negotiated in good faith by all parties which does not provide for any consideration to Lessee which will not or cannot be shared with Lessor under the royalty provisions of this lease.

(g) **Litigation Recoveries.** If Lessee participates in any litigation or administrative proceeding against a third party for damage to the leasehold estate or the minerals therein, including but not limited to, claims for trespass, violation of applicable rules and regulations, or breach of a production sale contract, Lessee shall make a sufficient claim therein to cover Lessor's royalty share as provided in this lease, and shall pay to Lessor One-Fourth (1/4) of the proceeds received by Lessee and attributable to this lease as a result thereof, whether by settlement, judgment or otherwise, provided, however, Lessee shall be entitled to recoup, from such royalty payments only One-Fourth (1/4) of the actual attorneys fees and litigation expenses

paid by Lessee to outside counsel and attributable to issues related to this lease, this being strictly a right to recoup from royalties payable and imposing no personal liability on Lessor.

(h). **Shut-in Gas Royalty.** While there is a well on the leased premises capable of producing gas in paying quantities but the production thereof is shut-in or suspended for any reason, Lessee may pay as royalty on or before 90 days after the date on which (i) production from any such well is shut-in or suspended or (ii) this lease is no longer maintained by compliance with other provisions hereof, whichever is the later date, and thereafter at annual intervals, a sum in the amount of \$25.00 per acre, or a minimum of Fifty Dollars (\$50.00), whichever is greater, for each and every shut-in gas well; and if such payment is made or tendered in accordance with the terms hereof, this lease shall not terminate but shall continue in full force, subject to the provisions of paragraph 13, and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this lease, and in no event shall shut-in well payments maintain this lease in force for a cumulative period exceeding 2 (two) years. Lessee shall not be entitled to recover any shut-in royalty payments from the future sale of gas. Should the shut-in period extend beyond the expiration of the primary term, such shut-in provision will pertain only to the producing unit of such gas well as provided for in paragraph 13. Should such shut-in royalty payments not be made in a timely manner as provided in this paragraph, it will be considered for all purposes that there is no production or no excuse for delayed production of gas from any such well or wells and unless there is then in effect other preservation provisions of this lease, this lease shall terminate at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all its interest in and to this oil and gas lease insofar as that portion of the premises included in the producing unit assigned to such shut-in well.

(i) **Recovery of Gas Liquids.** Lessee agrees that before any gas produced from the leased premises is used or sold off the leased premises, it will be run, free of cost to Lessor, through an adequate oil and gas separator of a conventional type or equipment at least as efficient, to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered on the lease.

(j) **Right to Take in Kind.** Lessor shall have the recurring option, in lieu of receiving the royalties thereon, to take One-Fourth (1/4) of any product produced by Lessee from the leased premises in kind, and to reverse such election and resume receiving royalty payment in money, in either case by giving Lessee at least sixty (60) days advance written notice. Such election may be made separately as to oil, gas or any other product, and Lessor may elect to have the royalty production delivered at the wellhead, at the oil and gas separator, into a pipeline connected at the well, at the location where Lessee sells its production, or at another location mutually acceptable to Lessor and Lessee. If Lessor elects to take royalty in kind, any necessary costs for separate metering or split stream delivery will be borne by Lessor. If Lessor elects to take gas royalty in kind, the parties shall enter into a gas balancing agreement using, at Lessor's election, either the most recent form used by Lessee in an arms-length industry transaction or the most recent form promulgated by the American Association of Professional Landmen. Lessee shall supply its most recent gas balancing agreement form to Lessor for evaluation purposes immediately upon receiving notice that Lessor intends to take gas royalty in kind.

(k). **Time for Payment of Royalty.** Within 120 days following the first sale of oil or gas produced from the leased premises, settlement shall be made by Lessee or by its agent for royalties due hereunder (initial royalty payment), and such royalties shall be paid monthly thereafter without the necessity of Lessor executing a division or transfer order. If a division or transfer order is circulated by Lessee, such division order will be a simple statement of interest containing no warranty or indemnity clauses and containing no clauses modifying in any way the terms of this lease. The insertion of any such clause will be of no force and effect so far as this lease and the rights and obligations of the parties hereto, and in any event, Lessor shall be under no obligation to execute any division or transfer order, and Lessor's execution thereof, if done, shall be considered a mere accommodation. If the initial royalty payment is not timely made under the terms hereof, this lease shall terminate as of 7 a.m. the first day of the month following the expiration of said 120-day period. If payments of royalties to Lessor are not made when due for whatever reason, the unpaid portion shall bear interest at the highest rate allowed by law. If the accumulation of royalty proceeds over a period of 12 months is \$100 or less, despite any language herein to the contrary, payments may be remitted to Lessor annually.

(l) **Royalty Information.** In addition to other information required to be furnished by Lessee to Lessor, either by law or under the terms of this lease, Lessee shall promptly provide Lessor with sufficient information for Lessor to monitor and calculate all royalty payments due Lessor hereunder, and if such information is not provided in a prompt or complete manner, Lessee waives, to the full extent allowed by law, any defense based upon the statute of limitations, laches or any other delay in bringing suit, with respect to any matter which would reasonably have been revealed by such information, even if Lessor had access to relevant information from other sources, it being intended that Lessor may rely upon Lessee to keep it fully informed without the necessity of obtaining information from other sources. It will be considered that information required hereunder has been promptly provided to Lessor if Lessee provides the same within thirty (30) days after the date upon which the information becomes available to Lessee.

DESPITE ANY LANGUAGE HEREIN TO THE CONTRARY, THIS IS A PAID-UP OIL & GAS LEASE, ALL DELAY RENTALS REFERRED TO HEREIN ARE PAID IN FULL

4. **Delay Rentals.** If actual drilling is not commenced on the leased premises, or on land pooled therewith, on or before twelve (12) months from the date of this lease, this lease shall then terminate, unless on or before such anniversary date Lessee shall pay or tender to Lessor or to the credit of Lessor in N/A which bank and its successors shall continue as the depository for all rentals payable hereunder, regardless of changes in ownership of delay rentals, the sum of Dollars (\$) (hereinafter called "rental"), which shall cover the privilege of deferring commencement of actual drilling for a period of twelve (12) months. In like manner, and upon like payments or tenders, actual drilling may be further deferred for like periods of twelve (12) months each during the primary term. In the event a portion or portions of the leased premises are pooled and unitized with other land to form a pooled unit or units or is included in a proration or production unit under the applicable rules and regulations of the appropriate state or federal governing body (hereinafter called "unit"), operation on or production from such unit or the payment of shut-in royalty as defined in paragraph 3(h) will maintain this lease in force only as to the land included in such unit. This lease may be maintained in force during the primary term as to any of the leased premises covered hereunder and not included in such unit in any manner provided for herein, which will include but not be limited to, the payment of delay rentals pursuant to the provisions of this paragraph, however it is understood that such delay rental shall be reduced in proportion to the number of acres covered hereby and included in such unit or units. The payment or tender of rentals or shut-in royalties may be made by check of Lessee mailed or delivered to Lessor or to said bank on or before the date of payment. The bonus paid hereunder is consideration for this lease and shall not be allocated as mere rental for a period. Lessee may at any time execute and deliver to Lessor or to the depository named above, a release or releases covering any portion or portions of the leased premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rental and shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. Lessee agrees that if at any time the aforesaid delay rental is not paid on or before the date on which same is required to be paid under the terms of this lease, or if this lease terminates for any other reason, then in said event, Lessee shall promptly prepare and execute a recordable release instrument covering the leased premises and shall forward same to Lessor. Lessee shall have no right to extend this lease after the expiration of the primary term by the payment of delay rentals.

5. Pooling Lessee is hereby granted the right to pool or combine the leased premises, or any part or parts thereof, as to all strata or any stratum, with any other land, as to all strata or any stratum, for the production of oil or gas. Pooled units which do not include 100% of the herein leased premises shall be subject to the written approval of the Lessor, such approval shall not be unreasonably withheld. Pooling in one or more instances shall not exhaust the right of Lessee hereunder to pool this lease or portion thereof into other or different units. Units pooled for oil hereunder shall not exceed forty (40) acres each, and units pooled for gas hereunder shall not exceed six hundred forty (640) acres each, provided however, that Lessee may form pooled units for horizontal wells below the base of the Brushy Canyon formation comprised of six hundred forty (640) acres, plus a tolerance of 10%. To effect a unit or units Lessee shall file a written unit designation and surveyor's plat outlining any such unit and describing the participating tracts in the county conveyance records in which the premises are located. A copy of the unit designation shall be furnished to Lessor within thirty (30) days after it is filed in the appropriate county records, and if Lessee fails to do so, such unit may be declared invalid by Lessor by an instrument filed in such county records. Drilling or reworking operations and production on any part of the pooled acreage shall be treated for all purposes hereof (except the payment of royalties on such production) as if such drilling or reworking operations were upon or such production was from the leased premises whether the well or wells be located on the leased premises or not. For the purpose of computing the royalties and other payments out of production to which the owners of such interests shall be entitled on production of oil and gas, or either of them, from any such pooled unit, there shall be allocated to the leased premises and included in such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis, thus, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production whether it be oil and gas, or either of them so allocated to the leased premises and included in the unit just as though such production were from the leased premises. In the event only a part, or parts, of the leased premises is pooled with other land, or lands, so as to form a pooled unit, or units, operations on or production from such unit, or units, will maintain this lease in force only as to the part of the leased premises included in such unit, or units. This lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein, provided that if it be by rental payments, rental payments shall be reduced in proportion to the number of acres covered hereby and included in such unit or units.

