



CAUTION

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Archives and Records Staff

8485
8486
8487
OOA#002

Leasing:
Analyst:
Maps:
GIS:
DocuShare:

State Lease	Control	Base File	County
MF114793	07-035549	135387	CULBERSON
MF114793	07-035594	135673	CULBERSON
MF114793	07-035601	135389	CULBERSON

Survey	T & P RY CO	
Block	60	
Block Name		
Township	2-S	
Section/Tract	36, 46, 48	
Land Part		
Part Description		
Acres	2016	
Depth Below	Depth Above	Depth Other

Name	CIMAREX ENERGY CO.
Lease Date	12/31/2012
Primary Term	5 yrs
Bonus (\$)	\$604,800.00
Rental (\$)	\$0.00
Lease Royalty	0.125%

CONTENTS OF FILE NO. M- 114793

1. BAL Review Sheet	01/10/13	21. Unit 8487 Amended Iron Leige 37	
2. Letter, bonus, fees	01/15/13	State Unit	05/13/2022
3. Lease	04/24/13	Scanned W	6/5/2022
4. Final letter	05/01/13	22. Recon Billing	5/10/2023
5. Email re: 4th yr rental 7/22/13		Scanned WM	5-16-2023
Scanned sm	12/16/14	(see MF104921 #57 for)	
6. Rentals 4th yr	12/16/15	5th Amendment ODA#0002	
Scanned PJ	3-9-16	Armstrong State Unit	
7. Ltr. From Cimrex	6/28/17	23. Unit 8485 2nd Amendment	
8. Ltr. to Cimrex	7/10/17	Nyquist 25 State	3-10-25
9. Pooling Agrmt. Packet # 8485,		24. Division Order	4/11/2025
Nyquist 25 State Unit 7/10/17		Scanned WM	4-22-2025
10. Pooling Agrmt. Packet # 8486			
I'll have Another 39 State Unit 7/10/17			
11. Pooling Agrmt. Packet # 8487			
Iron Leige 37 State Unit 7/10/17			
Scanned PJ	8-18-2017		
12. DIVISION ORDER	2-18-2020		
Scanned sm	02/24/2020		
13. Memo 2020 Well Deferral Unit 8487	10/20/2020		
14. 1st Amendment Unit 8487	10/20/2020		
15. Memo 2020 Well Deferral Unit 8485	10/20/20		
16. 1st Amendment Unit 8485	10/20/20		
17. Memo 2020 Well Deferral Unit 8486	10/20/20		
18. 1st Amendment Unit 8486	10/20/20		
Scanned PJ	10-26-2020		
19. Unit 8485 Amended Nyquist			
25 State Unit	05/13/2022		
20. Unit 8486 Amended I'll Have Another 39			
State Unit	05/13/2022		

RAL REVIEW SHEET

Transaction # 7708

Lessor: Diane D. Claiborne, et al

Lessee: Cimarex Energy

Geologist:

Lease Date: 12/31/2012

UL ☐

Gross Acres: 4047

Net Acres: 4047

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
CULBERSON	[REDACTED]	133934	all	22	60	02S	T & P RY CO	5089
CULBERSON	[REDACTED]	133935	all	24	60	02S	T & P RY CO	5090
CULBERSON	[REDACTED]	135671	all	34	60	02S	T & P RY CO	5119
CULBERSON	[REDACTED]	135387	all	36	60	02S	T & P RY CO	5112
CULBERSON	[REDACTED]	135673	all	46	60	02S	T & P RY CO	5121

TERMS OFFERED

Primary Term: 5 years

Bonus/Acre: \$600.00

Rental/Acre: \$0.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 5 years

Bonus/Acre: \$600.00

Rental/Acre: \$0.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF106748	Craig L. Blair	11/1/2006	5 years	\$200.00	\$1.00	1/5	Last Lease
MF112194	Thunderhead Petroleum, LP	12/22/2010	5 years	\$500.00	\$1.00	1/4	1/2 Mile SW

07-035601 135389 A.5114

Comments: Also section 48, Blk 60-2, all - There will be two leases covering three (3) sec. each - paid up 2nd & 3rd Yr. / 4th yr. rental is \$400.00 per ac. & pays up the 5th year.

Approved: DR 1.10.13

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

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

DATE: 10-Jan-13

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

Applicant: Cimarex Energy

County: CULBERSON

Prim. Term: 5 years

Bonus/Acre

\$600.00

Royalty: 1/4

Rental/Acre

\$0.00

Consideration

Recommended: RLH

Date: 1/25/13

Not Recommended: _____

Comments: Also section 48, Blk 60-2, all - There will be two leases covering three (3) sec. each - paid up 2nd & 3rd Yr. / 4th yr. rental is \$400.00 per ac. & pays up the 5th year.

Lease Form

Recommended: RLH

Date: 1/25/13

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner

Date: 2-13-13

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: 2/15/13

Recommended: WTW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 2/19/13

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner

Date: 2/20/13

Approved: [Signature]

Not Approved: _____

File No. 114793

BAL Review Sheet

Date Filed: 01/10/13

Jerry E. Patterson, Commissioner

By 

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, Texas 79701
PHONE 432.571.7800



January 15, 2013

The State of Texas
111 E 17th Street
Austin, Texas 78774-0100
Attn: Mr. Robert Hatter

RE: Mineral Classified Oil and Gas Leases
Sections 36, 46 & 48
Sections 22, 24, & 34
Block 60, Township 2, T&P RR Co. Survey
Culberson County, Texas

VIA Certified Mail Return Receipt # 91 7108 2133 3938 9333 2925

Dear Mr. Hatter:

Please find the following checks as consideration and delay rental payments for the Oil & Gas Lease, executed by Diane Davidson Claiborne, et al, Agents for the State of Texas, covering the above described lands:

- 1) Sections 36, 46, and 48: 114793
\$604,800.00 for 2,016 acres @ \$600/acre (50% of total consideration) — Check #0001486017
\$3,024.00 as payment for delay rentals — Check #0001484968
- 2) Sections 22, 24 & 34: 114792
\$609,300.00 for 2,031 acres @ \$600/acre (50% of total consideration) — Check #0001486018
\$3,064.00 as payment for delay rentals — Check #0001484969

Checks in the same amount were forwarded to Diane Davidson Claiborne, et al, agents for the State of Texas, as their portion of the consideration.

If you have any questions or concerns, please contact me at the phone number listed below.

Sincerely,

A handwritten signature in cursive script that reads "Caitlin E. Pierce".

Caitlin E. Pierce
Tel. 432-571-7862 — Direct Line
cpierce@cimarex.com

New (2)
Drew Reid - Possible OGLs - Windham Family

From: Todd Meador <TMeador@cimarex.com>
To: "Drew Reid (Drew.Reid@GLO.TEXAS.GOV)" <Drew.Reid@GLO.TEXAS.GOV>
Date: 12/21/2012 1:53 PM
Subject: Possible OGLs - Windham Family
CC: Drew Reid <Drew.Reid@GLO.STATE.TX.US>
Attachments: OGL - 22,24,34.pdf; Ex B - 22,24,34.pdf; SUA - 36,46,48.pdf; OGL - 36,46,48.pdf

Drew,

Attached are the OGLs and Surface Agreements that are close to being accepted by the Windham Family's attorney, Steve Hofer; however, we have not reached a final agreement. I hope to have an answer by the end of the day and no later than Wednesday, Dec 26. Cimarex (and the surface owners) are hopeful to close the deal before the end of the year and would like to go ahead and set up the wire transfers. However, I will not transfer the money to the surface owner's account unless I know the leases will be accepted by the State.

I appreciate your help in looking at this under these circumstances. Please let me know if you need additional information.

Todd Meador



600 N. Marienfeld St., Suite 600
 Midland, TX 79701
 Direct: (432) 571-7858
 Cell: (432) 260-8166
 Fax: (432) 571-7840
 tmeador@cimarex.com

*This is Done
 Surface owned Reid*

Two lease

C# 1013

T# 7708

see 22	>	[REDACTED]
" 24	X	[REDACTED]
" 34	>	[REDACTED]
" 36	>	[REDACTED]
" 46	>	[REDACTED]
" 48	X	[REDACTED]

Cimarex Energy Co.

600 N. Maricopa St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



October 29, 2012

Hand Delivered

Diane Davidson Claiborne, et al

c/o Steve Hofer

500 W. Illinois, Suite 300

Midland, TX 79701

Cotton, Bledsoe

432-684-5782

~~432-8541~~ Direct

RE: Request for Oil and Gas Leases

Lease 1: Sections 22, 24, and 34, Block 60-T2 (2025 gross acres)

Lease 2: Sections 36, 40, and 48, Block 60-T2 (2016 gross acres)

T&P RR Co. Survey

Culberson County, TX

Dear Mr. Hofer,

Our records indicate that Diane Davidson Claiborne, et al, as owners of the soil, act as agent for the State of Texas to lease a 100% undivided interest in the above captioned lands. Cimarex Energy Co. hereby offers to lease the above captioned lands under the following terms and conditions:

Bonus Consideration:	\$600/net acre
Primary Term:	Five (5) year paid up lease
Royalty:	One-fourth (1/4)
Lease Form:	Relinquishment Act Lease Form
Number of leases:	2 leases covering lands as styled above
Duration of Offer:	10 days from the date of this letter

\$400.00 daye Rental

Furthermore, mutually acceptable language is to be included in an addendum amending the Horizontal Retained Acreage Clause such that any severance is to be based on the "100 feet below the deepest producing formation" as opposed to "100 feet below the deepest depth drilled."

This offer is subject to proper verification of title, including the obtaining of proper release(s) filed of record in the Public Records of Culberson County, Texas, releasing all previously existing oil and gas leases covering the above-referenced lands. This offer is further contingent on your ability to deliver leases covering 100% of the mineral interest in the above-referenced lands.

Once the executed leases and the completed W-9 form have been received in our office, I will forward them to the State for approval. Once approved, I will forward you the agreed upon bonus consideration of \$2,424,600 (4041 net acres x \$600.00/net acre = \$2,424,600). Half (\$2,424,600/2 = \$1,212,300) will be payable to the Windham Family and half will be payable to the State of Texas.

Cimarex looks forward to having the opportunity to conduct business with you. If you have any further questions, please do not hesitate to contact me at the number listed below.

Sincerely,

Jeff Gotcher

60 T-2

MF 106747

34, 36, 38, 46 + 48

MF 106748

22, 24, 26

MF-106745
2-30 + 42-2

CIMAREX

WELLS FARGO BANK NA

CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001486017	01/11/2013	*****\$604,800.00

PAY Six Hundred Four Thousand Eight Hundred Dollars and Zero Cents

TO THE
ORDER
OF

STATE OF TEXAS
1700 N CONGRESS AVE STE 840
AUSTIN TX 78701-1495

Paul Korns
Sherrill M. Nitta

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

PLEASE DETACH AT PERFORATION ABOVE

CIMAREXCheck Number **0001486017**

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21701032013D	01/03/2013	ME 114793 Reg 13902293	604,800.00	0.00	604,800.00

023492

Vendor

Check Date: 01/11/2013

Check Amount

604,800.00

CIMAREX

CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

WELLS FARGO BANK NA

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001484968	01/08/2013	*****\$3,024.00

PAY Three Thousand Twenty Four Dollars and Zero CentsTO THE
ORDER
OF

STATE OF TEXAS
1700 N CONGRESS AVE STE 840
AUSTIN TX 78701-1495

Paul Korus
Shirley M. Nitta

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

PLEASE DETACH AT PERFORATION ABOVE

CIMAREXCheck Number **0001484968**

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21701032012a	01/03/2013		3,024.00	0.00	3,024.00
<i>MF 114793</i> <i>\$1.00 True Rental for</i> <i>years 2, 3 & 5</i> <i>Reg 13902293</i>					

023492

Vendor

Check Date: 01/08/2013

Check Amount

3,024.00



CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

WELLS FARGO BANK NA

13709852

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001502958	04/18/2013	*****\$250.00

PAY Two Hundred Fifty Dollars and Zero Cents

TO THE
ORDER
OF

STATE OF TEXAS
GENERAL LAND OFFICE
ATTN BEVERLY BOYD
1700 N CONGRESS AVE STE 935
AUSTIN TX 78701-1495

Paul Korns
Shirri M. Natta

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

⑈000 150 2958⑈

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

PLEASE DETACH AT PERFORATION ABOVE



Check Number 0001502958

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21704102013	04/10/2013		250.00	0.00	250.00
121 COPY					

023492

Vendor

Check Date: 04/18/2013

Check Amount

250.00

File No. 114793

Letter, bonus, fees

Date Filed: 01/15/13

Jerry E. Patterson, Commissioner

2. By [Signature]

A-54-73

MF 114793

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Anna C. Lucas DEPUTY



General Land Office
Relinquishment Act Lease Form
Revised, September 1997

Doc# 00000068717

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 31st day of December, 2012, between the State of Texas, acting by and through its agent, being the undersigned parties

of 1702 Storey Avenue, Midland, Texas 79701

(Give Permanent Address)

said agent herein referred to as the owner of the soil (whether one or more), and Cimarex Energy Co.

of 600 N. Marienfeld, Suite 600, Midland, Texas 79701

(Give Permanent Address)

hereinafter called Lessee.

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

Section 36, Block 60-T2, T&P RR Co. Survey, containing 673.0 acres, more or less

Section 46, Block 60-T2, T&P RR Co. Survey, containing 670.0 acres, more or less

Section 48, Block 60-T2, T&P RR Co. Survey, containing 673.0 acres, more or less

containing 2016 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Six Hundred Four Thousand Eight Hundred Dollars and No/100

Dollars (\$604,800.00)

To the owner of the soil: Six Hundred Four Thousand Eight Hundred Dollars and No/100

Dollars (\$604,800.00)

Total bonus consideration: One Million Two Hundred Nine Thousand Six Hundred Dollars and No/100

Dollars (\$1,209,600.00)

The total bonus consideration paid represents a bonus of Six Hundred and No/100

Dollars (\$600.00) per acre, on 2016 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

01424

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the _____

_____ Bank, at _____ or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: _____
Dollars (\$ _____)
To the State of Texas: _____
Dollars (\$ _____)
Total Delay Rental: _____
Dollars (\$ _____)

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. SEE PARAGRAPH 40.

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

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

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

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

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

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

2013

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY MAC WARD DEPUTY



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

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

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

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

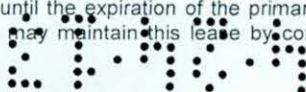
Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty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

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

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

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

11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking



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operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

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

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

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

15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring Draining Well as defined in paragraph 45, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the Draining Well well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the Draining Well well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

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

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

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

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

17. OFFSET WELLS. Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if oil and/or gas should be produced in commercial quantities within 1,000 feet of the leased premises, or in any case where the leased premises is being drained by production of oil or gas, the Lessee, sublessee, receiver or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after the draining well or wells or the well or wells completed within 1,000 feet of the leased premises start producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph. SEE PARAGRAPH 45.

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

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

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

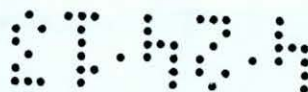
(B) **REDUCTION OF PAYMENTS.** If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board and the owner of the soil in accordance with Natural Resources Code Sections 52.151-52.154, or if,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

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

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

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

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



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

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

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

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

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

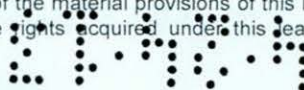
28. RELEASES. Under the conditions contained in this paragraph and Paragraph 29, Lessee may at any time execute and deliver to the owner of the soil and place of record a release or releases covering any portion or portions of the leased premises, and thereby surrender this lease as to such portion or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

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

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

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

32. FORFEITURE. If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or if Lessee should refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the



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Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

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

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

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

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

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

87404

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 8/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY MAC LUND DEPUTY



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

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

EXHIBITS "A" and "B" ATTACHED HERETO CONTAIN ADDITIONAL PROVISIONS WHICH ARE INCORPORATED HEREIN AND MADE A PART OF THIS LEASE. IN THE EVENT OF INCONSISTENCY OR CONFLICT BETWEEN ANY PRINTED PROVISIONS OF THIS LEASE FORM AND THE PROVISIONS SET FORTH ON THOSE EXHIBITS, THE PROVISIONS ON THE EXHIBITS SHALL PREVAIL. NEVERTHELESS, THE OWNER OF THE SOIL AND LESSEE DESIRE TO COMPLY WITH SUBCHAPTER F OF CHAPTER 52 OF THE TEXAS NATURAL RESOURCES CODE, KNOWN AS THE RELINQUISHMENT ACT, AND SHOULD ANY PROVISION ON EXHIBITS "A" AND "B" OTHERWISE VIOLATE THE RELINQUISHMENT ACT, IT SHALL BE DEEMED REMOVED OR AMENDED TO THE EXTENT NECESSARY SO THIS LEASE FULLY COMPLIES WITH THE RELINQUISHMENT ACT.