6. Operations. The following provisions shall apply to Lessee's operations on the leased premises:

(a) Dry Holes, Cessation of Production, Development and Protection from Drainage. If, prior to discovery of oil or gas on the leased premises or land pooled therewith, Lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences reworking or actual drilling within sixty (60) days thereafter, or, if it be within the primary term, commences or resumes the payment or tender of rentals or commences actual drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty (60) days 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 or gas is not being produced on the leased premises or land pooled therewith and Lessee is then engaged in actual drilling, completing or reworking of any well thereon, this lease shall remain in force so long as drilling or reworking is prosecuted with no cessation of more than sixty (60) consecutive days, and if such operation results in production, so long thereafter as oil or gas is produced in paying quantities from the leased premises or land pooled therewith. In the event a well or wells producing oil or gas should be brought in on adjacent land within six hundred feet (600') of the leased premises, Lessee agrees to commence the drilling of an offset well within 120 days. In lieu of drilling an offset well, Lessee has the option to release the offset proration unit as to the producing horizon(s) only. Nothing herein shall require Lessee to drill an offset well where Lessee has an existing well producing oil or gas on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land(s). If oil or gas is discovered on the leased premises, or on land pooled therewith, Lessee agrees to further develop the leased premises as a reasonably prudent operator would under the same or similar circumstances.

(b) Compliance with Regulations and Indemnity. Lessee agrees to conduct its operations in compliance with all applicable laws, rules and regulations. Lessee will protect, indemnify, hold harmless and defend Lessor against any claim, demand, cost, liability, loss or damage suffered by Lessor, including reasonable attorneys fees and litigation costs, arising out of or associated in any way with (i) any activity conducted by Lessee or Lessee's employees, agents, servants, contractors, licensees or permittees on or near the leased premises; (ii) environmental remediation and plugging and abandonment of wells; (iii) the management, use and disposal of produced water and wastes or substances associated with activities on the leased premises; and/or (iv) the oil, gas, all other products, any waste material, or any substance, pollutant or contaminant produced by Lessee or brought by Lessee onto the leased premises (all of which potential sources of claims shall be referred to as "Lessee's Conduct"). LESSEE'S OBLIGATION TO INDEMNIFY LESSOR FOR CLAIMS ARISING FROM LESSEE'S CONDUCT SHALL APPLY WITHOUT REGARD TO FAULT ON THE PART OF EITHER LESSOR OR LESSEE AND SHALL SPECIFICALLY INCLUDE INDEMNIFICATION OF LESSOR AGAINST LIABILITY TO THIRD PERSONS ARISING FROM LESSOR'S NEGLIGENCE IF SUCH LIABILITY IS RELATED TO LESSEE'S CONDUCT. Lessee's indemnity obligations for Lessee's Conduct under this paragraph are continuing obligations which will continue in effect, and be enforceable by Lessor, even after this lease terminates. As used in this paragraph, "Lessor" includes Lessor and the surface owner of the leased premises and their respective directors, officers, employees, agents, representatives and affiliates.

(c) Lessee shall have free use of oil, gas and water from the leased premises, except water from Lessor's wells, tanks, creeks, rivers, streams and springs, for all operations hereunder, provided that no surface water or underground fresh water will be used for fracturing, water flood or pressure maintenance purposes. Lessee shall have the right at any time within 180 days after the expiration of this lease to remove all property and fixtures placed by Lessee on the leased premises, including the right to draw and remove all casing except as to water wells in which Lessee shall have the right to remove all property and fixtures except casing and shall do nothing that will in any way damage said water well or prevent its future use by Lessor. Lessee will, at Lessor's request, remove the casing from and plug and abandon such water well at Lessee's sole expense. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth, and no well, tank battery or other surface drilling, production or marketing facility shall be located within four hundred (400') feet of any residence or barn now or hereafter located on the leased premises without Lessor's consent.

(d) Lessee will conduct its operations hereunder as not to interfere unreasonably with use of the surface of the leased premises provided, that any use of the surface will require written consent of Lessor in advance. Lessor agrees that such consent will not be unreasonably withheld. Prior to any use of the surface, Lessee will present to Lessor a plat of the property showing the area proposed to be used and the type of use to be made. Within 30 days of the receipt of such notice, Lessor will either deliver written consent or propose a reasonable alternative area for such use. Lessee will provide at Lessee's expense all protective measures to prevent any loss or damage to the property of Lessor on account of any operations by Lessee. Lessee will pay for all damages to the surface of or crops or improvements on the leased premises or suffered by any tenant of Lessor and caused by or arising out of operations under this lease. Pits and excavations made during drilling operations or otherwise will be filled by Lessee and the surface restored, as nearly as reasonably possible, to its original condition; and if Lessee shall fail to do so, the cost to Lessor of such filling and restoration shall be paid by Lessee.

B

7. **Assignments.** No assignment of this lease, or interest therein, may be made without written approval of the Lessor, such approval shall not be unreasonably withheld. Subject to the preceding condition, the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of Lessor and Lessee, but no change or division in ownership of the leased premises, 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 leased premises, rentals or royalties shall be binding upon Lessee for any purpose until Lessee shall have been furnished with the instrument or instruments, or certified copies thereof, evidencing such change or division. In the event of a permitted assignment of this lease as to a segregated portion of the leased premises, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area owned by each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder, and liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach.

8. **Force Majeure.** If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply with such covenants; additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling, completing or reworking operations or from producing oil or gas from the leased premises.

9. **Lessor Interest.** If Lessor owns an interest in the leased premises less than the entire and undivided fee simple estate therein, then the royalties and rental herein provided shall be paid the Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein.

10. **No Warranty.** Lessor herein executes and delivers this lease without warranty of title either express or implied. Lessee, at its option, 30 days after giving written notice to Lessor, may discharge any tax lien upon the interest herein leased; and, in the event Lessee does so, Lessee shall have the right to apply rentals and royalties accruing hereunder to reimburse such payment. Lessee shall not be subrogated to the rights of the party to whom payment is made, but may reimburse itself out of any royalties otherwise payable to Lessor hereunder.

11. **Mandatory Release by Lessee.** At any time that this lease terminates as to any acreage or depth, Lessee shall promptly execute and furnish to Lessor a release thereof in recordable form which contains a legally adequate description of the lands and/or depths being released.

12. **Information.** Lessee shall advise Lessor in writing as to the location of each well drilled upon the leased premises, or on land pooled therewith, on or before seven (7) days after commencement of operations, and shall advise Lessor in writing as to the date of completion or abandonment of each well drilled within thirty (30) days after such completion or abandonment. Lessee agrees to furnish Lessor with all well drilling, completion and production data, reports, title opinions, logs, and information when specifically requested by the Lessor. Lessee agrees that immediately following this instrument being recorded in the county records where the leased premises are located that Lessee will provide Lessor with a copy of this fully recorded instrument as it appears in said records.

13. **Extension Beyond Primary Term.** If at the end of the primary term this lease is still in force, this lease shall expire as to all that part of the leased premises (as hereinafter described) on which there is not a producing oil or gas well or on which Lessee is not then drilling, completing or reworking a well. At the end of the primary term, Lessee shall select and designate a producing unit around and including each producing oil or gas well or drilling or reworking well, the area of such unit to be limited to and conform with the minimum area provided for or established directly or indirectly in the applicable rules and regulations of the appropriate governing body of the state in which the subject acreage is located with reference to the spacing of wells or the size of producing units. As to each producing unit so designated, this lease shall continue in force so long as oil or gas is produced in paying quantities therefrom or so long as drilling, completing or reworking operations are prosecuted thereon as provided in paragraph 6 and shall be limited in depth from the surface down to and including 50 feet below the base of the deepest producing formation however such lower depth limit shall not exceed 100 feet below the deepest producing perforation within the wellbore situated on that producing unit; and Lessee shall execute a release of this lease as to the balance of the land covered hereby as well as formations at depths below the respective producing units. In the absence of field rules promulgated by the appropriate governing body of the state in which such acreage is located, the term "producing unit" as used herein means the following number of acres, depending on the depth to which the well has been drilled, and whether the well is an oil or gas well: A. 40 acres for an oil well completed at any depth. B. (i) 80 acres for a gas well completed at a depth of less than 2,000 feet subsurface; (ii) 160 acres for a gas well completed at a depth of 2,000 feet subsurface to 6,000 feet subsurface; (iii) 320 acres for a gas well completed at a depth of 6,000 feet subsurface to 9,000 feet subsurface; (iv) 640 acres for a gas well completed at a depth greater than 9,000 feet subsurface; provided however, that Lessee may form producing units for horizontal wells below the base of the Brushy Canyon formation comprised of six hundred forty (640) acres, plus a tolerance of 10%. If a portion of Lessee's rights terminate as provided in this Paragraph 13, then Lessee shall designate in writing the acreage it is allowed to retain around each oil well and each gas well and such written designation shall be filed for record in the county in which such acreage is located. Lessee shall be entitled to designate the number of acres above specified in a form of his choosing so long as no side is more than twice as long as any other side. The provisions of this paragraph 13 shall not have the effect of relieving the Lessee of its obligations to develop the lease with reasonable diligence after oil or gas is first discovered in paying quantities.

14. **Enforcement Expenses.** If Lessor files a legal action to enforce any express or implied obligation of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessee shall reimburse Lessor for all costs of such legal proceeding including expert witness and reasonable attorney's fees.

15. **No Community Lease.** If the mineral and/or royalty interests covered by this lease are different as between any two or more tracts within the leased premises, the execution of this lease shall not be construed to create a community lease nor in any way to effect the pooling or cross conveyance of interests in any such two or more tracts. Instead, it is Lessor's intent that oil and gas royalties and other lease benefits shall accrue to the owners of the particular tract of land on which is located the well or wells from which oil or gas production is taken, without apportionment to the owners of any other tract or tracts covered hereby, unless the pooling authority granted to the Lessee under this lease has been exercised, it being intended that ownership of royalties shall accrue to the tract on which the well is located.

16. **Notices.** All notices and other communications given in connection with this lease shall be in writing and shall be deemed to have been properly given and received on the date when personally delivered, or shall be deemed to have been properly given on the date of actual receipt if delivered by certified mail, fax or courier. The following addresses are hereby designated for the receipt of notices:

LESSOR:	300 Board of Trade Place New Orleans, Louisiana 70130-2482
LESSEE:	Petro-Hunt L.L.C. Attn: Land Department

1601 Elm Street, Suite 3400
Thanksgiving Tower
Dallas, TX 75201-7201

17. **Implied Covenants Preserved.** The express covenants of the lease are not intended to limit or restrict any implied covenants existing by law or by the nature of this agreement.

18. **Right to extend Primary Term of Lease.** Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation, to extend the primary term of this lease - as to any lands covered hereby and not otherwise being maintained by any other provision herein - for a period of two (2) additional years by paying Lessor prior to the expiration of the primary term of this lease an additional bonus of \$400.00 per net mineral acre for any such lands. In the event this right to extend the primary term is timely exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof as to any such lands for which such payment is timely made.

19. **Additional Surface Provisions.** With respect to actual operations conducted by Lessee on the leased premises, it is agreed by and between Lessor and Lessee as follows

(a) Prior to the commencement of any operations on the leased premises, Lessee shall give Lessor notice of Lessee's intention to commence operations, the approximate date of such commencement and the approximate location of same, and the type of operations to be conducted, such notice to be given within a reasonable time prior to the actual commencement of operations. In locating the wells, pumping units, tank batteries, pipe lines, roads and other facilities located on the leased premises, Lessee agrees to consult with Lessor and follow reasonable requests for such protection as may be necessary or advisable to minimize interference with Lessor's and/or the surface owner's operations on the leased premises. Nothing contained in this lease shall be construed to give Lessee, its successors and assigns, the right to construct or maintain any lease house or lease camp for housing Lessee's employees on the leased premises, and Lessee shall have no right to do so.

(b) The location for each well, tank battery, road and right of way for a pipeline or flow line shall use only so much of the surface as is necessary to conduct operations under this lease in a reasonable and prudent manner. Lessee agrees to maintain any roads on the leased premises used by Lessee, or its permittees, in good repair and condition as all-weather caliche roads at all times. No new road shall be constructed by Lessee without first consulting with Lessor as to the location of such road, and all new roads shall be constructed and maintained as all-weather caliche roads at Lessee's cost and expense and shall not exceed twenty (20) feet in width. No caliche or gravel from the leased premises shall be used by Lessee in its operations under this lease without the prior written consent of Lessor. Lessee shall install adequate bridges or culverts wherever any new road constructed by Lessee crosses a natural stream or drainage, and all roads and any pipelines laid by Lessee shall be so constructed and laid as not to interfere with the natural flow of surface waters or with drainage.

(c) At the request of Lessor or the surface owner from time to time and at any time, all pipelines laid by Lessee on the leased premises shall be buried to a depth of at least twenty-four inches (24") below the surface and the area occupied by all buried pipelines, after installation, replacement or repair, shall be backfilled and tamped, and otherwise restored as nearly as practical to its condition prior to installation, replacement or repair. In the event Lessee shall obtain commercial production of oil and/or gas from the leased premises pursuant to the terms hereof, Lessee shall have the right to install electrical power lines on the leased premises for the purpose of operating equipment used in producing, operating, processing or transmitting gas or other hydrocarbons produced from the leased premises. Lessor shall be consulted with as to the location and method of installation of such electrical power lines prior to commencement of installation.

(d) All operations conducted by Lessee on the leased premises shall be conducted in accordance with all applicable environmental laws and regulations and in such manner as will least interfere with the ranching and agricultural operations and recreational activity of Lessor and the surface owner on the leased premises. Lessee shall construct and maintain fences around each site of Lessee's surface facilities (including, but not limited to, tank batteries and slush pits) sufficient to keep all livestock out of such sites. Lessee shall install and/or maintain gates or substantial cattleguards capable of turning livestock at all openings in fences crossed by Lessee or others in conducting operations under this lease.

(e) Lessee shall keep the surface of the leased premises neat and clean and shall remove all waste material and debris as soon as may be practical and upon the completion of any drilling or reworking operations. Lessee shall fill and level all pits and ruts, remove all debris and restore the surface of the leased premises so used by Lessee as nearly as practicable to its condition prior to Lessee's use thereof, except for such permanent production or marketing facilities as Lessee may maintain thereon. All pits dug and used in connection with Lessee's operations on the leased premises shall be lined with plastic liners. Upon restoration of each such pit, the plastic liners shall be cut off below the surface and the pit shall be filled with topsoil. Within one hundred twenty (120) days following the abandonment of any wellbore or other facility location on the leased premises, Lessee shall fill and level all pits and ruts, remove all caliche and debris and restore the surface of the area used as nearly as practicable to its condition prior to Lessee's use thereof, including the placement of top soil thereon of a depth sufficient to grow native grasses where practicable, and at the request of Lessor, Lessee shall re-seed such area with native grasses.

(f) Lessee shall not permit its agents, employees, servants, contractors, subcontractors, service personnel or others entering upon the leased premises under the authority of this lease to hunt or fish on any portion of the leased premises or to take any rifle, shotgun, pistol or other firearms thereon for any purpose whatsoever. The Lessor or the Lessor's representatives may inspect any vehicle entering the leased premises and may deny access to said lands to anyone found carrying firearms or fishing equipment.

(g) Any salt water produced from wells drilled under this lease shall be disposed of off of the leased premises or shall be reinjected into a subsurface strata at a depth sufficient to protect all oil and/or gas bearing formations and all sources and supplies of fresh and potable water or water suitable for irrigation purposes.

(h) Lessee shall furnish the Lessor with full and complete information as to all water zones encountered by Lessee in any well drilled on the leased premises, whether it be a well drilled for oil or gas or a water well. If Lessee desires to abandon any water well drilled by it hereunder, prior to doing so, Lessee shall tender such water well or wells to the Lessor, and if the Lessor shall elect to accept the same, Lessee shall remove all equipment from said water well and such water well and all casing therein shall be and become the property of the Lessor.

(i) Without the prior written consent of Lessor, Lessee shall not conduct any seismic or geophysical operations within four hundred feet (400') of any residence, barn, building, water well, windmill or tank now located or hereafter to be located on the leased premises, other than foot traffic to lay receiver lines and receiver phones.

(j) Should Lessee drill a well on that portion of the leased premises now or hereafter in cultivation, Lessee agrees that after drilling operations are completed, Lessee will locate all surface equipment, pits and other facilities in such a manner that will not interfere with the operation of any irrigation system used or held for use in irrigating such cultivated lands.