LESSEE

BY: Roger Alexander RAM

Title: Roger Alexander, Attorney-in-Fact of Cimarex Energy Co.

Date: 1/17/2013

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____

01434

STATE OF TEXAS

By: Diane Davidson Claiborne
Diane Davidson Claiborne, Individually,
And as Agent for the State of Texas

STATE OF TEXAS

By: Elaine Davidson Smith
Elaine Davidson Smith, Individually,
as Trustee and as Agent for the State of Texas

STATE OF TEXAS

By: Carol Lynn Windham
Carol Lynn Windham, Individually,
and as Agent for the State of Texas

STATE OF TEXAS

By: Shauna Isobel Claiborne
Shauna Isobel Claiborne, Individually,
and as Agent for the State of Texas

STATE OF TEXAS

By: Rick Hayes Smith
Rick Hayes Smith, Individually,
and as Agent for the State of Texas

STATE OF TEXAS

By: Paul Eldon Smith
Paul Eldon Smith, Individually,
and as Agent for the State of Texas

STATE OF TEXAS

By: Robbie Reagan Smith Moseley
Robbie Reagan Smith Moseley, Individually,
and as Agent for the State of Texas

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

By: Linda McDonald DEPUTY

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY



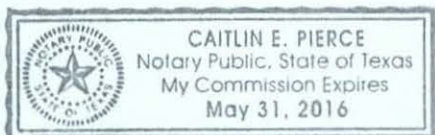
STATE OF TEXAS

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF MIDLAND

BEFORE ME, the undersigned authority, on this day personally appeared Roger Alexander, known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-in-Fact of Cimarex Energy Co. and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

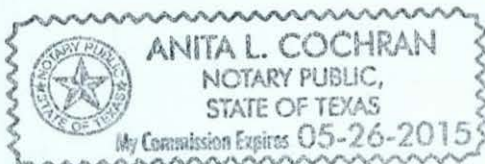
Given under my hand and seal of office this the 17th day of January, 2013.



[Signature: Caitlin E. Pierce]
Notary Public in and for Texas

STATE OF Texas
COUNTY OF Randall

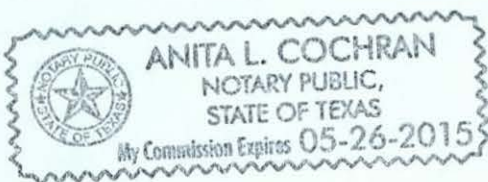
This instrument was acknowledged before me on the 24 day of Dec, 2012, by Diane Davidson Claiborne, Individually, and as Agent for the State of Texas.



[Signature: Anita L. Cochran]
Notary Public in and for Texas

STATE OF Texas
COUNTY OF Randall

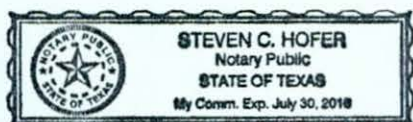
This instrument was acknowledged before me on the 24 day of Dec, 2012, by Elaine Davidson Smith, Individually, as Trustee and as Agent for the State of Texas.



[Signature: Anita L. Cochran]
Notary Public in and for Texas

STATE OF Texas
COUNTY OF Callahan

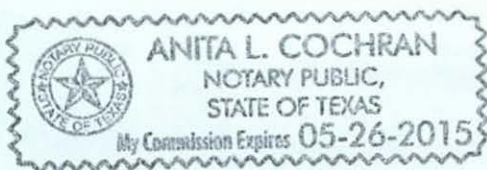
This instrument was acknowledged before me on the 31st day of Dec, 2012, by Carol Lynn Windham, Individually, and as Agent for the State of Texas.



[Signature: Steven C. Hofer]
Notary Public in and for Texas

STATE OF Texas
COUNTY OF Randall

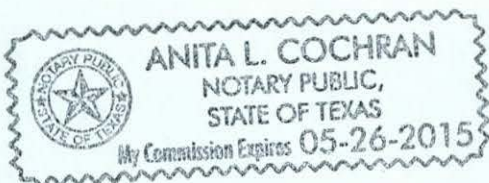
This instrument was acknowledged before me on the 24 day of Dec, 2012, by Shauna Isobel Claiborne, Individually, and as Agent for the State of Texas.



[Signature: Anita L. Cochran]
Notary Public in and for Texas

STATE OF Texas
COUNTY OF Randall

This instrument was acknowledged before me on the 24 day of Dec, 2012, by Rick Hayes Smith, Individually, and as Agent for the State of Texas.

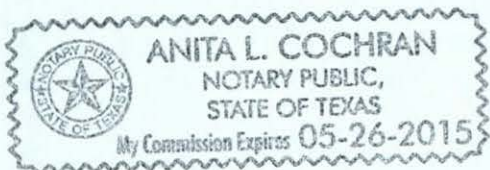


Anita L. Cochran

Notary Public in and for Texas

STATE OF Texas
COUNTY OF Randall

This instrument was acknowledged before me on the 24 day of Dec, 2012, by Paul Eldon Smith, Individually, and as Agent for the State of Texas.

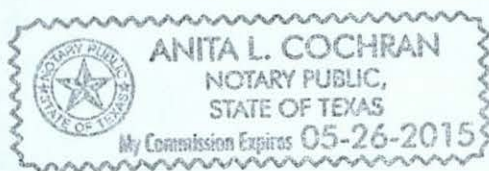


Anita L. Cochran

Notary Public in and for Texas

STATE OF Texas
COUNTY OF Randall

This instrument was acknowledged before me on the 24 day of Dec, 2012, by Robbie Reagan Smith Moseley, Individually, and as Agent for the State of Texas.



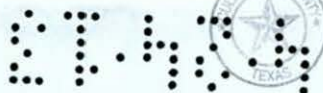
Anita L. Cochran

Notary Public in and for Texas

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY Linda C. Ward DEPUTY



A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas lease dated December 31, 2012, between the State of Texas, acting by and through its Agent, Diane Davidson Claiborne, et al, as Owners of the Soil, and Cimarex Energy Co, as Lessee, as to those lands described herein located in Culberson County, Texas.

40. **DELAY RENTALS.** The Lessee has paid up delay rentals for the 2nd, 3rd, and 5th year of this lease. This prepayment of \$1.00 per acre per year is as follows:

To the owner of the soil: Three Thousand Twenty-Four Dollars and No/100
Dollars (\$3,024.00)
To the State of Texas: Three Thousand Twenty-Four Dollars and No/100
Dollars (\$3,024.00)
Total Delay Rental: Six Thousand Forty-Eight Dollars and No/100
Dollars (\$6,048.00)

If no well is commenced on the leased premises on or before three (3) years from this date, this Lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the Owner of the Soil, paid directly to the Owner of the Soil at the address above, the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. These payments are calculated at \$400.00 per acre and paid payments under this paragraph shall be in the following amounts:

To the owner of the soil: Four Hundred Three Thousand Two Hundred Dollars and No/100
Dollars (\$403,200.00)
To the State of Texas: Four Hundred Three Thousand Two Hundred Dollars and No/100
Dollars (\$403,200.00)
Total Delay Rental: Eight Hundred Six Thousand Four Hundred Dollars and No/100
Dollars (\$806,400.00)

41. **CONTINUOUS DRILLING.** If oil, gas or other hydrocarbons are discovered in paying quantities on the Leased Premises, Lessee agrees to further explore and fully develop the Leased Premises the same as a reasonably prudent operator would. In addition to the obligation imposed by the foregoing sentence, but not in limitation thereof, and notwithstanding any other provision of the Lease, Lessor and Lessee agree as follows:

- (a) If at the expiration of the Primary Term oil, gas or other liquid hydrocarbons or any of them are being produced from the Leased Premises in paying quantities, or if Lessee is then engaged in actual drilling or reworking operations on the Leased Premises in the bona fide effort to find oil or gas, Lessee may conduct a continuous development program on the Leased Premises by commencing actual operations for the drilling of an additional well on or before the end of the Primary Term hereof or within one hundred eighty (180) days after completion of operations on any well being drilled over the end of the Primary Term, whichever is the later date, and by thereafter allowing no more than one hundred eighty (180) days to elapse between the completion or abandonment of one well and the commencement of actual operations for the drilling of another well in the bona fide effort to find and produce oil, gas or other hydrocarbons, until such time as the Leased Premises has been fully developed as to each productive formation in accordance with the minimum spacing and proration requirements fixed by special field rules established by the Railroad Commission of Texas or other lawful governmental authority exercising like jurisdiction, or, if there be no such special field rules, to the density of forty (40) acres for each well classified by the Railroad Commission of Texas as an oil well, and one hundred sixty (160) acres for each well classified by the Railroad Commission of Texas as a gas well. If the Railroad Commission of Texas or other lawful authority adopts special field rules prescribing proration units of specific acreage size and dimensions and authorizing the operator to establish optional size proration units for any wells drilled hereunder, all proration units established under this lease shall contain the minimum acreage allowed for such wells under the special field rules in effect at the time the well is drilled. Notwithstanding anything in this lease to the contrary, for each horizontal well drilled pursuant to this lease, the proration unit size for the purpose of Lessee's continuous development obligation shall be equal to the standard proration unit size for the field in which the well is completed (plus tolerance acreage, if any), plus such additional acreage as may be permitted under Rule 86 or any other applicable rule or regulation promulgated by the Railroad Commission of Texas or other lawful authority exercising like jurisdiction. Lessee agrees to pursue the drilling of all wells commenced with due diligence and in a good and workmanlike manner, and to complete each such well within one hundred twenty (120) days from the

21434

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IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY



commencement thereof; and if Lessee fails to do so, then it shall be conclusively presumed that Lessee has failed to comply with this Continuous Development Provision.

- (b) If Lessee fails to timely commence continuous development, or if having commenced such fails to continue the same, but in any event not later than two years after the expiration date of the primary term, this Lease shall ipso facto terminate as to all acreage covered hereby, **Save and Except** for a tract surrounding each well then producing, with each such tract to contain the minimum number of acres required to comply with the applicable rules and regulations of the Railroad Commission of Texas or other lawful governmental authority exercising like jurisdiction, or if there be no such rules or regulations, forty (40) acres for each oil well and one hundred sixty (160) acres for each gas well, and shall also automatically and ipso facto terminate as to all depths lying more than one hundred (100) feet below the deepest producing formation(s) within each proration unit otherwise maintained in accordance herewith. Notwithstanding anything in this lease to the contrary, for each horizontal well drilled pursuant to this lease, Lessee shall retain an amount of acreage equal to the standard proration unit size for the field in which the well is completed (plus tolerance acreage, if any), plus such additional acreage as may be permitted under Rule 86 or any other applicable rule or regulation promulgated by the Railroad Commission of Texas or other lawful authority exercising like jurisdiction. Thereafter, each such tract shall be treated for purposes of lease preservation as being covered by a separate Lease, and the Lease as to each such separate tract must then be maintained, if at all, by production or operations on that tract. The acreage retained hereunder for each well shall be in as nearly the form of a rectangle as practicable, and configured in such a shape as will facilitate further and full development of the Premises. Upon such termination Lessor, Lessor's successors, lessees, or assigns, shall have the right to use the Leased Premises for the purpose of investigating, exploring, prospecting, drilling for, producing and owning oil, gas and other hydrocarbons from the horizons as to which this Lease has terminated. If necessary, Lessee shall have a continuing non-exclusive easement across the surface of the Leased Premises as to which this Lease has terminated for access, utilizing then existing routes, to the Land as to which this Lease remains in effect.
- (c) In addition to the partial termination provided for in paragraph 42(b) above, on 12-31-2023, this lease shall automatically and ipso facto terminate as to all depths 100 feet above the shallowest formation from which production in paying quantities is then occurring and 100 feet below the deepest formation from which production is paying quantities is then occurring in each spacing unit.
- (d) Termination provided for in this article or any other article of this Lease shall be automatic; however, without limiting the rights of Lessor, if this Lease terminates as to any portion or portions of the Leased Premises, Lessee expressly agrees to promptly execute and deliver to Lessor a properly recordable instrument releasing and accurately describing such portion or portions of the Leased Premises. Should Lessee fail to deliver any such Release within ninety (90) days after Lessor's written request for same, Lessee shall pay to Lessor, as liquidated damages for clouding Lessor's title, the sum of \$100.00 per day for each day thereafter until the Release is received by Lessor, said sum being payable one-half to the Owner of the Soil and one-half to the Commissioner of the General Land Office of the State of Texas.
- (e) Lessee shall have a period of ninety (90) days from and after the termination of this Lease as to any portion of the Land covered hereby, to remove all property, casing and fixtures from the affected Land, and in the event Lessee fails to so remove such property within the said period, ownership of the same shall vest in Lessor. Lessor, at its option, may require the removal of said equipment.

42. **INSURANCE.** Lessee shall carry, for the benefit of Lessee, the State of Texas, and the Owner of the Soil, and in support of the indemnification obligations under this Lease, and shall require that all contractors and subcontractors carry, the following insurance, to wit:

- (a) Worker's Compensation Insurance to cover full liability under the Worker's Compensation Laws of the State of Texas.
- (b) Employer's Liability Insurance with limits of not less than \$5,000,000.00 for accidental injury to or death of one or more employees.
- (c) Comprehensive General Public Liability Bodily Injury Insurance with limits of liability of not less than \$5,000,000.00 for the accidental injury or death of one person, and \$5,000,000.00 for accidental injury or death of more than one person as the result of one accident or occurrence.
- (d) Comprehensive General Public Liability Property Damage Insurance with limits of not less than \$1,000,000.00 for damage to property as a result of one accident or occurrence.
- (e) Automobile Public Liability and Property Damage Insurance combined with limits of not less than \$1,000,000.00 for injuries to or death of one person or property damage, and \$1,000,000.00 for injuries to or death of more than one person and property damage as the result of one accident.
- (f) Umbrella Liability with limits of \$5,000,000.00 per occurrence.
- (g) Pollution Insurance with limits of not less than \$5,000,000.00, or in lieu of coverage, Broad Form Property Damage endorsement.

ST 404

- (h) Care, custody and control coverage with limits of not less than \$5,000,000.00, or in lieu of coverage, Broad Form Property Damage endorsement.

Each insurance policy obtained by Lessee with respect to operations conducted hereunder shall name the State of Texas and the Owner of the Soil as additional insureds and shall contain a waiver of subrogation with respect to them. Lessee shall cause a certificate of the insurance obtained hereunder to be delivered to the Owner of the Soil. Such certificate shall describe the coverage obtained, any exclusions from such coverage, and the parties insured thereunder, and shall provide at least thirty (30) days prior written notice to the Owner of the Soil in the event of cancellation.

43. **INFORMATION.** Lessee agrees to provide the Owner of the Soil, at Lessee's sole cost, the following:

- (a) Any abstracts which Lessee purchases covering any of the Leased Premises, along with copies of all Title Opinions covering all or any portion of said Land acquired or procured by Lessee or in Lessee's possession;
- (b) Copies of all Assignments, Partial Assignments, Releases and Partial Releases filed for record in Culberson County, Texas covering all or any portion of this Lease or the Leased Premises; and
- (c) All of the data provided to the Commissioner of the General Land Office of the State of Texas under any provision of this lease including, without limitation, Paragraph 10 hereof, and all copies so received by the Owner of the Soil shall be kept confidential to the extent that the General Land Office of the State of Texas is also required to keep same confidential.