(k) Lessee shall install gates across all existing cattle guards used or new cattle guards installed on the leased premises and, except as provided below or unless otherwise permitted by Lessor, shall keep all such cattle guard gates closed and locked at all times by use of a locking device acceptable to Lessor. During any period in which Lessee is conducting actual drilling operations on the leased premises, Lessee shall not be required to keep said gates locked.

(l) Lessee, its agents, employees, contractors and subcontractors or others entering upon the leased premises under the authority of this Lease shall not intentionally remove or destroy any fossils, Indian artifacts, man-made structures or other archeological objects of historical or scientific value which may be situated thereon. Should Lessee or any of its employees, agents, contractors or subcontractors discover any such objects on the leased premises, it shall leave said objects in place.

(m) Lessee agrees to use reasonable care in the conduct of all operations on the leased premises to prevent injury or damage to the livestock, buildings or other property situated on the surface of the leased premises, or water wells and tanks located thereon, and Lessee agrees to pay the surface owner for any and all damages to the surface owner's livestock, crops, fences, building, wells, tanks and any other fixtures of the surface owner, or of any tenant of the surface owner, situated on the leased premises, resulting from operations under this lease. In addition to any damages which may become payable by Lessee as above provided, Lessee shall pay the surface owner the following amounts for the use of the surface of the leased premises:

(i) Five Thousand and no/100 Dollars (\$5,000.00) for each location for a drilling or producing well located on the leased premises which are not in cultivation, and if the site is more than two (2) acres, the amount shall be proportionately increased at the rate of Two Thousand Five Hundred and no/100 Dollars (\$2,500.00) per acre or part thereof. Eight Thousand and no/100 Dollars (\$8,000.00) for each location for a drilling or producing well located on lands which are in cultivation, and if the site is more than two (2) acres, the amount shall be proportionately increased at the rate of Four Thousand and no/100 Dollars (\$4,000.00) per acre or part thereof. Each such location shall not exceed more acreage than is reasonably and necessarily required by Lessee in its operations hereunder.

(ii) Five Thousand and no/100 Dollars (\$5,000.00) for the site occupied by each tank battery, pumping station, meter run or other surface production, treating or marketing facility not located on a well location, not previously compensated for and located on lands which are not in cultivation, and, if the site is more than one (1) acre, the amount shall be proportionately increased at the rate of Two Thousand Five Hundred and no/100 Dollars (\$2,500.00) per acre or part thereof. Eight Thousand and no/100 Dollars (\$8,000.00) for the site occupied by each tank battery, pumping station, meter run or other surface production, treating or marketing facility not located on a well location, not previously compensated for and located on lands which are in cultivation, and, if the site is more than one (1) acre, the amount shall be proportionately increased at the rate of Four Thousand and no/100 Dollars (\$4,000.00) per acre or part thereof. Each such location shall not exceed more acreage than is reasonably and necessarily required by Lessee in its operations hereunder.

(iii) For each pipeline (other than and excluding temporary surface pipelines) installed by Lessee on the leased premises, the sum of Fifteen and no/100 Dollars (\$15.00) per rod. To the extent practical, all such pipelines shall be laid along fence lines or roads and if and to the extent any such pipeline is laid within the area of any new road constructed by Lessee hereunder, no per rod charge for such pipeline shall be due.

(iv) For each electric power line laid upon the leased premises, the sum of One Hundred Fifty and no/100 Dollars (\$150.00) per pole; the location and height of each such line to be approved by Lessor.

(v) For geophysical operations on said lands, the sum of Fifteen and no/100 Dollars (\$15.00) per acre.

(vi) For all roads constructed or used by Lessee on the leased premises, the sum of Twenty-Four and no/100 Dollars (\$24.00) per rod for new roads built by Lessee and the sum of Twelve and no/100 Dollars (\$12.00) per rod for use of existing roads; each such new road not to exceed twenty feet (20') in width.

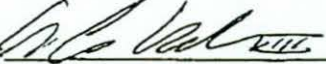
The foregoing amounts shall remain effective for three (3) years from the date hereof and thereafter Lessee shall pay the reasonable going rate in the area with the foregoing amounts to be the minimums.

Each payment due hereunder shall be due and payable prior to the time Lessee first utilizes any of the leased premises for a purpose requiring such a payment to the payee.

Executed on the date first above written

LESSOR

H. L. HAWKINS, JR., INC.

By: 

H. L. Hawkins, III
President

LESSEE

Petro-Hunt L.L.C.

By: 

Bruce W. Hunt
President

Wah
1/23/09

STATE OF LOUISIANA

PARISH OF ORLEANS

THIS INSTRUMENT was acknowledged before me on the 8th day of January, 2008, by H. L. Hawkins, III, President of H. L. HAWKINS, JR., INC., a Delaware corporation, on behalf of said corporation.



Virginia F. Lovell
Notary Public in and for the State of Louisiana

VIRGINIA F. LOVELL
NOTARY PUBLIC
Parish of Orleans, State of Louisiana
My Commission is issued for 10 years.

THE STATE OF TEXAS

COUNTY OF Dallas

This instrument as acknowledged before me on this 27 day of January, 2008 by Bruce W. Hunt, President of Petro-Hunt, L.L.C.



Susan M. Lecroy
Notary Public, State of Texas

Notary's Commission Expires: 6-24-2012



Certificate of Record

34.00 Recording Fee

____ Certified Copy Fee

34.00 Total Paid enr.

Return to

Petro-Thunt LLC

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

000517

COMPARED

FILED FOR RECORD

2009 FEB -9 PH 1:39

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

M. Camacho DEPUTY

THE STATE OF TEXAS, }
COUNTY OF REEVES }

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

OPR VOL 814 PAGE 641 DATE RECORDED 02/11/2009



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Dalia Holinde Deputy

File No. 11449

Lease

Date Filed: 9/3/12

Jerry E. Patterson, Commissioner

By GH

**Basefile Number - 151421**

Information for this County -

REEVES COUNTY[Related GloBase Record](#)[Download GIS Data](#)[Energy Lease Information](#)**IDENTIFICATION NUMBERS****LAND CLASS NUMBER - 08****BASEFILE NUMBER - 151421****CONTROL NUMBER 08-030506****SURVEY INFORMATION****SURVEY NAME - PSL****GRANTEE NAME - Grubb, M T****ABSTRACT - 5743****BLOCK - TOWNSHIP - North 2/3 5 PSL C-21****SECTION NUMBER - 5****SECTION/PART -****CURRENT ACRES - 426.67****ORIGINAL ACRES - 426.67****PATENT INFORMATION:****PATENTEE NAME -****DISTRICT - Bexar****CLASSIFICATION - School****FILE NUMBER - 151421****PATENT DATE -****CERTIFICATE -****PATENT NUMBER -****PATENT VOLUME -****PAGE - 69****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

1/16
7

2 wells within 500'
of FR Tracts



Texas General Land Office

Interactive Land Lease Mapping Program



Save

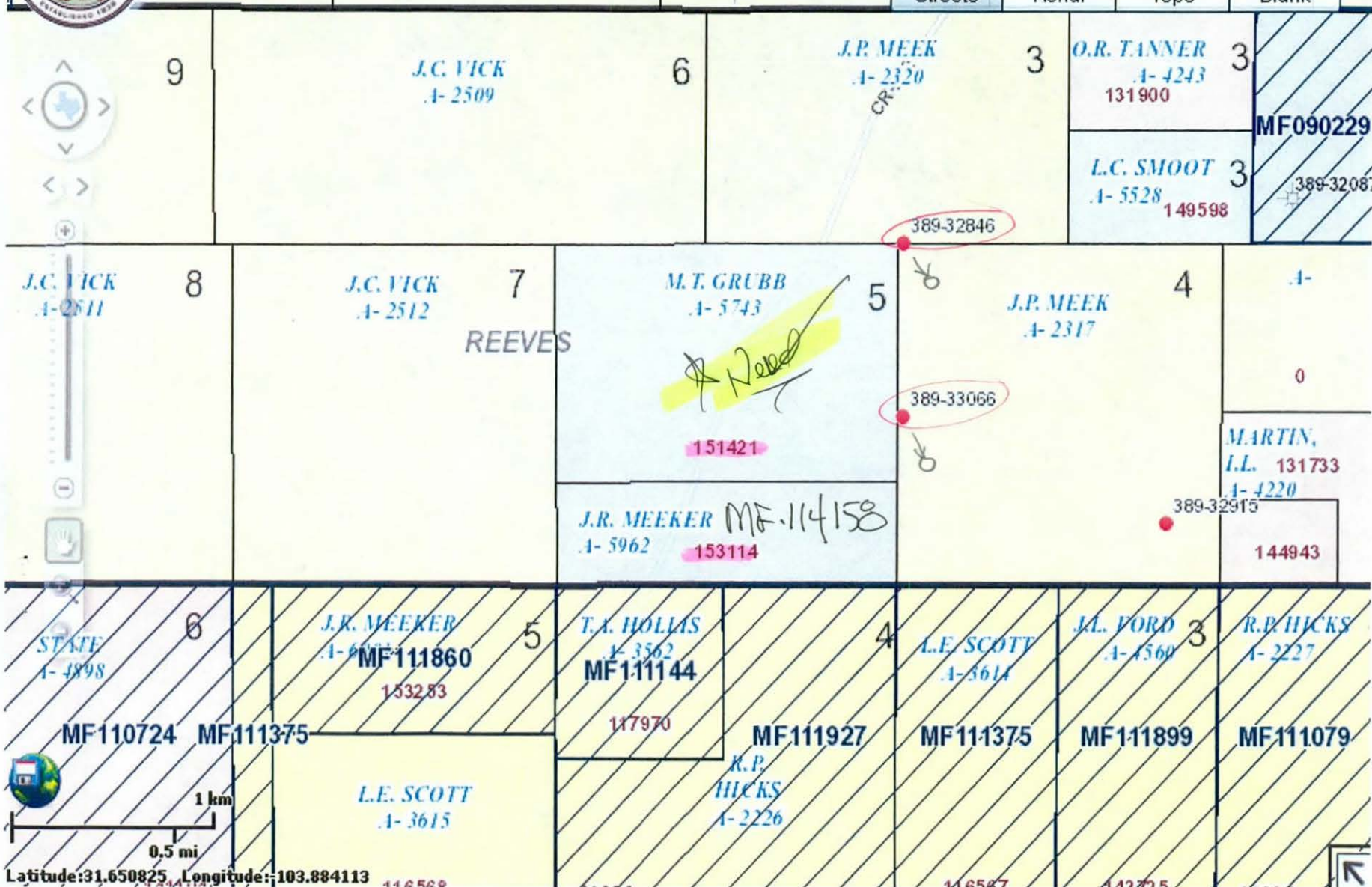
389-00441

Streets

Aerial

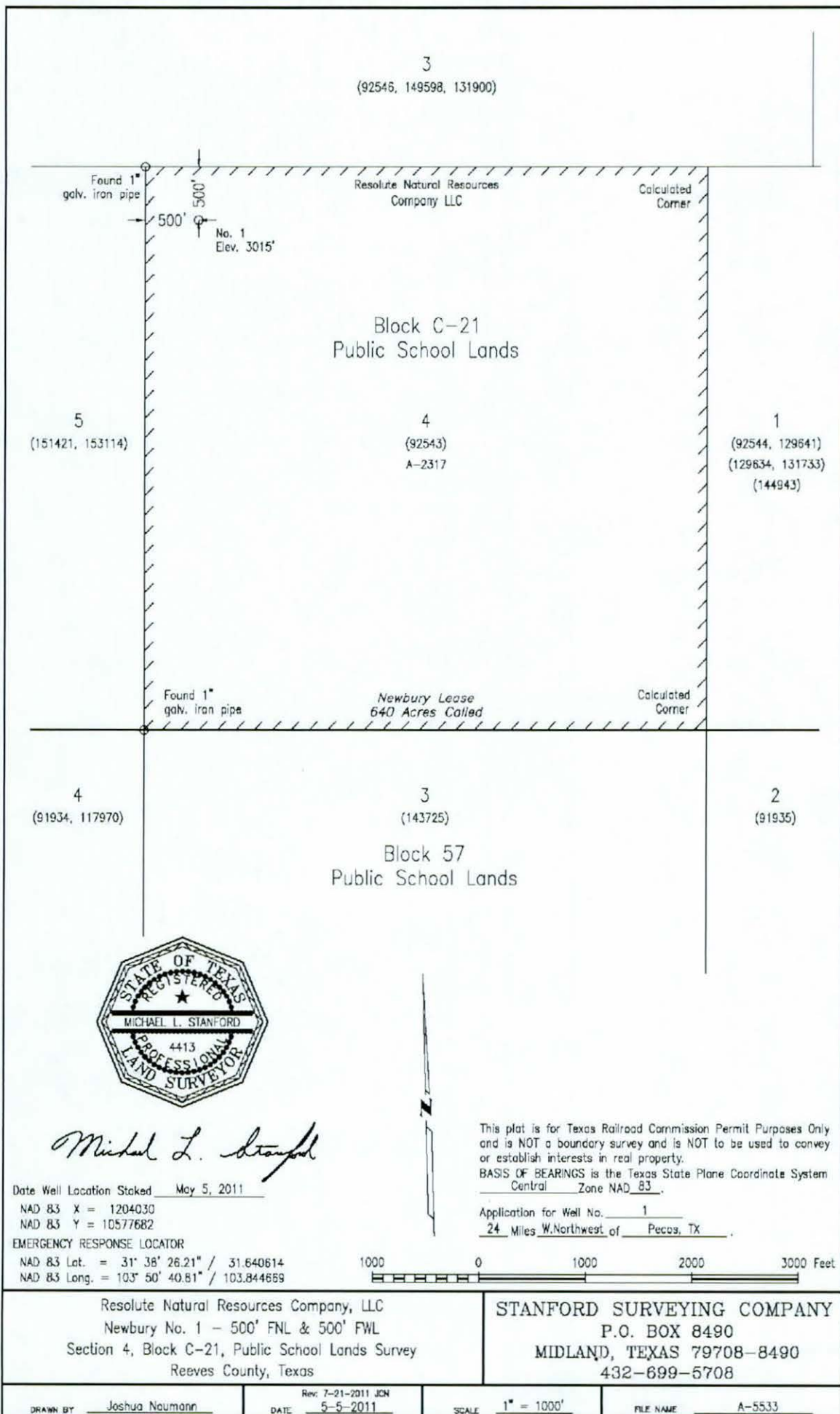
Topo

Blank



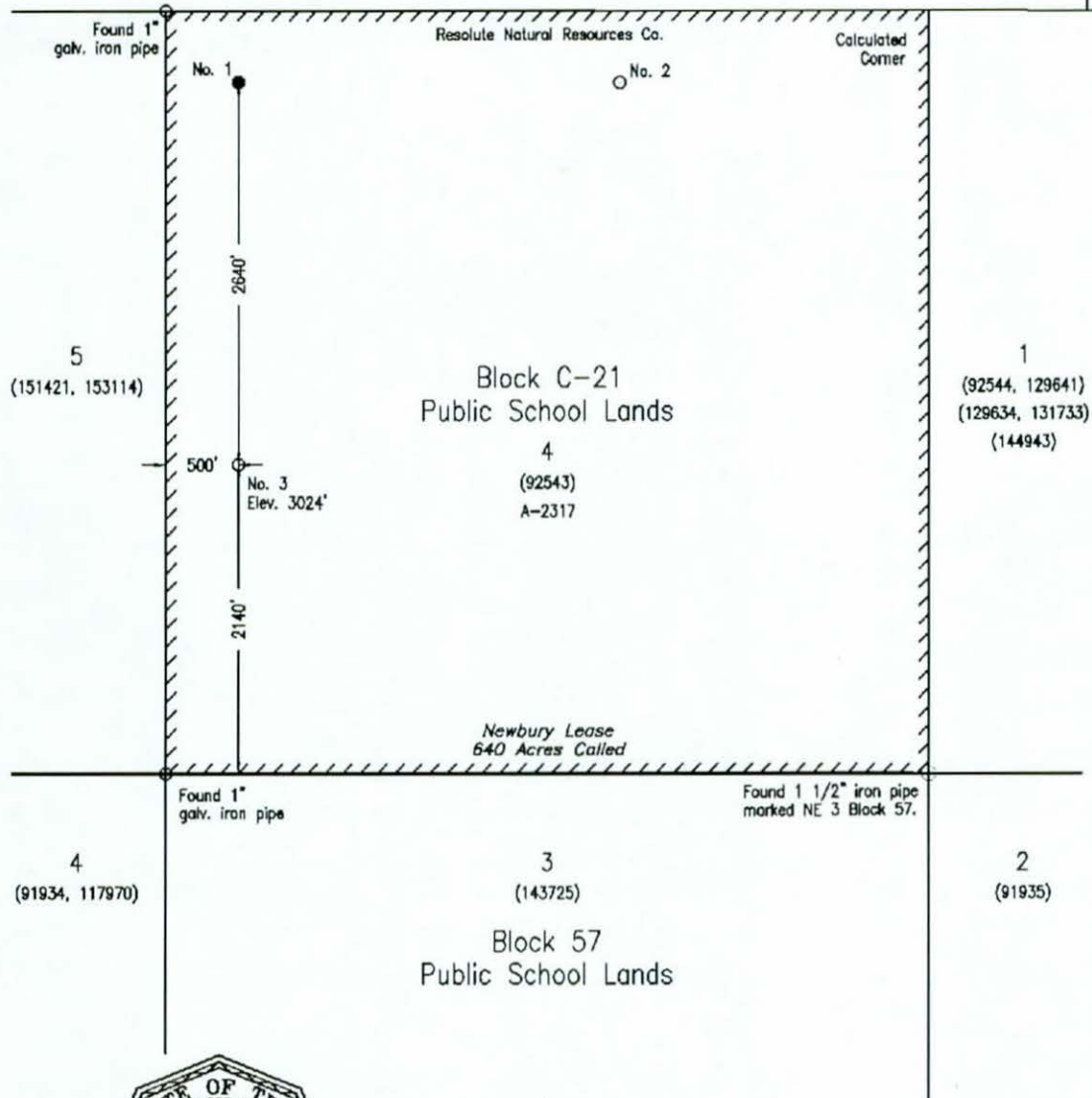
Latitude: 31.650825 Longitude: 103.884113