44. **LIMITED WARRANTY.** Notwithstanding anything contained in Paragraph 19 of this Lease to the contrary, this Lease is executed, delivered and recorded without any representation or warranties (of title, or otherwise), either statutory, express or implied, except the Owner of the Soil covenants that its interest in the Leased Premises is free and clear of any encumbrance done or suffered by Lessor.

45. **OFFSET WELLS.** Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease, shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver, or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if a commercial oil and/or gas well is located on lands adjacent to the leased premises, and such well is (i) in the event that special field rules have been established, encroaching on this lease from a non-standard location, (ii) in the event that special field rules have not been established, drilled and completed within 1,000 feet of the leased premises, or (iii) draining the leased premises, such well shall be deemed a "Draining Well." The Lessee, sublessee, receiver, or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after such Draining Well starts producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph.

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY *[Signature]* DEPUTY



07434

EXHIBIT B

SURFACE USE and DAMAGE AGREEMENT

This agreement is entered into this 31st day of December, 2012, in connection with the Oil and Gas Lease of even date by and between **DIANE DAVIDSON CLAIBORNE, ELAINE DAVIDSON SMITH, AS TRUSTEE, ELAINE DAVIDSON SMITH, CAROL LYNN WINDHAM, ROBBIE REAGAN SMITH MOSELEY, PAUL ELDON SMITH, RICK HAYES SMITH, and SHAUNA CLAIBORNE BOWERS**, the "Owners of the Soil", each individually and as Agent for the State of Texas, hereinafter collectively referred to as "Lessor" and Cimarex Energy Co., hereinafter referred to as "Lessee", covering the following described land, and the terms, covenants and conditions hereof are incorporated in the said Oil and Gas Lease, are binding upon the parties hereto, and their heirs, successors and assigns, and shall inure to the benefit of the Owners of the Soil and the State of Texas and be covenants running with the land described in the said Lease, to wit:

Section 36, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas
Section 46, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas
Section 48, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas

Containing 2016 acres, more or less, (the "Land").

WITNESSETH

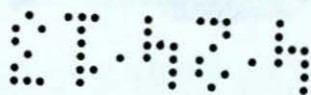
In consideration of payment of the sums specified herein, which shall be paid one-half (1/2) to the Commissioner of the General Land Office of the State of Texas and one-half (1/2) to the Owner of the Soil, and performance by Lessee of its obligations hereunder, Lessor agrees that Lessee may enter upon, and across and utilize the surface of the Land for the purposes of drilling, testing, completing, equipping, reworking and operating one or more wells, and plugging same if necessary. For purposes hereof, the term "Lessee" shall also be understood to include Lessee's employees, heirs, assigns, agents, representatives, contractors, and subcontractors, and all such parties shall be primarily, jointly and severally liable for performance of all covenants hereunder.

1) Lessee agrees that it will use no more of the surface than is reasonably necessary in order to drill, produce and operate any well. This amount is agreed to be 400 ft. x 400 ft. for a location pad and a pit of 130 ft. x 125 ft. per wellsite. No well shall be drilled within four hundred fifty (450) feet of any existing water well or within thirteen-hundred twenty (1,320) feet of any residence or barn, now on said Land, without prior written consent (which shall not be unreasonably withheld), and any utility lines shall be at least thirty (30) feet above ground. Without prior written consent from the Owner of the Soil, no geophysical shot-hole locations or vibroseis or other geophysical operations shall be nearer than four hundred fifty (450) feet to any existing water well located on the Premises

2) Lessee will consult with the Owner of the Soil regarding the location of any and all proposed roads, entrances, flow lines, pipelines, electrical lines and tank battery sites, prior to their construction, and all such locations and routes must be approved by the Owner of the Soil.

3) By paying the consideration set forth in Paragraph 4 below, Lessee will have the right to use water, caliche, gravel and top soil from the Land. No water shall be taken from existing water wells, tanks or reservoirs on said property without prior written agreement from the Owner of the Soil. Lessee shall be permitted to drill water well(s) on the Land that are reasonably necessary to conduct Lessee's operations. Lessee shall consult with the Owner of the Soil concerning the location of any water well(s) to be drilled by Lessee on the Land. Upon cessation of Lessee's development program, said water wells shall become the property of the Owner of the Soil.

4) Within 30 days of notification by the Owner of the Soil, Lessee shall unconditionally pay the Owner of the Soil for damages caused by its operations or by actions by its employees, representatives, contractors, and subcontractors to any and all personal property, improvements, windmills, water wells, livestock, fences and/or crops. Notwithstanding anything else contained herein to the contrary, should injury occur to livestock owned by any Surface or



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ATTEST: 3/15/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY

Grazing Lessee of the Owner of the Soil, payment for those damages shall be paid directly and wholly to said Surface or Grazing Lessee. In the event that Lessee and the Owner of the Soil are unable to agree as to the amount of compensation, an appraiser suitable to both parties shall be jointly hired and his opinion shall be binding on both parties.

Upon staking of any oil or gas well, and prior to commencing any location construction, Lessee shall pay to the Owner of the Soil thirty seven thousand five hundred dollars (\$37,500), and to the Commissioner of the General Land Office of the State of Texas thirty seven thousand five hundred dollars (\$37,500), for the total sum of Seventy-Five Thousand Dollars (\$75,000) for each such well (which amounts shall increase 3.0% per year compounded on the anniversary date of this Agreement, which sum shall in no event be less than charged under the University of Texas Lands Rate and Damage Schedule (in effect at the time) for the component parts listed in 4(a) through 4(i) below) as consideration for the following surface uses:

- (a) Well location and pit not exceeding the size set forth in (1) above.
- (b) Tank battery site, if situated on the location pad.
- (c) Roads constructed on the Land by Lessee (not to exceed 25 feet in width) directly to the location.
- (d) Caliche from the Land for constructing location pad and road.
- (e) Lessee's electrical lines over the Land to serve the well (but not third party electrical transmission or distribution lines).
- (f) Flow lines over the Land from the well to the tank battery and from the tank battery to Lessee's main Triple Crown Pipeline (but not transportation lines), with said lines to follow and parallel roads to the extent practicable.
- (g) Water from the Land used for drilling, fracing and completing the well and watering roads.
- (h) Frac pond on the Land, not to exceed 3 acres in surface area.

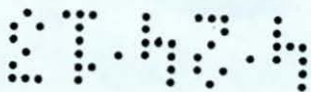
If not specifically listed on 4(a) through 4(i) above, Lessee shall pay then existing rates for such additional damages under the University of Texas Lands Rate and Damage Schedule. For any locations or pits exceeding the sizes specified above, any tank battery site constructed off the location pad, for use of water in excess of forty-five thousand (45,000) barrels on any well, and any other damages from leaks, spills, fire or the like, Lessee shall pay consideration based upon the rates then prevailing in Culberson County, Texas for rights, uses or damages of a similar nature.

Lessee is responsible for all operations under said Lease caused by its agents, employees, contractors and subcontractors. All sums payable hereunder (other than the payment listed above which is due upon staking), shall be paid within thirty (30) days from the date of completion of each respective operation. If Lessee fails to make payment within the time required or within thirty (30) days following receipt of written notice that such payments are due, and legal proceedings are instituted to collect such sums, Lessee shall pay all attorney's fees incurred by Lessor. In addition, it is understood that all damage sums not paid within the thirty (30) day time period shall bear interest from due date until paid at the rate per annum for judgments in the state of Texas at that time.

"This agreement does not grant (and no grant shall be inferred) to Lessee any right to use the surface of the Leased Premises in connection with or for the benefit of any other lands not owned by Surface Owner. Should Lessee or any other party desire to use water, roads, topsoil, gravel, or caliche for the benefit of any other lands not owned by Surface Owner, or desire to construct or operate transmission pipelines or electrical distribution lines, or to build new roads or use existing roads for access to any other lands not owned by Surface Owner, such must be under separate agreements to be negotiated with Surface Owner.

5) Prior to cutting or otherwise disturbing any fence, Lessee agrees that it will notify and consult with the Owner of the Soil. Lessee agrees that, prior to any such action, the fence will be secured by installing "H" braces, constructed of pipe at least four (4) inches in diameter and cemented into the ground on both sides of the proposed opening and further secured with a "dead man," so that the fence is in no way weakened or loosened.

Lessee will install cattleguards at any entrances to the leased property. Cattleguards will be installed at least 24" above the ground, and will be a minimum of sixteen (16) feet wide and eight (8) feet across with eight inch (8") spacing between pipe. Cattleguards will have an iron swing gate across them, which is to be constructed of pipe and # six (6) gauge wire mesh, so as



to prevent coyotes, dogs, and goats from crossing. As a material portion of the consideration for this agreement Lessee agrees that all gates in exterior fences shall remain locked at all times when vehicles are not passing through. Such gates shall be equipped with multiple locking devices so as to provide separate locks for Lessee and Lessor. Lessee shall immediately also provide Lessor with two keys or the combination to Lessee's lock. Upon request, Lessee shall install and maintain an electric security gate at any points of ingress and egress to the Land established by Lessee to and from public roads and shall promptly provide the combination for same to Lessor. Gates and cattleguards shall be periodically cleaned and maintained in good operating condition for so long as Lessee uses them for access to the Premises, and will become fixtures on the surface.

6) The road(s) on the Land, constructed for and/or used in drilling and/or production on the Land are and shall remain private roads which Lessee agrees to repair and maintain in good all-weather condition for as long as Lessee uses them. Lessee agrees to water roads to the drilling site during periods of heavy and concentrated use, so that caliche dust damage to grassland will be held to a minimum. Any road or roads that are used or constructed on the Premises must be terraced, said terraces to be built five hundred (500) feet apart, three (3) feet in height and a width sufficient to turn run-off ground water along the road traverse, and said road or roads shall be maintained during the term of this Lease in such manner.

7) Lessee agrees to construct and at all times maintain a substantial fence sufficient to turn livestock, including horses, cattle, sheep, and goats, around all facilities, including without limitation, pump jacks, storage facilities, tanks, power stations, and any and all other structures maintained by them on the Premises, and around all open pits. Lessee shall not be required to fence well location sites during the process of actual drilling operations so long as such operations continue, but shall be required to immediately fence any open pits as soon as they are dug, notwithstanding the fact that drilling operations may still be in progress. Lessee agrees to erect good and sufficient fire walls around the tanks or tank batteries; said fire walls shall be constructed of native soil and shall be sufficient in size to contain one hundred twenty-five percent (125%) of the capacity of the tank battery or batteries. Lessee further agrees to comply with and conform to the rules and regulations of the Railroad Commission of Texas relating to the protection of surrounding acreage from overflow from tank batteries and pumping units.

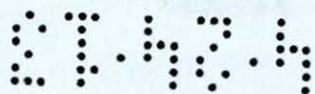
8) Lessee agrees that all pits shall be lined, and after completion or abandonment of the well, shall be closed and filled with good top soil as promptly as reasonably possible. When the pits are filled, the plastic lining shall be buried at least thirty-six (36) inches below the surface, or as required by the governmental authority having jurisdiction.

9) Lessee agrees that any portion of the drill site which will not be retained for producing operations shall be cleaned and leveled as soon as reasonably possible after completion or abandonment of the well and in such a manner that the Land will be returned to its former condition as nearly as possible. Caliche, and any soil contaminated with salt water or other harmful substances will be removed and replaced with good top soil. Materials such as drilling mud and cuttings will be disposed of so as not to contaminate top soil either by direct contact or by leaching. The entire area, including closed and filled pits, will be graded and the soil positioned so that water run-off is kept to a minimum. The area will be reseeded, and fenced with a fence sufficient to turn livestock, including horses, cattle, sheep and goats and of such quality as is necessary to last a period of two years. It is further understood and agreed that Lessee, its successors and assigns, agents, contractors, and subcontractors in any and all operations and actions will conduct such operations and actions in such a manner as to prevent soil erosion and soil loss.

10) At all times, Lessee will collect all trash and debris of all kinds; will dispose of it at a site other than on the Land; and will keep the Premises clear of all trash, debris, weeds and noxious vegetation. Lessee further agrees, during the conduct of any and all operations, to keep the Premises and its associated equipment in a neat, clean and attractive condition, to the extent that it is feasible to do so, for the life of production from the site.

11) No permanent (in use more than one year) collecting facilities other than tank batteries and necessary flow lines, shall be placed on the Premises; no refining equipment or processing plant of any kind, and no housing structures or warehouse facilities, maintenance yards, pipe yards, equipment yards, product storage facilities or disposal sites shall be placed on the Land. However, Lessee's fresh water frac ponds may be left in place to support its ongoing operations.

12) Prior to the drilling of each well, Lessor shall have the right to require that all permanent (in use more than one year) pipelines, power lines, telephone lines or electric lines associated with such well which may be on the Premises, located off the well or tank battery location sites, be buried eighteen to twenty-four inches (18"-24") below the surface, and located parallel to roads whenever possible. Lessee or its agent will use the double ditch method for burying such lines, by which the top soil is placed on one side of the trench and the subsoil on the other;



when backfilling, the subsoil is replaced first, followed by the top soil. Any on-lease flow lines or gathering lines laid on the surface shall be buried and protected at any road crossings.

13) It is agreed that Lessee shall have a period of ninety (90) days (weather permitting) from and after the termination of drilling activities, to remove all property and equipment, including casing, which is not a part of the production equipment, from the Premises. If weather or surface conditions prevent such removal within the ninety (90)-day period, Lessee will have thirty (30) days after conditions permit the removal of equipment to remove same. Should such equipment not be removed as described above, it shall be conclusively presumed to have been abandoned by Lessee.

14) Lessee, its agents, employees, contractors, subcontractors, or guests shall not be permitted to carry firearms on the property, nor to hunt or have any dogs thereon.

15) In its operations, Lessee agrees to use every reasonable means to prevent the contamination of any and all waters in, on and under the Premises, whether in surface tanks or any other type of storage, in draws, or creek beds, and any and all surface and subsurface water-bearing strata or formations, and shall use all reasonable means to prevent contamination of the surface of the Land from salt water or other contaminating substances flowing over or seeping onto such Land. If any surface contamination results during its operations, Lessee shall have per se responsibility for such and shall clean and restore the surface to its previous condition and is unconditionally liable for payment of damages to same. Should any contamination of sub-surface water occur as a result of its operations herewith, Lessee shall be per se liable for such contamination. Lessee agrees to handle all produced water in compliance with the laws, rules, and/or regulations of any and all federal, state and local regulatory agencies, the intent being that no contamination or pollution of any kind whatsoever shall occur as a result of the operations discussed herein. Lessee is prohibited from disposing of any no hazardous or deleterious materials, chemicals, substances, liquids, or their containers anywhere on the Land, and all of such shall be properly disposed of off the Premises.

16) "Lessee agrees that any and all produced water from its wells located on the Leased Premises shall be disposed of on the Leased Premises. The intent of this paragraph is to ensure that any revenue derived by a land owner for the disposal of produced water from the Leased Premises shall be realized by the State of Texas and the Owner of the Soil. Under this provision, Lessee shall be allowed to either dispose of such produced water into commercial water disposal wells operated by other parties on the Leased Premises or operated by Lessee thereon (only if the Owner of the Soil and Lessee have negotiated a separate water disposal agreement). In the event that Lessee disposes of produced water into a commercial disposal well operated by another party, the State of Texas and the Owner of the Soil will derive their royalty revenue from such operation. If Lessee chooses to dispose of produced water in a well operated by Lessee (whether on or off the Leased Premises) is shall pay disposal royalty to the State of Texas and the Owner of the Soil at a rate competitive in the area at the time, but in no event less than Ten Cents (\$.10) per barrel (which rate shall increase 3.0% per year compounded on the anniversary date of the effective date of this agreement). Lessee is encouraged to re-use produced water to the greatest extent practical and economic. Upon payment of such disposal royaltyfee, the produced water shall be owned by Lessee and Lessee shall have the right to dispose or otherwise make use of said water in its operations as Lessee deems necessary or convenient, whether said operations be conducted on or off of the Leased Premises; provided, however, if Lessee should sell said produced water to a third party, the State of Texas and the Owner of the Soil shall be entitled to a royalty on such sale equal to the greater of twenty-five percent (25%) of the amount realized by Lessee on the sale of such water or Ten Cents (\$.10) per barrel (said 10¢ amount to be escalated annually as described above)." The royalty on such sale shall be in lieu of, and not in addition to, the disposal royalty described above. The said royalty for disposal, use or sale of produced water shall be payable 1/2 to the State of Texas and 1/2 to the Owner of the Soil.

17) Any water wells drilled by Lessee on the Premises and all associated pipe, tanks and equipment shall be left intact upon Lessee's cessation of use thereof, and Lessee shall cap and preserve such well in accordance with applicable governmental laws, rules and regulations. Lessee shall equip each water well with a tap which may be used by Lessor for any reasonable surface watering use.

18) To the fullest extent permitted by applicable law, Lessee, its heirs and assigns, agrees to indemnify, protect, defend and hold harmless the Lessor, and the Lessor's legal representatives, agents, attorneys, heirs, surface lessees, successors and assigns (collectively, "Indemnitees") for, from and against any and all claims, losses, damages, liabilities, liens, fines, penalties, causes of action, suits, charges, judgments, administrative orders, remediation requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys' fees and expenses, including all attorney's fees and expenses incurred by in enforcing this indemnity) of any nature, kind or description of any person or entity,



directly or indirectly arising out of, caused by or resulting from (in whole or in part) this Lease, or any act or omission of Lessee, any subcontractor, anyone directly or indirectly employed by them, or anyone that they control or exercise control over (collectively, "liabilities"), even if such liabilities arise from or are attributed to the concurrent negligence of any Indemnatee. The only liability with respect to which Lessee's obligation to indemnify the Indemnitees does not apply is with respect to liabilities of a particular Indemnatee resulting from the sole negligence or willful misconduct of that Indemnatee. Lessee shall promptly advise Lessor of any action, administrative or legal proceeding or investigation to which this indemnification may apply, and Lessee at Lessee's expense, shall assume on behalf of the Indemnitees and conduct with due diligence and in good faith the defense thereof with counsel satisfactory to Lessor; provided, however, that any Indemnatee shall have the right, at its option, to be represented therein by advisory counsel of its own selection and at its own expense. In the event of failure by Lessee to fully perform in accordance with this indemnification paragraph, Lessor, at its option, and without relieving Lessee of its obligation hereunder, may so perform, but all costs and expenses so incurred in that event shall be reimbursed by Lessee, together with interest on the same from the date any such expense was paid until reimbursed by Lessee, at the rate of interest provided to be paid on judgments, by the law of the State of Texas. This indemnification shall not be limited by or to damages, compensation or benefits payable under insurance policies, worker's compensation acts, disability benefit acts or other employees' benefit acts, and shall survive the release or other termination of this Agreement and the Oil and Gas Lease referenced above.

19. The terms of all transactions associated with this Agreement shall remain confidential. Information which may be of a non-public, confidential, or proprietary nature pertaining to this Agreement and to the operations conducted under this Agreement, shall be kept confidential and shall not be disclosed by either party without the prior written consent of the other party. This agreement shall not be recorded.

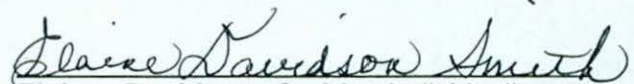
20. This Agreement shall terminate upon expiration of the primary term of the above referenced Oil and Gas Lease unless Lessee, its successors or assigns have commenced a well on the Land, in which case, this agreement shall remain in full force and effect so long as Lessee, its successors or assigns, operate said well(s) with no cessation(s) of more than sixty (60) days.

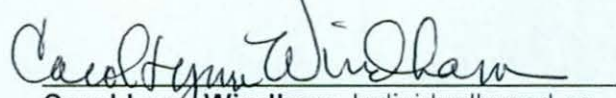
21. Lessee shall give Lessor written notice at least fifteen (15) days prior to the commencement of all exploration, drilling or pipe line construction or other operations on said Lands, such notice to reflect the approximate date of commencement of the intended operations, the nature of such operations and the approximate location of same. Any notices shall be given or addressed to the parties entitled thereto at the addresses specified in the Oil and Gas Lease.

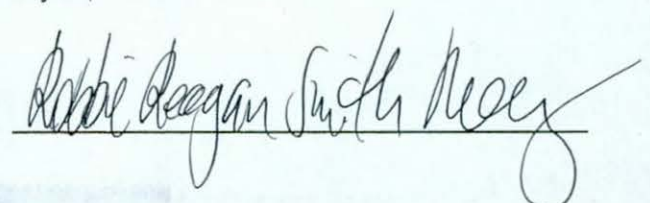
EXECUTED AND EFFECTIVE as of the date first herein above written.

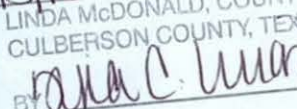
OWNERS OF THE SOIL:


Diane Davidson Claiborne, Individually
and as Agent for the State of Texas
1702 Storey Avenue
Midland, Texas 79701

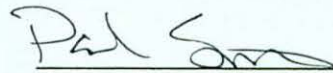

Elaine Davidson Smith, Individually, as
Trustee and as Agent for the State of Texas
c/o 1702 Storey Avenue
Midland, Texas 79701


Carol Lynn Windham, Individually and as
Agent for the State of Texas
P.O. Box 1777
Clyde, TX 79510-1777

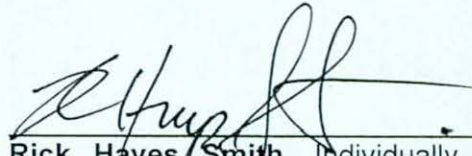


A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY  DEPUTY

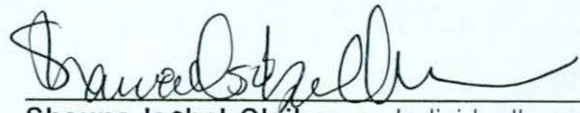
Robbie Reagan Smith Moseley, Individually
and as Agent for the State of Texas
2606 Curtis Drive
Amarillo, Texas 79109-3408



Paul Eldon Smith, Individually and as
Agent for the State of Texas
2606 Curtis Drive
Amarillo, Texas 79109-3408



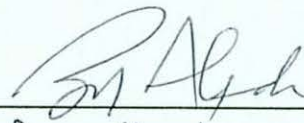
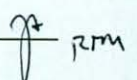
Rick Hayes Smith, Individually and as
Agent for the State of Texas
2606 Curtis Drive
Amarillo, Texas 79109-3408

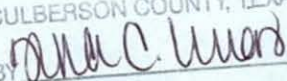


Shauna Isabel Claiborne, Individually and
as Agent for the State of Texas
P.O. Box 5637
Midland, Texas 79704-5637

LESSEE:

By: CIMAREX ENERGY CO.

By:   rm
Roger Alexander
Attorney-in-Fact

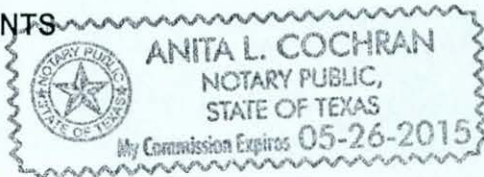
A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY  DEPUTY



ACKNOWLEDGMENTS

STATE OF Texas §

COUNTY OF Randall §



This instrument was acknowledged before me on the 24 day of Dec, 2012, by **Diane Davidson Claiborne**, in the capacities therein stated.

Anita L. Cochran
Notary Public



STATE OF Texas §

COUNTY OF Randall §

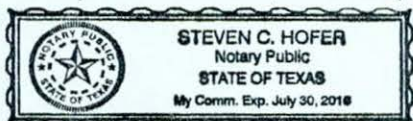
This instrument was acknowledged before me on the 24 day of Dec, 2012, by **Elaine Davidson Smith**, in the capacities therein stated.

Anita L. Cochran
Notary Public

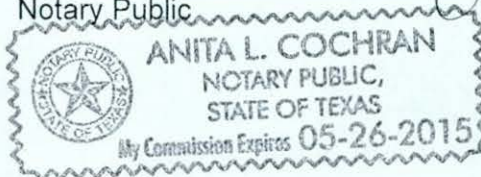
STATE OF Texas §

COUNTY OF Callahan §

This instrument was acknowledged before me on the 31st day of Dec, 2012, by **Carol Lynn Windham**, in the capacities therein stated.



Steven C. Hofer
Notary Public

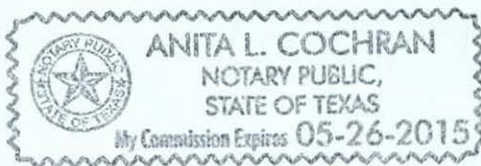


STATE OF Texas §

COUNTY OF Randall §

This instrument was acknowledged before me on the 24 day of Dec, 2012, by **Robbie Reagan Smith Moseley**, in the capacities therein stated.

Anita L. Cochran
Notary Public



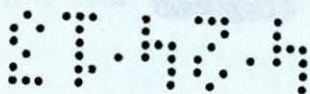
STATE OF Texas §

COUNTY OF Randall §

This instrument was acknowledged before me on the 24 day of Dec, 2012, by **Paul Eldon Smith**, in the capacities therein stated.

Anita L. Cochran
Notary Public

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY ma c. l. mcdonald DEPUTY



STATE OF Texas §

COUNTY OF Randall §



This instrument was acknowledged before me on the 24 day of Dec, 2012, by **Rick Hayes Smith**, in the capacities therein stated.

Anita L. Cochran
Notary Public

STATE OF Texas §

COUNTY OF Randall §



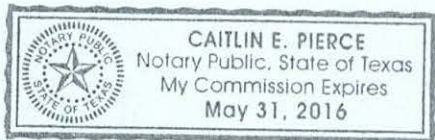
This instrument was acknowledged before me on the 24 day of Dec, 2012, by **Shauna Claiborne Bowers**, in the capacities therein stated.

Anita L. Cochran
Notary Public

STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on the 17th day of January, 2013, by Roger Alexander, Attorney-in-Fact of Amarex Energy Co., a Texas Corporation on behalf of said corporation. Delaware



Caitlin E. Pierce
Notary Public

NOTARY PUBLIC AND CORRECT COPY CERTIFICATE
The above instrument is a true and correct copy of the original instrument as the same is recorded in the records of my office, being in full compliance with the provisions of the laws of the State of Texas.
I hereby certify on _____
LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS
BY _____ DEPUTY

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 3/13/13
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Anna C. Ward DEPUTY

File No. 114793
lease
Date Filed: 04/24/13
Jerry E. Patterson, Commissioner
By [Signature]

3.

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 & Gas Records of my office, found
in VOL. 109, PAGE 180.

I hereby certified on 3 13 2013

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY

43873

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

May 1, 2013

Caitlin Pierce
Cimarex Energy Co.
600 N. Marienfeld, Suite 600
Midland, Texas 79701

Re: **State Lease MF 114793**

RAL Lease dated December 31, 2012 recorded in Vol. 109, Pg. 180, covering 2016 ac., Sec. 36, 46, 48, Blk. 60, T&P Ry Co. Survey, Culberson Co., TX, Diane Davidson Claiborne, et al, agent for State of TX, Lessors

Dear Ms. Pierce:

The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File numbers **MF-114793**. **Please refer to this lease number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

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

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

Your remittance of **\$604,800.00** has been applied to the State's portion of the cash bonus. We are also in receipt of your filing and processing fees.

Sincerely yours,

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

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

File No. 114793Final letterDate Filed: 05/01/13

Jerry E. Patterson, Commissioner

By 

4.

Harriet Dunne - Re: FW: Message from "RNP1554D2"

From: Harriet Dunne
To: Laura Allen
Date: 7/22/2013 7:05 AM
Subject: Re: FW: Message from "RNP1554D2"

Good morning, Laura,

I am a bit confused. The Exhibit A attached to this message states the fourth year rental, which is due Dec 31, 2015, is \$406,200 to the State and a like amount to the surface owners for a total of \$812,400. That would be State Lease No. MF114792. There is another lease from these same surface owners with the same date, Dec 31, 2012, that has a fourth year rental of \$403,200 to the State and a like amount to the surface owners for a total of \$806,400. This second lease is State Lease No. MF114793.

It appears you may have sent the Exhibit A for the wrong lease. At any rate, these are the rental amounts that will be due on each lease on or before Dec 31, 2015.

If you need further information, please let me know.

Harriet Dunne, CPL
Manager, Mineral Leasing, Energy Resources
Texas General Land Office
512-475-1579
harriet.dunne@glo.texas.gov

>>> Laura Allen <LAllen@cimarex.com> 7/19/2013 3:15 PM >>>
Harriet,

Would you please verify the attached rental would be due 12/31/15 in the amount of \$403,200.00 to each party (\$806,400 total). The lease is dated 12/31/12.

It just seemed a little confusing to me and I wanted to be sure I got it right. Thanks for your help.

Laura Allen
Cimarex Energy Co.
Senior Lease Analyst
(918) 295-1612
(918) 295-1896 (fax)

-----Original Message-----

From: LANDADMIN_RICOH7001@cimarex.com [mailto:LANDADMIN_RICOH7001@cimarex.com]
Sent: Friday, July 19, 2013 2:09 PM
To: Laura Allen
Subject: Message from "RNP1554D2"

This E-mail was sent from "RNP1554D2" (Aficio MP 7001).

Scan Date: 07.19.2013 15:09:24 (-0400)
Queries to: LANDADMIN_RICOH7001@cimarex.com

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas lease dated December 31, 2012, between the State of Texas, acting by and through its Agent, Diane Davidson Claiborne, et al, as Owners of the Soil, and Cimarex Energy Co, as Lessee, as to those lands described herein located in Culberson County, Texas.

40. DELAY RENTALS. The Lessee has paid up delay rentals for the 2nd, 3rd, and 5th year of this lease. This prepayment of \$1.00 per acre per year is as follows:

To the owner of the soil: <u>Three Thousand Forty-Six Dollars and 50/100</u>
Dollars (\$3,046.50)
To the State of Texas: <u>Three Thousand Forty-Six Dollars and 50/100</u>
Dollars (\$3,046.50)
Total Delay Rental: <u>Six Thousand Ninety-Three Dollars and No/100</u>
Dollars (\$6,093.00)

12-31-2016

If no well is commenced on the leased premises on or before three (3) years from this date, this Lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the Owner of the Soil, paid directly to the Owner of the Soil at the address above, the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. These payments are calculated at \$400.00 per acre and paid payments under this paragraph shall be in the following amounts:

To the owner of the soil: <u>Four Hundred Six Thousand Two Hundred Dollars and No/100</u>
Dollars (\$406,200.00)
To the State of Texas: <u>Four Hundred Six Thousand Two Hundred Dollars and No/100</u>
Dollars (\$406,200.00)
Total Delay Rental: <u>Eight Hundred Twelve Thousand Four Hundred Dollars and No/100</u>
Dollars (\$812,400.00)

41. CONTINUOUS DRILLING. If oil, gas or other hydrocarbons are discovered in paying quantities on the Leased Premises, Lessee agrees to further explore and fully develop the Leased Premises the same as a reasonably prudent operator would. In addition to the obligation imposed by the foregoing sentence, but not in limitation thereof, and notwithstanding any other provision of the Lease, Lessor and Lessee agree as follows:

- (a) If at the expiration of the Primary Term oil, gas or other liquid hydrocarbons or any of them are being produced from the Leased Premises in paying quantities, or if Lessee is then engaged in actual drilling or reworking operations on the Leased Premises in the bona fide effort to find oil or gas, Lessee may conduct a continuous development program on the Leased Premises by commencing actual operations for the drilling of an additional well on or before the end of the Primary Term hereof or within one hundred eighty (180) days after completion of operations on any well being drilled over the end of the Primary Term, whichever is the later date, and by thereafter allowing no more than one hundred eighty (180) days to elapse between the completion or abandonment of one well and the commencement of actual operations for the drilling of another well in the bona fide effort to find and produce oil, gas or other hydrocarbons, until such time as the Leased Premises has been fully developed as to each productive formation in accordance with the minimum spacing and proration requirements fixed by special field rules established by the Railroad Commission of Texas or other lawful governmental authority exercising like jurisdiction, or, if there be no such special field rules, to the density of forty (40) acres for each well classified by the Railroad Commission of Texas as an oil well, and one hundred sixty (160) acres for each well classified by the Railroad Commission of Texas as a gas well. If the Railroad Commission of Texas or other lawful authority adopts special field rules prescribing proration units of specific acreage size and dimensions and authorizing the operator to establish optional size proration units for any wells drilled hereunder, all proration units established under this lease shall contain the minimum acreage allowed for such wells under the special field rules in effect at the time the well is drilled. Notwithstanding anything in this lease to the contrary, for each horizontal well drilled pursuant to this lease, the proration unit size for the purpose of Lessee's continuous development obligation shall be equal to the standard proration unit size for the field in which the well is completed (plus tolerance acreage, if any), plus such additional acreage as may be permitted under Rule 86 or any other applicable rule or regulation promulgated by the Railroad Commission of Texas or other lawful authority exercising like jurisdiction. Lessee agrees to pursue the drilling of all wells commenced with due diligence and in a good and workmanlike manner, and to complete each such well within one hundred twenty (120) days from the commencement thereof; and if Lessee fails to do so, then it shall be conclusively presumed that Lessee has failed to comply with this Continuous Development Provision.