API No. <u>42-389-32846</u> Drilling Permit # <u>715807</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. 703352		2. Operator's Name (as shown on form P-5, Organization Report) RESOLUTE NATURAL RES. CO., LLC		3. Operator Address (include street, city, state, zip):		
4. Lease Name NEWBURY		5. Well No. 1				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☒ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): ☒ Vertical ☐ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack						
8. Total Depth 13500		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. 08		12. County REEVES		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located 24 miles in a NW direction from Pecos which is the nearest town in the county of the well site.						
15. Section 4		16. Block C21		17. Survey PSL / MEEK, J P		
		18. Abstract No. A-2317		19. Distance to nearest lease line: 500 ft.		
				20. Number of contiguous acres in lease, pooled unit, or unitized tract: 640		
21. Lease Perpendiculars: 500 ft from the N line and 500 ft from the W line.						
22. Survey Perpendiculars: 500 ft from the N line and 500 ft from the W line.						
23. Is this a pooled unit? ☐ Yes ☒ No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	98359800	WOLFBONE (TREND AREA)	Oil or Gas Well	13500	0.00	
08	00018001	WILDCAT	Oil or Gas Well	13500	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS						
Remarks [RRC STAFF Jul 22, 2011 10:34 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jul 26, 2011 12:42 PM]: Problems identified with this permit are resolved.			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Patrick Flynn, VP, Governmental Affairs</u> <u>Jul 21, 2011</u> Name of filer Date submitted <u>(303)5344600, x1145</u> <u>pflynn@resoluteenergy.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: Jul 26, 2011 2:22 PM('As Approved' Version)						



API No. <u>42-389-33066</u> Drilling Permit # <u>726753</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>703352</u>		2. Operator's Name (as shown on form P-5, Organization Report) RESOLUTE NATURAL RES. CO., LLC		3. Operator Address (include street, city, state, zip): _____		
4. Lease Name NEWBURY		5. Well No. <u>3</u>				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): ☒ Vertical ☐ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack						
8. Total Depth <u>13500</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>25</u> miles in a <u>NW</u> direction from <u>Pecos</u> which is the nearest town in the county of the well site.						
15. Section <u>4</u>		16. Block <u>C21</u>		17. Survey <u>PSL/MEEK, J P</u>		
		18. Abstract No. <u>A-2317</u>		19. Distance to nearest lease line: <u>500</u> ft.		
20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>640</u>						
21. Lease Perpendiculars: <u>500</u> ft from the <u>WEST</u> line and <u>2140</u> ft from the <u>SOUTH</u> line.						
22. Survey Perpendiculars: <u>500</u> ft from the <u>WEST</u> line and <u>2140</u> ft from the <u>SOUTH</u> line.						
23. Is this a pooled unit? ☐ Yes ☒ No		24. Unitization Docket No: _____		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	98359800	WOLFBONE (TREND AREA)	Oil or Gas Well	13500	2640.00	3
08	00018001	WILDCAT	Oil or Gas Well	13500	2640.00	3
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS						
Remarks [RRC STAFF Oct 27, 2011 2:24 PM]: Manual review ok, density met.			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Patrick Flynn, VP, Governmental Affairs</u> <u>Oct 21, 2011</u> Name of filer Date submitted			
RRC Use Only Data Validation Time Stamp: Oct 27, 2011 2:25 PM('As Approved' Version)			<u>(303)5344600, x1145</u> <u>pflynn@resoluteenergy.com</u> Phone E-mail Address (OPTIONAL)			

3
(92546, 149598, 131900)



Michael L. Stanford

Date Well Location Staked September 19, 2011

NAD 83 X = 1203960
NAD 83 Y = 10575044

EMERGENCY RESPONSE LOCATOR

NAD 83 Lat. = 31° 38' 00.09" / 31.633359
NAD 83 Long. = 103° 50' 40.66" / 103.844628

1000 0 1000 2000 3000 Feet

Resolute Natural Resources Company, LLC
Newbury No. 3 - 2140' FSL & 500' FWL
Section 4, Block C-21, Public School Lands Survey
Reeves County, Texas

STANFORD SURVEYING COMPANY
P.O. BOX 8490
MIDLAND, TEXAS 79708-8490
432-699-5708

DRAWN BY Mike Stanford

Rev. 10-7-11 MLS
DATE 10-5-11

SCALE 1" = 1000'

FILE NAME A-6200

This plot is for Texas Railroad Commission Permit Purpose Only and is NOT a boundary survey and is NOT to be used to convey or establish interests in real property.

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

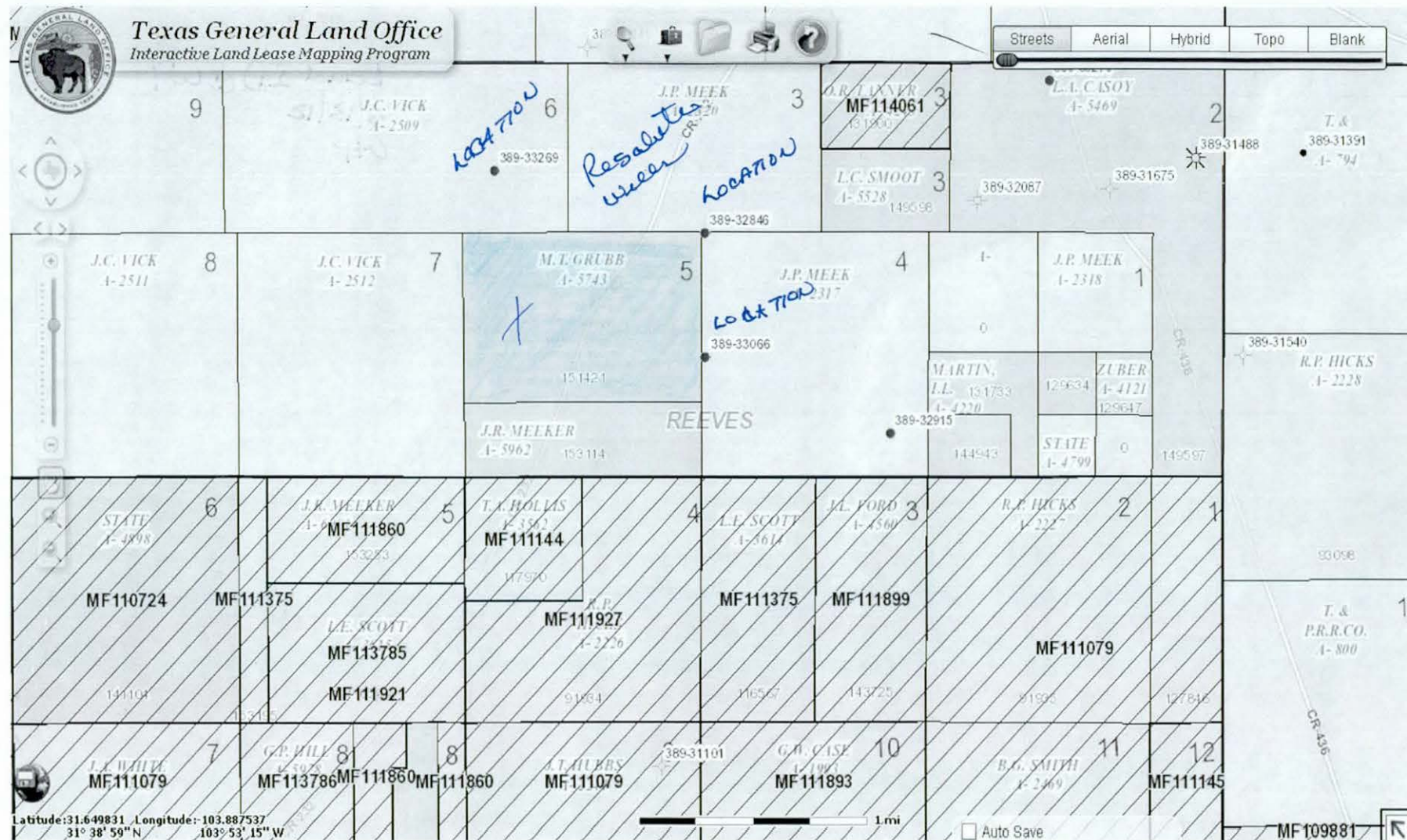
Application for Well No. 3
25 Miles Northwest of Pecos, TX

File No. _____

Date Filed: _____

Jerry E. Patterson, Commissioner

By _____



C-21
 Sec 5
 N1 2/3 426.67ac

File No. 419

8/13/12

Date Filed: 13003 pm07

Jerry E. Patterson, Commissioner

164411

From: Lynn Ahlfenger <LAhlfenger@resoluteenergy.com>
To: "Beverly Boyd (Beverly.Boyd@GLO.TEXAS.GOV)" <Beverly.Boyd@GLO.TEXAS.GOV>
Date: 8/13/2012 4:52 PM
Subject: TX00963.000 Hawkins - Mustang.pdf - Adobe Acrobat Standard
Attachments: TX00963.000 Hawkins - Mustang.pdf

Beverly,

I have attached a scanned copy of the Hawkins lease that covers the N 2/3 of Sec 5, Block C-21 in Reeves Co, TX.

I was unaware that this lease was subject to the 1/16th Free Royalty.

Since there are so many leases I will be sending you, I have broken them up into five batches, so you will be getting four more emails from me - my apologies,

Lynn Ahlfenger
Lease Analyst

[Description: Description: Description: Description: Description: Resolute_Logo]
1675 Broadway, Suite 1950
Denver, CO 80202
303)534-4600
Direct: 303)573-4886x1280

3

File No. 114491

Royalty Clarification

Date Filed: 8/13/12

Jerry E. Patterson, Commissioner

By GH

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EXERCISE OPTION TO EXTEND PRIMARY TERM MEMORANDUM

STATE OF TEXAS)
)
COUNTY OF REEVES)

WHEREAS, on December 18, 2008, H L HAWKINS JR INC ("Lessor"), executed an Oil, Gas and Mineral Lease (the "Lease") in favor of PETRO-HUNT LLC, ("Lessee"), recorded in Volume 814, Page 641, of the Official Public Records of Real Property of Reeves County, Texas, covering 426.67 gross acres, described as:

The North Two-Thirds of Section 5, Block C-21, Public School Land Survey, containing 426.67 acres, more or less

WHEREAS, on April 8, 2011, Petro-Hunt LLC as Assignor, assigned said lands to Colt Unconventional Resources LLC as Assignee, as recorded in Volume 883, Page 686 of the Official Public Records of Real Property of Reeves County, Texas, and on May 6, 2011, Colt Unconventional Resources LLC as Assignor, assigned an undivided portion of the lands to Resolute Natural Resources Southwest, LLC, as Assignee, as recorded in Volume 885, Page 200 of the Official Public Records of Real Property of Reeves County, Texas;

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

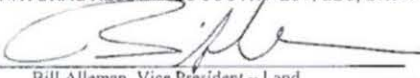
18. Right to extend Primary Term of Lease. Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation, to extend the primary term of the lease - as to any lands covered hereby and not otherwise being maintained by any other provision herein - for a period of two (2) additional years by paying Lessor prior to the expiration of the primary term of this lease an additional bonus of \$400.00 per net mineral acre for any such lands. In the event this right to extend the primary term is timely exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof as to any such lands for which such payment is timely made.

NOW, THEREFORE, pursuant to the terms and conditions of paragraph 18, it is the desire of Resolute Natural Resources Southwest, LLC to extend the primary term of the Lease, from Three (3) years to Five (5) years.

NOW, THEREFORE, be it known that pursuant to the terms of the Lease, Resolute Natural Resources Southwest LLC has paid to Lessor, on December 1, 2011, the sum of \$400.00 per net acre for 426.67 net mineral acres, covered by the Lease to effectuate the extension of the primary term from three (3) years to five (5) years from the date of said Lease and that this instrument shall evidence such extension. This extension shall apply to all of the oil, gas and minerals owned by the Lessor as described above. Except as herein changed, the provisions of said Lease and any recorded instrument effecting said lease shall remain in full force and effect.

IN WITNESS WHEREOF this instrument is made effective on the eighteenth (18th) day of December, 2011.

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, Lessee



Bill Alleman, Vice President -- Land

ACKNOWLEDGEMENT

STATE OF COLORADO)
)
CITY & COUNTY OF DENVER)

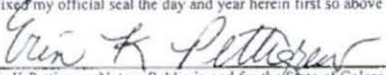
On this 30th day of May, 2013, before me personally appeared BILL ALLEMAN, to me known to be the VICE PRESIDENT -- LAND of Resolute Natural Resources Southwest, LLC the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

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

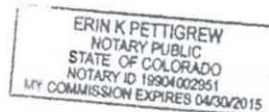
My commission Expires: April 30, 2015

TX00963 000

Inst No. 13-04061
DIANNE O. FLOREZ
COUNTY CLERK
2013 Jun 11 at 11:12 AM
REEVES COUNTY, TEXAS
By: AC Aurora Calanchi DEPUTY



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



File No. MF114491
Extends lease 2 yrs. to
12/18/13
Date Filed: 10/11/13
Jerry E. Patterson, Commissioner
By SSD

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AMENDMENT OF OIL AND GAS LEASE

STATE OF TEXAS)
)
COUNTY OF REEVES)

WHEREAS, on December 18, 2008, **H L HAWKINS JR INC**, ("Lessor") executed a Paid-Up Oil and Gas Lease (the "Lease") in favor of **PETRO-HUNT, LLC** ("Lessee"), as recorded in Volume 814, Page 641 of the Official Public Records of Real Property of Reeves County, Texas, covering 426.67 gross acres, described as:

North Two-Thirds of Section 5, Block C-21, Public School Land Survey, containing 426.67 acres, more or less

WHEREAS, on April 8, 2011, Petro-Hunt, LLC as Assignor, assigned said lands to Colt Unconventional Resources, LLC, as Assignee, as recorded in Volume 883, Page 686 of the Official Public Records of Real Property of Reeves County, Texas; and on May 6, 2011, Colt Unconventional Resources, LLC, as Assignor, assigned an undivided portion of said lands to Resolute Natural Resources Southwest, LLC, as Assignee, as recorded in Volume 885, Page 200 of the Official Public Records of Real Property of Reeves County, Texas; and

WHEREAS, the Lease provided for a primary term of three (3) years from December 18, 2008 to December 18, 2011, and paragraph 18 allowed for an option to extend the primary term from three (3) to five (5) years, which option was exercised extending the lease to December 18, 2013, and the lease has been perpetuated by the terms thereof. The first well drilled on the Lease, the Resolute: Meeker 05-13, Permit #750713, spud December 12, 2012 and was successfully drilled and completed as a producing well in the SW of Section 5, Block C-21.

WHEREAS, Resolute Natural Resources Southwest, LLC desires to extend the primary term of the lease for an additional eighteen (18) months for only the lands described below:

North Half and North One-Third of the Southeast Quarter of Section 5, Block C-21,
Public School Land Survey, containing 373.34 acres, more or less

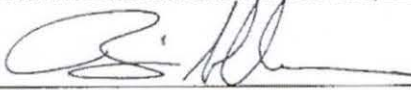
NOW, THEREFORE, for and in consideration of the premises and the sum of One Hundred Dollars (\$100) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant Resolute Natural Resources Southwest, LLC an extension of the primary term an additional eighteen (18) months to June 18, 2015, only as to the North Half and North One-Third of the Southeast Quarter of Section 5, Block C-21, PSL Survey, Reeves County, Texas.

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

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

IN WITNESS WHEREOF this instrument is executed and made effective this 5th day of JUNE, 2013.

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC


By: Bill Alleman
Title: Vice President - Land

H. L. HAWKINS JR., INC.


By: H. L. Hawkins, III
Title: President

ACKNOWLEDGEMENTS

STATE OF COLORADO)
)
CITY & COUNTY OF DENVER)

On this 5th day of JUNE, 2013, before me personally appeared **BILL ALLEMAN**, to me known to be the VICE PRESIDENT - LAND of Resolute Natural Resources Southwest, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

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

My commission Expires: April 30, 2015

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

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

STATE OF Louisiana)
COUNTY OF Orleans)

On this 17th day of June, 2013, before me personally appeared M. L. HAWKINS, III as President of **H. L. HAWKINS JR., INC.** who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

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

My commission Expires: _____

VIRGINIA F. LOVELL
NOTARY PUBLIC
Parish of Orleans, State of Louisiana
My Commission is issued for Life.

Virginia F. Lovell Bar #14153

Inst No. 13-04450
DIANNE O. FLOREZ
COUNTY CLERK
2013 Jun 25 3 08:32 AM
NEEVES COUNTY, TEXAS
By: [Signature], DEPUTY

5.