File No. MF 114793 5.
Enail re: 4th yr rental

Date Filed: 7-22-13

Jerry E. Patterson, Commissioner

By *[Signature]*



CIMAREX ENERGY CO
1700 LINCOLN STREET SUITE 3700
DENVER CO 80203-4518
(303) 295-3995

WELLS FARGO BANK NA

56-382412

16704527

MF 114783

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001653512	12/10/2015	*****\$403,200.00

PAY Four Hundred Three Thousand Two Hundred Dollars and Zero Cents

TO THE
ORDER
OF

STATE OF TEXAS
1700 N CONGRESS AVE STE 840
AUSTIN TX 78701-1495

S. Mark April
Shirley M. Nitta

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

⑈0001653512⑈

PLEASE DETACH AT PERFORATION ABOVE



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

(303) 295-3995

PLEASE DETACH AT PERFORATION ABOVE

Check Number 0001653512

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21712032015A	12/03/2015	50% RENTAL PAYMENT	403,200.00	0.00	X 403,200.00
					121
					16704527

023492

Vendor

Check Date: 12/10/2015

Check Amount

403,200.00

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



December 15, 2015

Via Hand-Delivery

State of Texas
1700 N. Congress Ave. Ste. 840
Austin, Texas 78701-1495
Attn: Drew Reid

Re: Oil and Gas Mineral Lease
All of Section 36,46 & 48, Block 60, T-2, T&P RR Co. Survey
Culberson County, Texas

Dear Mr. Reid,

Enclosed herewith you will find ***Cimarex Energy Co. check number 0001653512 in the amount of Four Hundred and Three Thousand Two Hundred Dollars and 00/100 (\$403,200.00)*** as 50% rental payment for the 4th year for the Oil and Gas Lease covering the above described lands.

If there is anything further that you should require in regard to this matter, please do not hesitate to contact me at the number below.

Sincerely,

CIMAREX ENERGY CO.

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

Viviana Bush

Land Technician

432.571.7846 (direct)

vbush@cimarex.com

File No. MF 114793
Rentals 4th yr County

Date Filed: 12/16/15
George P. Bush, Commissioner
By BN

75-70-72

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, TX 79701
MAIN 432.571.7800



June 27, 2017

State of Texas – General Land Office
1700 N. Congress Ave.
Austin, Texas 78701-1495
Attn: Mr. Daryl Morgan

Via FedEx

Re: Cimarex Energy Co.
Pooling Agreements
Culberson County, Texas

Dear Mr. Morgan,

Enclosed for your execution are two (2) originals Pooling Agreement for the following:

1. Spectacular Bid 15 State Unit – GLO Unit No. 8481
2. Go For Gin 27 State Unit – GLO Unit No. 8482
3. Nyquist 25 State Unit – GLO Unit No. 8485
4. I'll Have Another 39 State Unit – GLO Unit No. 8486
5. Iron Leige 37 State Unit – GLO Unit No. 8487
6. Broker's Tip 24 State Unit – GLO Unit No. 8488

Please sign, notarize and return all documents to our office in the self-addressed stamped envelope provided. A recorded copy of this document will be sent for your records once received from the county.

If there is anything further that you should require in regard to this matter, please do not hesitate to contact me at the number below.

Regards,

CIMAREX ENERGY CO.

A handwritten signature in blue ink that reads "Kaimi Brownlee". The signature is written in a cursive, flowing style.

Kaimi Brownlee
Land Department
432.571.7868 (direct)
kbrownlee@cimarex.com

7

File No. M-114793

Ltr. From C. Marx County

Date Filed: 6/28/17

George P. Bush, Commissioner

By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 10, 2017

Ms. Kaimi Brownlee
Cimarex Energy Co.
600 N. Marienfeld Street, Suite 600
Midland, Texas 79701

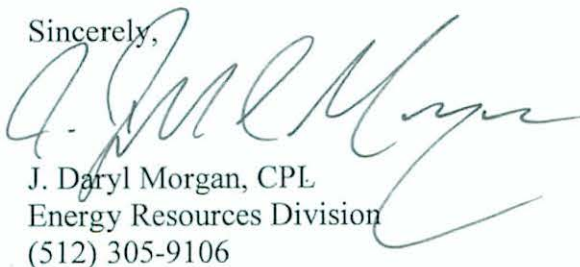
Re: Pooling Agreements
I'll Have Another 39 State Unit - GLO Unit No. 8486
Iron Leige 37 State Unit - GLO Unit No. 8487
Broker's Tip 24 State Unit - GLO Unit No. 8488
Culberson County, Texas

Dear Ms. Brownlee:

Enclosed is a duplicate original of each of the above referenced Pooling Agreements that has been executed by George P. Bush, Commissioner of the Texas General Land Office ("GLO"). We have retained the other original of each Pooling Agreement for our files. Please refer to the referenced GLO Unit Nos. for each Unit when filing Royalty Reports with the GLO.

Thank you for your assistance with this matter, if you have any questions or need anything further, please do not hesitate to contact me.

Sincerely,



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

Enclosures

8

File No. M-114793

County

Ltr. to C:mgex

Date Filed: 7/10/17

George P. Bush, Commissioner

By Mr

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA179520

Unit Number 8485
Operator Name Cimarex Energy Co. Effective Date 05/16/2017
Customer ID C000044010 Unitized For Oil And Gas
Unit Name Nyquist 25 State Unit Term
County 1 Culberson RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.06250000
State Part in Unit 0.50000000
Unit Depth Specified Depths Well
From Depth Surface Formation Base
To Depth 11580 Cisco Canyon TVD Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114793	1	673.000000	1,346.000000	0.50000000	O/G	0.12500000	0.06250000	No

API Number

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

05/16/2017

05/16/2017

5/17/17

07/26/2017

05/16/2017

Pooling Committee Report

To: School Land Board

UPA179520

Date of Board Meeting: 05/16/2017

Unit Number: 8485

Effective Date: 05/16/2017

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep: Flip Whitworth

Operator: CIMAREX ENERGY CO.

Unit Name: Nyquist 25 State

Field Name: FORD, WEST (WOLFCAMP)

County: Culberson

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114793	0.12500000	12/31/2017	5 years	2,016.000000	673.000000	0.06250000

Private Acres:	673.000000
State Acres:	673.000000
Total Unit Acres:	1346.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	50.00%
<u>State Net Revenue Interest:</u>	6.25%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,820 acres for a 10,000 foot lateral (FTP to LTP).

REMARKS:

- Cimarex Energy Co. is requesting permanent oil and gas pooling from the Surface to the base of the Cisco Canyon formation as seen on the Cimarex Energy Co. Dark Star 21 Unit # 1H well log (API 42-109-32352) in order to test the Wolfcamp and Cisco Canyon formations.
- With Board approval of the unit the State's unit royalty participation will be 6.25%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill additional unit wells in accordance with the Addendum A.

POOLING COMMITTEE RECOMMENDATION:

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



Mary Smith - Office of the Attorney General

5/2/17
Date



Robert Hatter - General Land Office

5/02/17
Date



Diane Morris - Office of the Governor

5-2-2017
Date



Unit #8485
Cimarex Energy Co.
Nyquist 25 State Unit
Ford, W (Wolfcamp) Field
Culberson County, Texas

1,500 750 0 1,500 Feet

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



Map Generated by:
Mark Conway
Enterprise Technology Solutions/GIS
May 2017

POOLING AGREEMENT
CIMAREX ENERGY CO.
NYQUIST 25 STATE UNIT
GLO UNIT NO. 8485
CULBERSON COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface of the earth to the stratigraphic equivalent of the base of the Cisco Canyon Formation, which is seen at a measured depth of 11,580 feet on the Halliburton Density Dual Spaced Neutron log dated December 12, 2010, of the Dark Star 21 Unit #1H Well, API No. 42-109-32352 located in Section 21, Blk. 59-T1, T&P Ry. Co. Survey, Culberson County, Texas ("unitized interval").

POOLING AND EFFECT:

4.

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

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

1039

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of May 16, 2017.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum A.



STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed 7-7-17

STATE OF TEXAS

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

By:

[Signature]

George P. Bush, Commissioner
General Land Office

Date Executed _____

CIMAREX ENERGY CO.

By:

[Signature]

Roger Alexander
Attorney-in-Fact

Its:

[Signature]

21029

Date Executed June 15th, 2017

CHEVRON U.S.A. INC.

By: 
Robert Nunemaker
Its: Attorney-in-Fact

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on May 16, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 16th day of July, 2017.


Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on _____, 2017, by _____,
as _____ of Cimarex Energy Co. a _____ corporation
on behalf of said corporation.

Notary Public in and for the State of Texas

Date Executed _____

CHEVRON U.S.A. INC.

By: _____

Its: _____

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on May 16, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

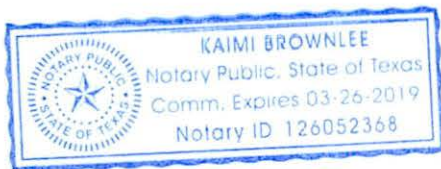
IN TESTIMONY WHEREOF, witness my hand this the _____ day of _____, 2017.

Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Midland

This instrument was acknowledged before me on June 5, 2017, by Roger Alexander,
as Attorney-in-Fact of Cimarex Energy Co. a Delaware corporation
on behalf of said corporation.



Kaimi Brownlee
Notary Public in and for the State of Texas

11039

STATE OF TEXAS

COUNTY OF

Harris

This instrument was acknowledged before me on

June 15

2017, by

Robert Normaker

as

attorney-in-fact

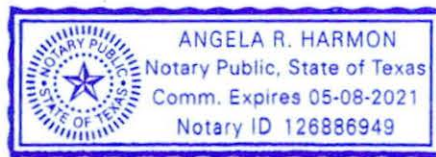
of Chevron U.S.A. Inc., a

Pennsylvania

corporation

on behalf of said corporation.

Angela R. Harmon
Notary Public in and for the State of Texas



11079

Addendum A
To that certain Pooling Agreement for the Nyquist 25 State Unit
Culberson County, Texas

The pooled unit for the **Nyquist 25 State Unit** shall consist of the leases described in Exhibit "A" and all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C".

The following provisions are incorporated into the Pooling Agreement for the **Nyquist 25 State Unit**.

The School Land Board of the State of Texas approved applications for the following six pooled units at its meeting in Austin, Texas, on May 16, 2017, herein collectively referred to as the "Six Pooled Units", each of which is located in Culberson County, Texas:

- (i) GLO Unit No. 8481, Spectacular Bid 15 State Unit (1358.0 acres),
- (ii) GLO Unit No. 8482, Go For Gin 27 State Unit (1340.0 acres),
- (iii) GLO Unit No. 8485, Nyquist 25 State Unit (1346.0 acres),
- (iv) GLO Unit No. 8486, I'll Have Another 39 State Unit (1340.0 acres)
- (v) GLO Unit No. 8487, Iron Leige 37 State Unit (1346.0 acres), and
- (vi) GLO Unit No. 8488, Brokers Tip 24 State Unit (1364.0 acres)

The pooling agreements and descriptions of each of the Six Pooled Units may be found in the official records of the General Land Office in Austin, Texas by reference to the GLO Unit Nos.

Lessee agrees to conduct a continuous drilling program on the Six Pooled Units by commencing actual drilling operations for horizontal wells on any one, or on any combination of one or more of the Six Pooled Units, in accordance with the schedule set forth below, herein called the "Drilling Obligation Timeframe":

- (1) A total of two horizontal wells on or before December 31, 2017;
- (2) A total of six horizontal wells (inclusive of the two prior wells) on or before December 31, 2018;
- (3) A total of 10 horizontal wells (inclusive of the six prior wells) on or before December 31, 2019;
- (4) A total of 14 horizontal wells (inclusive of the ten prior wells) on or before December 31, 2020;
- (5) A total of 18 horizontal wells (inclusive of the 14 prior wells) on or before December 31, 2021;
- (6) A total of 22 horizontal wells (inclusive of the 18 prior wells) on or before December 31, 2022;
- (7) A total of 26 horizontal wells (inclusive of the 22 prior wells) on or before December 31, 2023;

and continuing for each succeeding calendar year thereafter with the additional drilling obligation of 4 additional horizontal wells on or before the end of each such succeeding calendar year.

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

J. 03. 9

So long as Lessee complies with the Drilling Obligation Timeframe set forth above, all of the leases within the Six Pooled Units shall remain in full force and effect and all of the Six Pooled Units described herein shall remain in effect and in their original size and shape.

On the date on which Lessee shall fail to meet the Drilling Obligation Timeframe, as specifically defined above, each unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for an approximate maximum size as follows:

- (1) For the Spectacular Bid 15 State Unit, 340 acres multiplied by the number of horizontal wells drilled in the Spectacular Bid 15 State Unit;
- (2) For the Go For Gin 27 State Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the Go For Gin 27 State Unit;
- (3) For the Nyquist 25 State Unit, approximately 337 acres multiplied by the number of horizontal wells drilled in the Nyquist 25 State Unit;
- (4) For the I'll Have Another 39 State Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the I'll Have Another 39 State Unit;
- (5) For the Iron Leige 37 State Unit, approximately 336 acres multiplied by the number of horizontal wells drilled in the Iron Leige 37 State Unit; and
- (6) For the Brokers Tip 24 State Unit, approximately 341 acres multiplied by the number of horizontal wells drilled in the Brokers Tip 24 State Unit.

Each such unit shall be as close as is reasonably practicable to the shape of a rectangle surrounding the wells.

For any pooled unit in which Lessee commences actual drilling operations on four (4) horizontal wells within the Drilling Obligation Timeframe, and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities the parties hereby agree that such pooled unit shall remain in the original, unaltered size and shape as described in the original exhibits to the pooling agreement.

The parties hereby agree that should a conflict exist between this Addendum and the body of the Pooling Agreement, or between this Addendum and any provision of the leases that this Addendum shall prevail.

End of Addendum A

1039

EXHIBIT "A"

Attached to and made a part of that certain Declaration of Pooled Unit for the Nyquist 25 State Unit
(a 1346.0 acre oil and gas unit) - Cimarex Energy Co., Operator

I. OIL AND GAS LEASES SUBJECT TO THIS DECLARATION:

- | | |
|------------------|--|
| 1. Lease Date: | December 31, 2012 |
| Recording Data: | Volume 109, Page 180, Oil & Gas Records, Culberson County, Texas |
| Lessor: | State of Texas, acting by and through its agent, Diane Davidson Claiborne, et al |
| Original Lessee: | Cimarex Energy Co. |
| Lands Covered: | All of Section 36, Block 60, Township 2, T&P Ry. Co. Survey, Culberson County, Texas, in addition to other lands not covered by this Declaration of Pooled Unit. |

II. INTERESTS IN THE MINERAL ESTATE SUBJECT TO THIS DECLARATION:

1. The N/2 of Section 25, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, owned by Chevron U.S.A. Inc.
2. The S/2 of Section 25, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, owned by Chevron U.S.A. Inc.

III. NON-PARTICIPATING ROYALTY INTEREST SUBJECT TO THIS DECLARATION

1. The S/2 of Section 25, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, owned by Texas Pacific Land Trust



EXHIBIT "B"

Attached to and made a part of that certain Declaration of Pooled Unit for the Nyquist 25 State Unit
(a 1346.0 acre oil and gas unit) - Cimarex Energy Co., Operator

Description of Lands

- Tract 1: All of Section 36, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, containing 673.0 gross acres, more or less
- Tract 2: N/2 of Section 25, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, containing 336.5 gross acres, more or less
- Tract 3: S/2 of Section 25, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, containing 336.5 gross acres, more or less

Depth Limitation

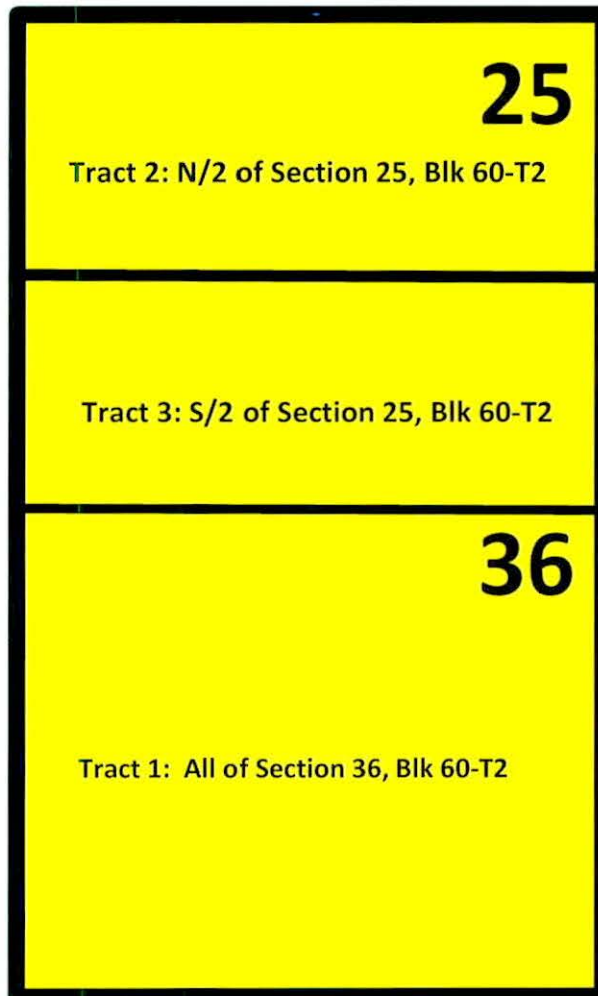
Limited in depth from the surface of the earth down to the stratigraphic equivalent of the base of the Cisco Canyon Formation. The base of the Cisco Canyon Formation is defined as the stratigraphic equivalent of 11,580 feet Measured Depth, as seen in Cimarex Energy Co.'s Dark Star 21 Unit #1H Well, located in Section 21, Block 59 – T1, T&P RR Co. Survey, Culberson County, Texas; API #42-109-32352; Halliburton Spectral Density Dual Spaced Neutron Log dated 12 December 2010.

EXHIBIT "C"

Attached to and made a part of that certain Declaration of Pooled Unit for the Nyquist 25 State Unit
(a 1364.0 acre oil and gas unit) – Cimarex Energy Co., Operator

Nyquist 25 State Unit

located in Section 25, Block 60-T2 and
Section 36, Block 60-T2, T&P RR Co. Survey,
Culberson County, Texas



2017

(9)

File No. M-114793
Pooling Agmt. Packet # 8485
Nyquist 25 State Unit
Date Filed: 7/10/17
George P. Rush, Commissioner
By [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA179521

Unit Number 8486
Operator Name Cimarex Energy Co. Effective Date 05/16/2017
Customer ID C000044010 Unitized For Oil And Gas
Unit Name I'll Have Another 39 State Unit Term
County 1 Culberson RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.06250000
State Part in Unit 0.50000000
Unit Depth Specified Depths Well
From Depth Surface Formation Base
To Depth 11580 Cisco Canyon TVD Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114793	1	670.000000	1,340.000000	0.50000000	O/G	0.12500000	0.06250000	No

API Number

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

05/16/17

05/16/17

5/12/17

07/26/2017

05/16/17

Pooling Committee Report

To: School Land Board

UPA179521

Date of Board Meeting: 05/16/2017

Unit Number: 8486

Effective Date: 05/16/2017

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep: Flip Whitworth

Operator: CIMAREX ENERGY CO.

Unit Name: I'll Have Another 39 State

Field Name: FORD, WEST (WOLFCAMP)

County: Culberson

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114793	0.12500000	12/31/2017	5 years	2,016.000000	670.000000	0.06250000

Private Acres:	670.000000
State Acres:	670.000000
Total Unit Acres:	1340.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	50.00%
<u>State Net Revenue Interest:</u>	6.25%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,820 acres for a 10,000 foot lateral (FTP to LTP).

Working File Number: **UPA179521**

REMARKS:

- Cimarex Energy Co. is requesting permanent oil and gas pooling from the Surface to the base of the Cisco Canyon formation as seen on the Cimarex Energy Co. Dark Star 21 Unit # 1H well log (API 42-109-32352) in order to test the Wolfcamp and Cisco Canyon formations.
- With Board approval of the unit the State's unit royalty participation will be 6.25%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill additional unit wells in accordance with the Addendum A.

POOLING COMMITTEE RECOMMENDATION:

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



Mary Smith - Office of the Attorney General

5/2/17
Date



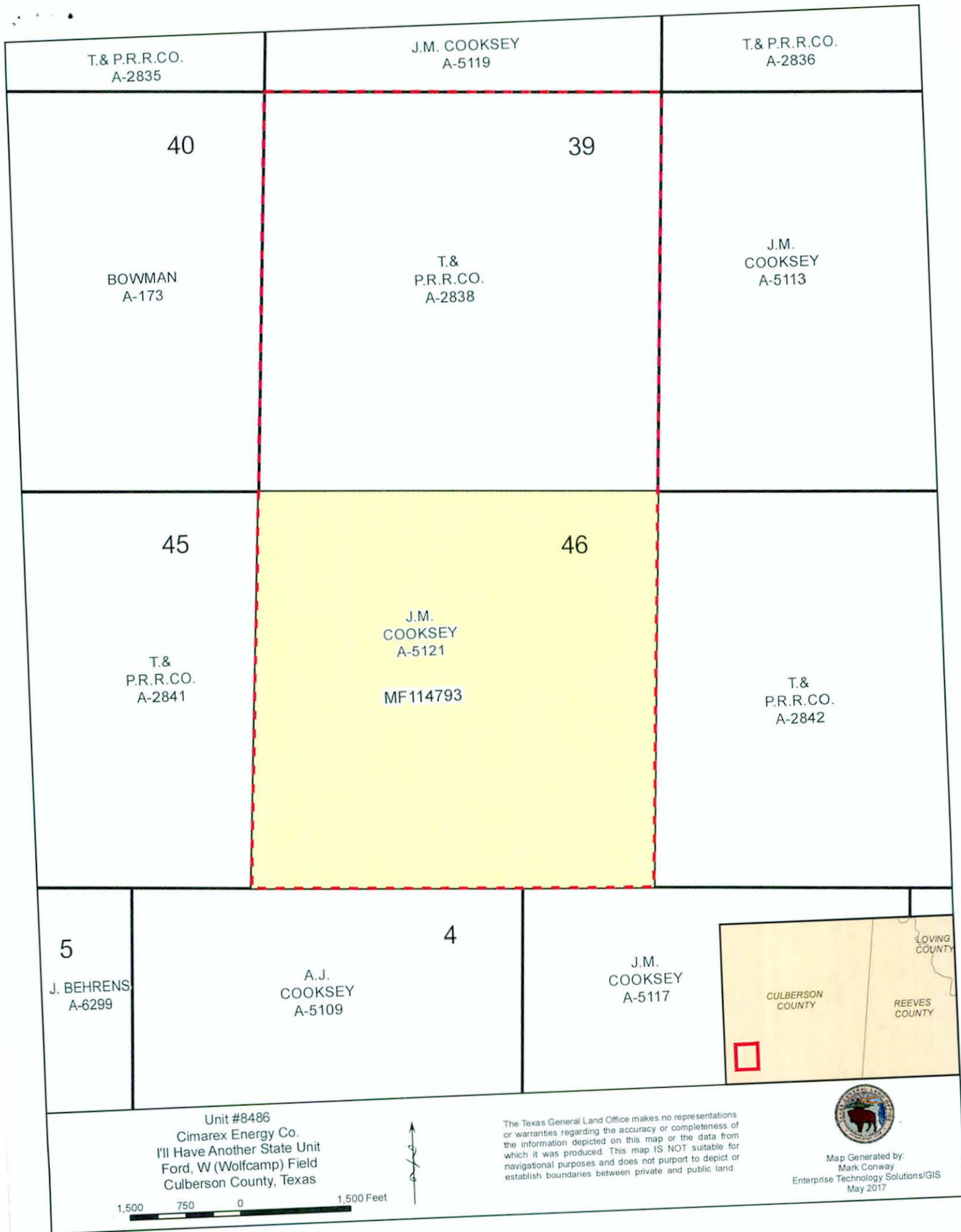
Robert Hatter - General Land Office

5/02/17
Date



Diane Morris - Office of the Governor

5-2-2017
Date



POOLING AGREEMENT
CIMAREX ENERGY CO.
I'LL HAVE ANOTHER 39 STATE UNIT
GLO UNIT NO. 8486
CULBERSON COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface of the earth to the stratigraphic equivalent of the base of the Cisco Canyon Formation, which is seen at a measured depth of 11,580 feet on the Halliburton Density Dual Spaced Neutron log dated December 12, 2010, of the Dark Star 21 Unit #1H Well, API No. 42-109-32352 located in Section 21, Blk. 59-T1, T&P Ry. Co. Survey, Culberson County, Texas ("unitized interval").

POOLING AND EFFECT:

4.

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

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

11.02.9

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of May 16, 2017.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum A.



STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed 7-7-17

STATE OF TEXAS

Legal
Content
Geology
Executive

mm
mm
mm

By: *George P. Bush*
George P. Bush, Commissioner
General Land Office

Date Executed _____

CIMAREX ENERGY CO.

By: *Roger Alexander*
Roger Alexander,
Attorney-in-Fact

Its: _____

2009

Date Executed June 15th, 2017

CHEVRON U.S.A. INC.

By: 
Robert Nunmaker
Its: Attorney-in-Fact

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on May 16, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 16th day of July, 2017.


Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on _____, 2017, by _____,
as _____ of Cimarex Energy Co. a _____ corporation
on behalf of said corporation.

Notary Public in and for the State of Texas

Date Executed _____

CHEVRON U.S.A. INC.

By: _____

Its: _____

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on May 16, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

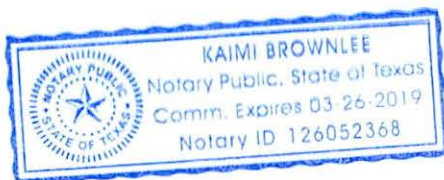
IN TESTIMONY WHEREOF, witness my hand this the _____ day of _____, 2017.

Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Midland

This instrument was acknowledged before me on June 5, 2017, by Roger Alexander,
as Attorney-in-Fact of Cimarex Energy Co. a Delaware corporation
on behalf of said corporation.



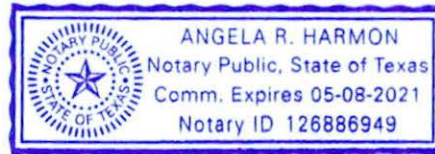
Kaimi Brownlee
Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on June 15, 2017, by Robert Nimmeler,
as attorney in fact of Chevron U.S.A. Inc., a Pennsylvania corporation
on behalf of said corporation.

Angela R. Harmon
Notary Public in and for the State of Texas



Addendum A
To that certain Pooling Agreement for the I'll Have Another 39 State Unit
Culberson County, Texas

The pooled unit for the **I'll Have Another 39 State Unit** shall consist of the leases described in Exhibit "A" and all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C".

The following provisions are incorporated into the Pooling Agreement for the **I'll Have Another 39 State Unit**.

The School Land Board of the State of Texas approved applications for the following six pooled units at its meeting in Austin, Texas, on May 16, 2017, herein collectively referred to as the "Six Pooled Units", each of which is located in Culberson County, Texas:

- (i) GLO Unit No. 8481, Spectacular Bid 15 State Unit (1358.0 acres),
- (ii) GLO Unit No. 8482, Go For Gin 27 State Unit (1340.0 acres),
- (iii) GLO Unit No. 8485, Nyquist 25 State Unit (1346.0 acres),
- (iv) GLO Unit No. 8486, I'll Have Another 39 State Unit (1340.0 acres)
- (v) GLO Unit No. 8487, Iron Leige 37 State Unit (1346.0 acres), and
- (vi) GLO Unit No. 8488, Brokers Tip 24 State Unit (1364.0 acres)

The pooling agreements and descriptions of each of the Six Pooled Units may be found in the official records of the General Land Office in Austin, Texas by reference to the GLO Unit Nos.

Lessee agrees to conduct a continuous drilling program on the Six Pooled Units by commencing actual drilling operations for horizontal wells on any one, or on any combination of one or more of the Six Pooled Units, in accordance with the schedule set forth below, herein called the "Drilling Obligation Timeframe":

- (1) A total of two horizontal wells on or before December 31, 2017;
- (2) A total of six horizontal wells (inclusive of the two prior wells) on or before December 31, 2018;
- (3) A total of 10 horizontal wells (inclusive of the six prior wells) on or before December 31, 2019;
- (4) A total of 14 horizontal wells (inclusive of the ten prior wells) on or before December 31, 2020;
- (5) A total of 18 horizontal wells (inclusive of the 14 prior wells) on or before December 31, 2021;
- (6) A total of 22 horizontal wells (inclusive of the 18 prior wells) on or before December 31, 2022;
- (7) A total of 26 horizontal wells (inclusive of the 22 prior wells) on or before December 31, 2023;

and continuing for each succeeding calendar year thereafter with the additional drilling obligation of 4 additional horizontal wells on or before the end of each such succeeding calendar year.

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

11.03.9

So long as Lessee complies with the Drilling Obligation Timeframe set forth above, all of the leases within the Six Pooled Units shall remain in full force and effect and all of the Six Pooled Units described herein shall remain in effect and in their original size and shape.

On the date on which Lessee shall fail to meet the Drilling Obligation Timeframe, as specifically defined above, each unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for an approximate maximum size as follows:

- (1) For the Spectacular Bid 15 State Unit, 340 acres multiplied by the number of horizontal wells drilled in the Spectacular Bid 15 State Unit;
- (2) For the Go For Gin 27 State Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the Go For Gin 27 State Unit;
- (3) For the Nyquist 25 State Unit, approximately 337 acres multiplied by the number of horizontal wells drilled in the Nyquist 25 State Unit;
- (4) For the I'll Have Another 39 State Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the I'll Have Another 39 State Unit;
- (5) For the Iron Leige 37 State Unit, approximately 336 acres multiplied by the number of horizontal wells drilled in the Iron Leige 37 State Unit; and
- (6) For the Brokers Tip 24 State Unit, approximately 341 acres multiplied by the number of horizontal wells drilled in the Brokers Tip 24 State Unit.