File No. MF 114491
Lease Amendment and
extension

Date Filed: 6/5/13
Jerry E. Patterson, Commissioner

By SSD



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 27, 2015

Sam Grummon
Resolute Natural Resources Company, LLC
1700 Lincoln St Ste 2800
Denver, CO 80203

Re: State Lease Nos. ✓ MF114491 and MF114158 (Unit 7187) Queen City 0302BH
MF114155 (Unit 6833) Great Divide 1402BR
MF115503 (Unit 7063) Harpoon 1401BH

Dear Mr. Grummon:

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

Owner: COMMISSIONER OF THE TEXAS

Date: 05/01/2015

Description: QUEEN CITY 0302BH

Effective Date: 03/01/2014

Complete Property Description Listed Below

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

Owner Name and Address

COMMISSIONER OF THE TEXAS
GENERAL LAND OFFICE
P O BOX 12873
AUSTIN, TX 78711-2873
Phone Number: 800-998-4456

Owner Number: 06076
Type Interest: State - Free of Gas Proc/Trtg Fee
Decimal Interest: 0.04125142 ✓
FAX Number:

Property Description

Property: 2270.01 QUEEN CITY 0302BH
Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US	Block: C-21 Section: 3 Qtr/Qtr: NWNW	Surv. Ft/Dir: 0 Surv. Ft/Dir: 0
SHL = 150' FNL, 1598' FWL		
Reeves, TX US	Block: C-21 Section: 5 Qtr/Qtr: SESE	Surv. Ft/Dir: 0 Surv. Ft/Dir: 0
BHL = 100' FSL, 660' FEL		

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

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

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

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

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

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

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

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

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

Owner(s) Daytime Phone #: _____

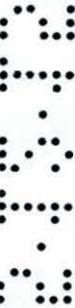
Owner(s) FAX Number: _____

6.
File No. MF 114491

Division Order County

Date Filed: 8-27-15

By VH George P. Bush, Commissioner



MF114158 + MF114491

NADOA Model Form Division Order (Adopted 9/95)

DIVISION ORDER

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

Date: September 22, 2017

Property Number: 2319.01 & 2320.01
Property Name: PIPEWORKS B05H & PIPEWORKS L06H
Operator: RESOLUTE NATURAL RESOURCES COMPANY
County and State: REEVES COUNTY, TX
Property Block: C-21
Description: Sec 6 E2, Sec 5 N2/3, Sec S 1/3

Owner Name and Address: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE P O BOX 12873 AUSTIN, TX 78711-2873	OWNER NUMBER: 06076 Type of Interest: NPS8 Decimal Interest: 0.03703614
--	---

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

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

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

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

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

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

Owner(s) Signature(s): _____

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

Owner Daytime Telephone: _____

Owner FAX Telephone #: _____

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

Npt

KEEP THIS COPY FOR YOUR RECORDS

06076 - COMMISSIONER OF THE TEXAS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 28, 2017

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

Re: State Lease Nos. MF114158 and MF114491 Pipeworks B05H and L06H

Dear Mrs. Hicks:

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

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

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

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

Thank you,

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

7.

Division Order

George P. Bush, Commissioner
By V.H.



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

unit 7187
MF114158
MF114491

NADOA Model Form Division Order (Adopted 9/95)

Date: 05/28/2019

Effective Date: 08/01/2017

030618

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

Description: QUEEN CITY 0302BH - ENT OIL

Complete Property Description Listed Below

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

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.04125142 ✓

Property Description

Property: 421050-023.01 QUEEN CITY 0302BH

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: C21 Lot: Sec: 3 Qtr/Qtr:

SEC 3 Blk C-21 - NE/4 NW/4

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

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

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

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

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

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

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

SPECIAL CLAUSE: Cimarex Energy Co acquired Resolute Energy Corp., effective March 1, 2019 - Gas & Oil decimals are the same.

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.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 21, 2019

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

Re: State Lease Nos. MF114158 and MF114491 Queen City 0302Bh Unit 7187

Dear Mrs. Hale-Hill:

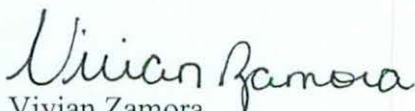
The Texas General Land Office (GLO) has received your Division Order for the referenced unit. This Division Order have been filed in the appropriate mineral file(s).

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

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

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

Thank you,


Vivian Zamora

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

File No. MF 114491Reeves CountyDivision OrderDate Filed: 8-22-19

George P. Bush, Commissioner

By VR



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

Cimarex Energy Co.
Attn: Tran Chu
6001 Deauville Blvd. Suite 300 N
Midland, TX 79706-2671

Billing Date: 6/24/2024
Billing Due Date: 7/24/2024
Customer Number: C000044010

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00882	MF114491	\$4,842.25	\$0.00	\$562.25	\$312.11	\$5,716.61
Total Due		\$4,842.25	\$0.00	\$562.25	\$312.11	\$5,716.61

Penalty and interest have been calculated thru 6/30/2024. Payment remitted after 6/30/2024 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing

Cimarex Energy Co.

Billing Date: 6/24/2024

Billing Due Date: 7/24/2024

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
24I00882	MF114491	\$4,842.25	\$0.00	\$562.25	\$312.11	\$5,716.61
Total Due		\$4,842.25	\$0.00	\$562.25	\$312.11	\$5,716.61
Amt. Paid						

Customer ID: C000044010
 Invoice Number:
 GLO Lease: MF114491
 GLO Review: CIMAREX ENERGY CO.
 Review Period: Sept 2022 - Aug 2023

Category Gas
 Auditor/AE: ECortez
 Billing Date: 6/17/2024
 P&I Calculation Date: 6/30/2024
 Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Mar-23	08-284491	4,607	1	\$2.308	1.122650	\$11,935.42	\$745.96	\$0.00	\$745.96	412	8.50%	\$74.60	\$61.32	\$881.88
Apr-23	08-284491	4,355	1	\$2.308	1.122650	\$11,282.19	\$705.14	\$0.00	\$705.14	381	8.50%	\$70.51	\$52.88	\$828.53
May-23	08-284491	6,543	1	\$2.308	1.122650	\$16,950.41	\$1,059.40	\$0.00	\$1,059.40	351	8.50%	\$105.94	\$72.04	\$1,237.38
Jun-23	08-284491	1,149	1	\$2.308	1.122650	\$2,975.93	\$186.00	\$0.00	\$186.00	320	8.50%	\$25.00	\$11.31	\$222.31
Jul-23	08-284491	912	1	\$2.308	1.122650	\$2,361.45	\$147.59	\$0.00	\$147.59	289	8.50%	\$25.00	\$7.91	\$180.50
Aug-23	08-284491	5,030	1	\$2.198	1.095018	\$12,108.40	\$756.77	\$0.00	\$756.77	259	8.50%	\$75.68	\$35.25	\$867.70
Mar-23	08-283902	736	1	\$2.307	1.129100	\$1,918.39	\$119.90	\$0.00	\$119.90	412	8.50%	\$25.00	\$9.86	\$154.76
Apr-23	08-283902	469	1	\$2.307	1.129100	\$1,222.57	\$76.41	\$0.00	\$76.41	381	8.50%	\$25.00	\$5.73	\$107.14
May-23	08-283902	1,302	1	\$2.307	1.129100	\$3,391.36	\$211.96	\$0.00	\$211.96	351	8.50%	\$25.00	\$14.41	\$251.37
Jun-23	08-283902	852	1	\$2.307	1.129100	\$2,218.96	\$138.68	\$0.00	\$138.68	320	8.50%	\$25.00	\$8.43	\$172.11
Jul-23	08-283902	548	1	\$2.307	1.129100	\$1,427.41	\$89.21	\$0.00	\$89.21	289	8.50%	\$25.00	\$4.78	\$118.99
Aug-23	08-283902	3,869	1	\$2.199	1.138319	\$9,683.73	\$605.23	\$0.00	\$605.23	259	8.50%	\$60.52	\$28.19	\$693.94
TOTALS		30,371				\$77,476.22	\$4,842.25	\$0.00	\$4,842.25			\$562.25	\$312.11	\$5,716.61

COMMENTS: BILLING ON UNDER REPORTED VOLUMES TO THE GLO FOR UNITS 7187 (08-284491) AND 8313 (08-283902, 08-283903)

COLUMN (3) UNDER REPORTED VOLUME: REPORTED RRC VOLUMES MINUS REPORTED GLO2 VOLUMES
 COLUMNS (5) & (6) REPORTED GLO2 PRICES AND BTU FACTORS WERE USED
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.cortez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
 PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

EMAIL: Chinedu Achebe Chinedu.achebe@coterra.com Leroy Cantu Leroy.Cantu@coterra.com Tran Chu Tran.Chu@coterra.com

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File No. MF114491

County

Recon Billing

Date Filed: 7/1/2024

Commissioner Dawn Buckingham, M.D.

By: VD