Each such unit shall be as close as is reasonably practicable to the shape of a rectangle surrounding the wells.

For any pooled unit in which Lessee commences actual drilling operations on four (4) horizontal wells within the Drilling Obligation Timeframe, and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities the parties hereby agree that such pooled unit shall remain in the original, unaltered size and shape as described in the original exhibits to the pooling agreement.

The parties hereby agree that should a conflict exist between this Addendum and the body of the Pooling Agreement, or between this Addendum and any provision of the leases that this Addendum shall prevail.

End of Addendum A

2009

EXHIBIT "A"

Attached to and made a part of that certain Declaration of Pooled Unit for the I'll Have Another 39 State Unit
(a 1340.0 acre oil and gas unit) - Cimarex Energy Co., Operator

I. OIL AND GAS LEASES SUBJECT TO THIS DECLARATION:

- | | |
|------------------|--|
| 1. Lease Date: | December 31, 2012 |
| Recording Data: | Volume 109, Page 180, Oil & Gas Records, Culberson County,
Texas |
| Lessor: | State of Texas, acting by and through its agent, Diane
Davidson Claiborne, et al |
| Original Lessee: | Cimarex Energy Co. |
| Lands Covered: | All of Section 46, Block 60, Township 2, T&P Ry. Co. Survey,
Culberson County, Texas, in addition to other lands not
covered by this Declaration of Pooled Unit. |

II. INTERESTS IN THE MINERAL ESTATE SUBJECT TO THIS DECLARATION:

1. The N/2 of Section 39, Block 60-T2, T&P RR Co. Survey,
Culberson County, Texas, owned by Chevron U.S.A. Inc.
2. The S/2 of Section 39, Block 60-T2, T&P RR Co. Survey,
Culberson County, Texas, owned by Chevron U.S.A. Inc.

III. NON-PARTICIPATING ROYALTY INTEREST SUBJECT TO THIS DECLARATION

1. The S/2 of Section 15, Block 60-T2, T&P RR Co. Survey,
Culberson County, Texas, owned by Texas Pacific Land Trust



EXHIBIT "B"

Attached to and made a part of that certain Declaration of Pooled Unit for the I'll Have Another 39 State Unit (a 1340.0 acre oil and gas unit) - Cimarex Energy Co., Operator

Description of Lands

- Tract 1: All of Section 46, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, containing 670.0 gross acres, more or less
- Tract 2: N/2 of Section 39, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, containing 335.0 gross acres, more or less
- Tract 3: S/2 of Section 39, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, containing 335.0 gross acres, more or less

Depth Limitation

Limited in depth from the surface of the earth down to the stratigraphic equivalent of the base of the Cisco Canyon Formation. The base of the Cisco Canyon Formation is defined as the stratigraphic equivalent of 11,580 feet Measured Depth, as seen in Cimarex Energy Co.'s Dark Star 21 Unit #1H Well, located in Section 21, Block 59 – T1, T&P RR Co. Survey, Culberson County, Texas; API #42-109-32352; Halliburton Spectral Density Dual Spaced Neutron Log dated 12 December 2010.

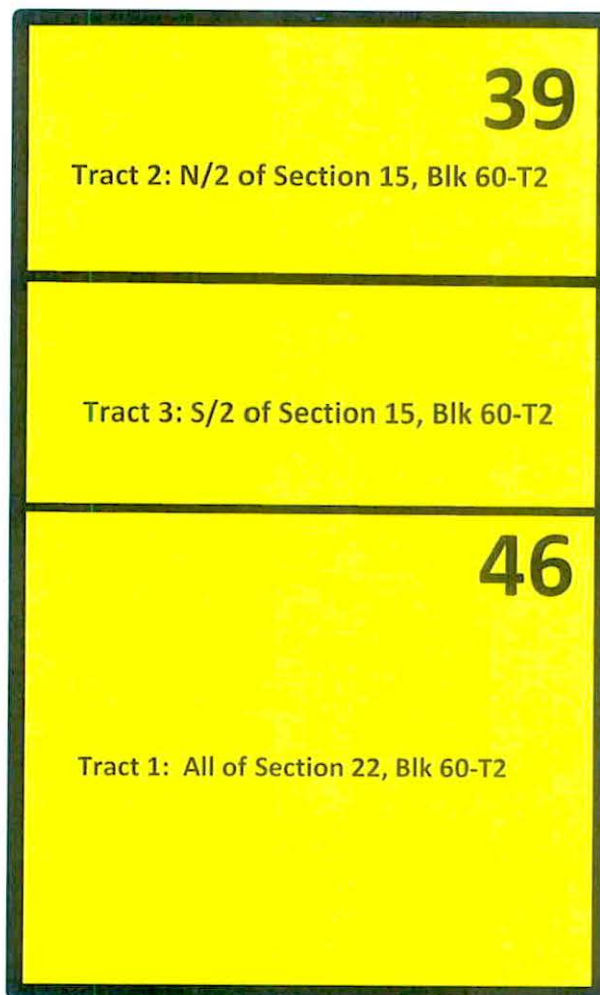


EXHIBIT "C"

Attached to and made a part of that certain Declaration of Pooled Unit for the I'll Have Another 39 State Unit (a 1340.0 acre oil and gas unit) – Cimarex Energy Co., Operator

I'll Have Another 39 State Unit

located in Section 39, Block 60-T2 and
Section 46, Block 60-T2, T&P RR Co. Survey,
Culberson County, Texas



10

File No. M-114793
Pooling Agmt. Packet # 8486
I'll Have Another 29 State Va. =
7/10/17
 Date Filed: _____
 George P. Bush, Commissioner
 By: _____

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA179522

Unit Number 8487
Operator Name Cimarex Energy Co. Effective Date 05/16/2017
Customer ID C000044010 Unitized For Oil And Gas
Unit Name Iron Leige 37 State Unit Term
County 1 Culberson RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.06250000
State Part in Unit 0.50000000
Unit Depth Specified Depths Well
From Depth Surface Formation Base
To Depth 11580 Cisco Canyon TVD Participation Basis Surface Acreage
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114793	1	673.000000	1,346.000000	0.50000000	O/G	0.12500000	0.06250000	No

API Number

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

05/16/17

05/16/17

5/17/17

07/26/2017

05/16/17

Pooling Committee Report

To: School Land Board

UPA179522

Date of Board Meeting: 05/16/2017

Unit Number: 8487

Effective Date: 05/16/2017

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep: Flip Whitworth

Operator: CIMAREX ENERGY CO.,

Unit Name: Iron Leige 37 State

Field Name: FORD, WEST (WOLFCAMP)

County:

Culberson

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114793	0.12500000	12/31/2017	5 years	2,016.000000	673.000000	0.06250000

Private Acres:	673.000000
State Acres:	673.000000
Total Unit Acres:	1346.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	50.00%
<u>State Net Revenue Interest:</u>	6.25%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,820 acres for a 10,000 foot lateral (FTP to LTP).

Working File Number: UPA179522

REMARKS:

- Cimarex Energy Co. is requesting permanent oil and gas pooling from the Surface to the base of the Cisco Canyon formation as seen on the Cimarex Energy Co. Dark Star 21 Unit # 1H well log (API 42-109-32352) in order to test the Wolfacmp and the Cisco Canyon formations.
- With Board approval of the unit the State's unit royalty participation will be 6.25%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill additional unit wells in accordance with the Addendum A.

POOLING COMMITTEE RECOMMENDATION:

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


Mary Smith - Office of the Attorney General

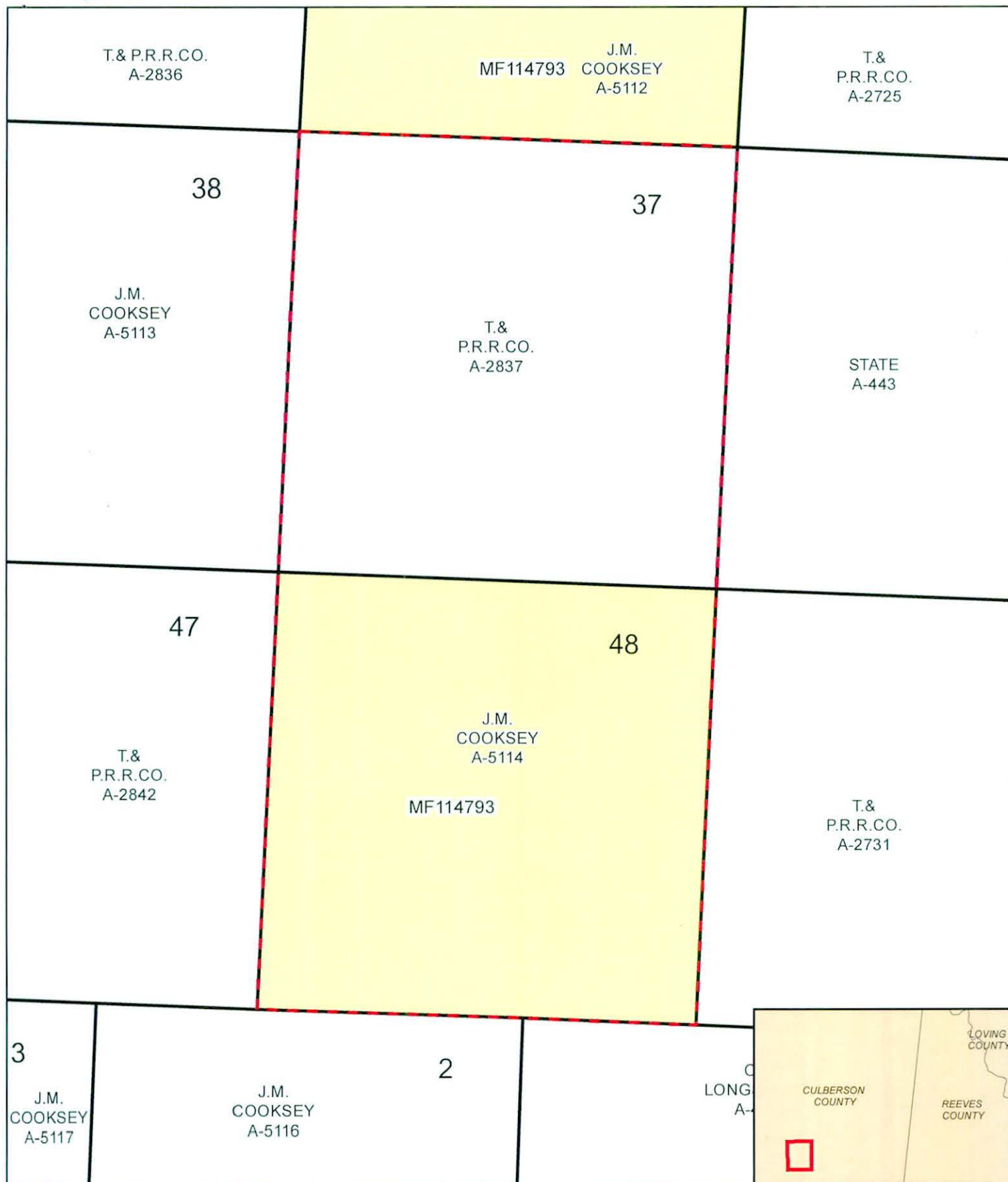
5/2/17
Date


Robert Hatter - General Land Office

5/02/17
Date


Diane Morris - Office of the Governor

5-2-2017
Date



Unit #8487
Cimarex Energy Co.
Iron Leige 37 State Unit
Ford, W (Wolfcamp) Field
Culberson County, Texas

1,500 750 0 1,500 Feet



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



Map Generated by:
Mark Conway
Enterprise Technology Solutions/GIS
May 2017

POOLING AGREEMENT
CIMAREX ENERGY CO.
IRON LEIGE 37 STATE UNIT
GLO UNIT NO. 8487
CULBERSON COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface of the earth to the stratigraphic equivalent of the base of the Cisco Canyon Formation, which is seen at a measured depth of 11,580 feet on the Halliburton Density Dual Spaced Neutron log dated December 12, 2010, of the Dark Star 21 Unit #1H Well, API No. 42-109-32352 located in Section 21, Blk. 59-T1, T&P Ry. Co. Survey, Culberson County, Texas ("unitized interval").

POOLING AND EFFECT:

4.

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

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

11039

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of May 16, 2017.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum A.



STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed 7-7-19

STATE OF TEXAS

Legal
Content
Geology
Executive

Rm
[Signature]
[Signature]

By: *[Signature]*
George P. Bush, Commissioner
General Land Office

Date Executed _____

CIMAREX ENERGY CO.

By: *[Signature]*
Roger Alexander
Attorney-in-Fact
Its: _____

Rm
[Signature]

11059

Date Executed June 15th, 2017

CHEVRON U.S.A. INC.

By: 
Robert Nunmaleer
Its: Attorney-in-Fact

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on May 16, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 15th day of July, 2017.


Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on _____, 2017, by _____,
as _____ of Cimarex Energy Co. a _____ corporation
on behalf of said corporation.

Notary Public in and for the State of Texas

Date Executed _____

CHEVRON U.S.A. INC.

By: _____

Its: _____

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on May 16, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the _____ day of _____, 2017.

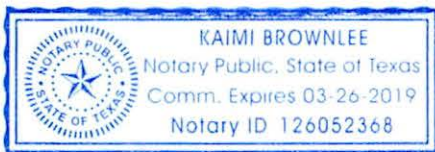
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF

Midland

This instrument was acknowledged before me on June 5, 2017, by Roger Alexander,
as Attorney-in-Fact of Cimarex Energy Co. a Delaware corporation
on behalf of said corporation.



Kaimi Brownlee
Notary Public in and for the State of Texas

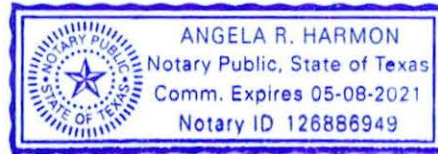
11.03.9

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on June 15, 2017, by Robert Normaken
as attorney-in-fact of Chevron U.S.A. Inc., a Pennsylvania corporation
on behalf of said corporation.

Angela R. Harmon
Notary Public in and for the State of Texas



Addendum A
To that certain Pooling Agreement for the Iron Leige 37 State Unit
Culberson County, Texas

The pooled unit for the **Iron Leige 37 State Unit** shall consist of the leases described in Exhibit "A" and all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C".

The following provisions are incorporated into the Pooling Agreement for the **Iron Leige 37 State Unit**.

The School Land Board of the State of Texas approved applications for the following six pooled units at its meeting in Austin, Texas, on May 16, 2017, herein collectively referred to as the "Six Pooled Units", each of which is located in Culberson County, Texas:

- (i) GLO Unit No. 8481, Spectacular Bid 15 State Unit (1358.0 acres),
- (ii) GLO Unit No. 8482, Go For Gin 27 State Unit (1340.0 acres),
- (iii) GLO Unit No. 8485, Nyquist 25 State Unit (1346.0 acres),
- (iv) GLO Unit No. 8486, I'll Have Another 39 State Unit (1340.0 acres)
- (v) GLO Unit No. 8487, Iron Leige 37 State Unit (1346.0 acres), and
- (vi) GLO Unit No. 8488, Brokers Tip 24 State Unit (1364.0 acres)

The pooling agreements and descriptions of each of the Six Pooled Units may be found in the official records of the General Land Office in Austin, Texas by reference to the GLO Unit Nos.

Lessee agrees to conduct a continuous drilling program on the Six Pooled Units by commencing actual drilling operations for horizontal wells on any one, or on any combination of one or more of the Six Pooled Units, in accordance with the schedule set forth below, herein called the "Drilling Obligation Timeframe":

- (1) A total of two horizontal wells on or before December 31, 2017;
- (2) A total of six horizontal wells (inclusive of the two prior wells) on or before December 31, 2018;
- (3) A total of 10 horizontal wells (inclusive of the six prior wells) on or before December 31, 2019;
- (4) A total of 14 horizontal wells (inclusive of the ten prior wells) on or before December 31, 2020;
- (5) A total of 18 horizontal wells (inclusive of the 14 prior wells) on or before December 31, 2021;
- (6) A total of 22 horizontal wells (inclusive of the 18 prior wells) on or before December 31, 2022;
- (7) A total of 26 horizontal wells (inclusive of the 22 prior wells) on or before December 31, 2023;

and continuing for each succeeding calendar year thereafter with the additional drilling obligation of 4 additional horizontal wells on or before the end of each such succeeding calendar year.

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

J.T. 009

So long as Lessee complies with the Drilling Obligation Timeframe set forth above, all of the leases within the Six Pooled Units shall remain in full force and effect and all of the Six Pooled Units described herein shall remain in effect and in their original size and shape.

On the date on which Lessee shall fail to meet the Drilling Obligation Timeframe, as specifically defined above, each unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for an approximate maximum size as follows:

- (1) For the Spectacular Bid 15 State Unit, 340 acres multiplied by the number of horizontal wells drilled in the Spectacular Bid 15 State Unit;
- (2) For the Go For Gin 27 State Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the Go For Gin 27 State Unit;
- (3) For the Nyquist 25 State Unit, approximately 337 acres multiplied by the number of horizontal wells drilled in the Nyquist 25 State Unit;
- (4) For the I'll Have Another 39 State Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the I'll Have Another 39 State Unit;
- (5) For the Iron Leige 37 State Unit, approximately 336 acres multiplied by the number of horizontal wells drilled in the Iron Leige 37 State Unit; and
- (6) For the Brokers Tip 24 State Unit, approximately 341 acres multiplied by the number of horizontal wells drilled in the Brokers Tip 24 State Unit.

Each such unit shall be as close as is reasonably practicable to the shape of a rectangle surrounding the wells.

For any pooled unit in which Lessee commences actual drilling operations on four (4) horizontal wells within the Drilling Obligation Timeframe, and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities the parties hereby agree that such pooled unit shall remain in the original, unaltered size and shape as described in the original exhibits to the pooling agreement.

The parties hereby agree that should a conflict exist between this Addendum and the body of the Pooling Agreement, or between this Addendum and any provision of the leases that this Addendum shall prevail.

End of Addendum A

41439

EXHIBIT "A"

Attached to and made a part of that certain Declaration of Pooled Unit for the Iron Leige 37 State Unit
(a 1346.0 acre oil and gas unit) - Cimarex Energy Co., Operator

I. OIL AND GAS LEASES SUBJECT TO THIS DECLARATION:

- | | |
|------------------|--|
| 1. Lease Date: | December 31, 2012 |
| Recording Data: | Volume 109, Page 180, Oil & Gas Records, Culberson County,
Texas |
| Lessor: | State of Texas, acting by and through its agent, Diane
Davidson Claiborne, et al |
| Original Lessee: | Cimarex Energy Co. |
| Lands Covered: | All of Section 48, Block 60, Township 2, T&P Ry. Co. Survey,
Culberson County, Texas, in addition to other lands not
covered by this Declaration of Pooled Unit. |

II. INTERESTS IN THE MINERAL ESTATE SUBJECT TO THIS DECLARATION:

1. The NE/4 of Section 37, Block 60-T2, T&P RR Co. Survey,
Culberson County, Texas, owned by Chevron U.S.A. Inc.
2. The NW/4, S/2 of Section 37, Block 60-T2, T&P RR Co. Survey,
Culberson County, Texas, owned by Chevron U.S.A. Inc.

III. NON-PARTICIPATING ROYALTY INTEREST SUBJECT TO THIS DECLARATION

1. The NW/4, S/2 of Section 37, Block 60-T2, T&P RR Co. Survey,
Culberson County, Texas, owned by Texas Pacific Land Trust



EXHIBIT "B"

Attached to and made a part of that certain Declaration of Pooled Unit for the Iron Leige 37 State Unit
(a 1346.0 acre oil and gas unit) - Cimarex Energy Co., Operator

Description of Lands

- Tract 1: All of Section 48, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, containing 673.0 gross acres, more or less
- Tract 2: NE/4 of Section 37, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, containing 168.25 gross acres, more or less
- Tract 3: NW/4, S/2 of Section 37, Block 60-T2, T&P RR Co. Survey, Culberson County, Texas, containing 504.75 gross acres, more or less

Depth Limitation

Limited in depth from the surface of the earth down to the stratigraphic equivalent of the base of the Cisco Canyon Formation. The base of the Cisco Canyon Formation is defined as the stratigraphic equivalent of 11,580 feet Measured Depth, as seen in Cimarex Energy Co.'s Dark Star 21 Unit #1H Well, located in Section 21, Block 59 – T1, T&P RR Co. Survey, Culberson County, Texas; API #42-109-32352; Halliburton Spectral Density Dual Spaced Neutron Log dated 12 December 2010.

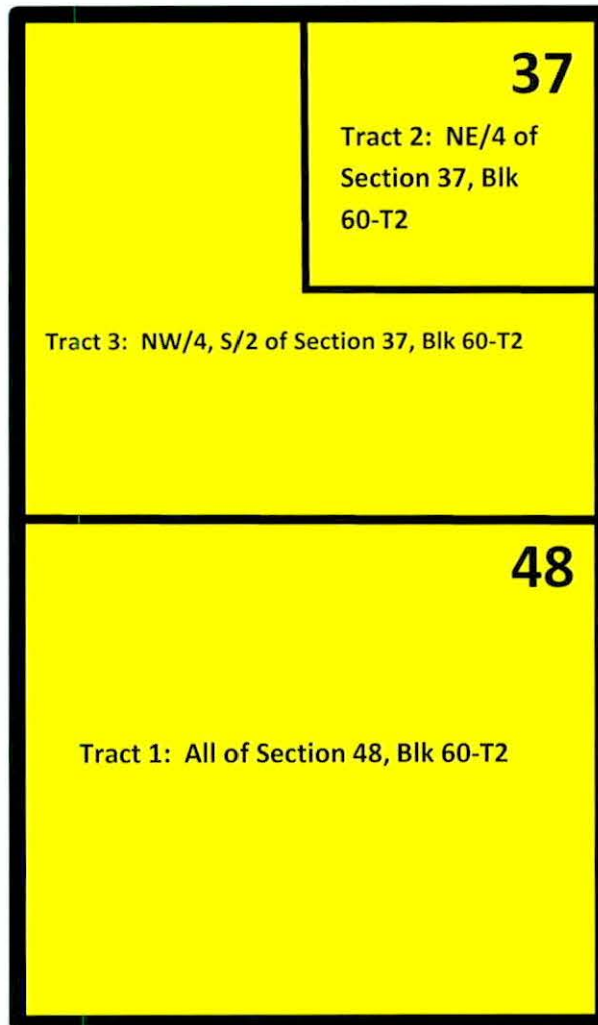


EXHIBIT "C"

Attached to and made a part of that certain Declaration of Pooled Unit for the Iron Leige 37 State Unit
(a 1346.0 acre oil and gas unit) – Cimarex Energy Co., Operator

Iron Leige 37 State Unit

located in Section 37, Block 60-T2 and
Section 48, Block 60-T2, T&P RR Co. Survey,
Culberson County, Texas



11

File No. M- 114793
Pooling Agrat. Packet # 8487
Iron Leige 37 State Unit
7/10/17
 Date Filed: _____
 George P. Bush, Commissioner
 By: [Signature]



11.19.19

NADOA Model Form Division Order (Adopted 9/95)

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

unit 8485
ME114793

Date: 11/13/2019

Effective Date: 10/01/2019

030618

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

Description: NYQUIST 25 ST UNIT 2H - ENT TIK

Complete Property Description Listed Below

Production: ☒ Oil ☒ 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: 429971-342.01

NYQUIST 25 STATE UNIT 2H

Operator: CIMAREX ENERGY CO

Location: Culberson, TX

Map Reference Information

Culberson, TX US
Section 25, Block 60 T-2, T&P RR Co Survey,
Culberson County, TX

Block: 60 Section: 25 Qtr/Qtr: Surv. Ft/Dir: 0 Surv. Ft/Dir: 0

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): _____

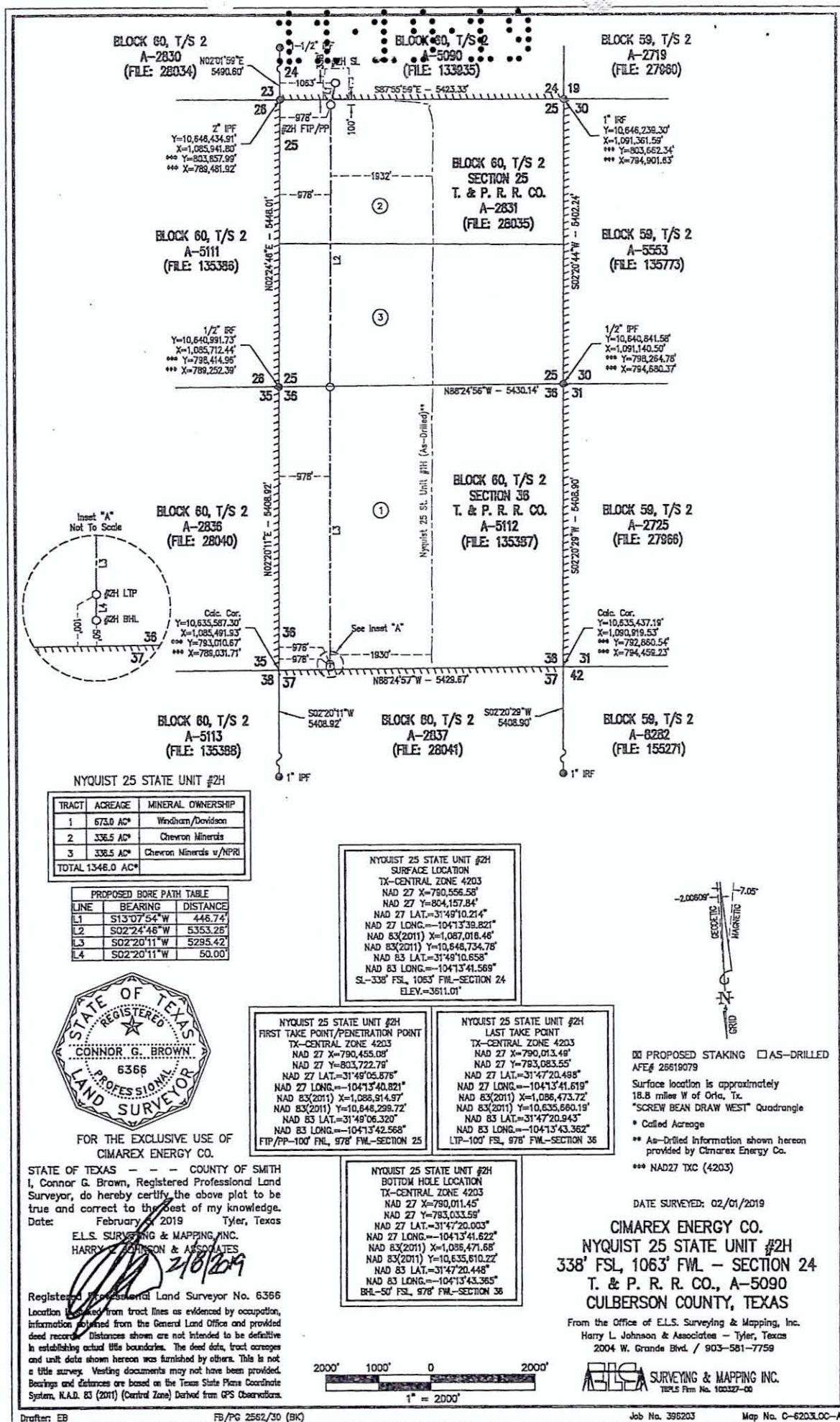
Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

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

February 14, 2020

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

Re: State Lease No. MF114793 Nyquist 25 State Unit 2H Unit 8485

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 114793

Culberson

DIVISION ORDER

Date Filed: 2-18-2020

George P. Bush, Commissioner

By VR



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (September 8, 2020)

DATE: August 27, 2020

TO: Commissioner Bush

FROM: Joy McCauley

SUBJECT: First Amendment of Pooling Agreement for the Iron Leige 37 State Unit to defer 2020 Drilling Obligation Wells for Six (6) Months for signature.

.....

SUMMARY: Attached for your approval and signature are duplicate originals of an Amended 2020 Plan of Development for the Iron Leige 37 State Unit for Drilling Deferral that was approved by the School Land Board on April 21, 2020, whereby the School Land Board delegated to the Commissioner, until December 31, 2020, the authority to grant extensions of time not to exceed six (6) months in duration.

DETAILS: This agreement complies with existing GLO rules and policies and has been reviewed and approved by Energy Resources staff and the Legal Services Division. Chapter 52, Subchapter F of the Texas Natural Resources Code, which constitutes the owner of the soil as agent for the State to lease the oil and gas that in certain State lands upon such terms and conditions as such owner may deem best and gives authority to the Commissioner to approve such lease and the terms and conditions therein contained.

Document Name	Recipient
First Amendment of Pooling Agreement Six (6) Month Drilling Deferral for Iron Leige 37 State Unit Culberson County, Texas	Cimarex Energy Co.

Recommendation: Please sign and return to Joy McCauley in Energy Resources (3-4704).

Attachments: Two (2) First Amendments of Pooling Agreement for the Iron Leige 37 State Unit

Thru: Larry Hargrave
Legal

FIRST AMENDMENT OF POOLING AGREEMENT
CIMAREX ENERGY CO.
IRON LEIGE 37 STATE UNIT
GLO UNIT NO. 8487
CULBERSON COUNTY, TEXAS

For mutual and adequate consideration, hereby acknowledged as received, the undersigned "Lessor" and "Lessee", as they are so identified in the Pooling Agreement dated effective May 16, 2017, creating GLO Unit No. 8487 (Iron Leige 37 State Unit) (the "Pooling Agreement"), hereby amend Line (4) on Addendum "A" of the Pooling Agreement to provide as follows:

"(4) A total of 14 horizontal wells (inclusive of the 10 prior wells) on or before June 30, 2021;"

The Drilling Obligation Timeframe as set out on Addendum "A" is not changed for any other well.

The parties agree that the Pooling Agreement is hereby ratified and that no provision of the Pooling Agreement, including all attachments thereto, is amended except as expressly amended above in this First Amendment.

This First Amendment, once fully executed, is made effective as of April 21, 2020.

Given under my hand and seal of office on _____, 2020.

STATE OF TEXAS

Content
Dep. Dir.
OGC
Executive

DBO
[Signature]
[Signature]
[Signature]

By: _____
GEORGE P. BUSH, COMMISSIONER
GENERAL LAND OFFICE

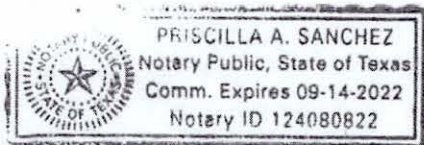
CIMAREX ENERGY CO.

By: [Signature]
Printed name: MICHAEL DESHAZER PM
Its: ATTORNEY-IN-FACT
Date: 07-09-2020

STATE OF TEXAS

MIDLAND
COUNTY OF TRAVIS

This instrument was acknowledged before me on July 9, 2020, by Michael Deshaizer
as Attorney-in-Fact of Cimarex Energy Co., "_____", a TEXAS Delaware
corporation on behalf of said company. Ps.



[Signature]
Notary Public, State of Texas

13.

File No. ME114793

Culberson County

Memo 2020 Well Deferral Unit 8487

Date Filed: 10/20/2020

George P. Bush, Commissioner

By Jm

FIRST AMENDMENT OF POOLING AGREEMENT
CIMAREX ENERGY CO.
IRON LEIGE 37 STATE UNIT
GLO UNIT NO. 8487
CULBERSON COUNTY, TEXAS

For mutual and adequate consideration, hereby acknowledged as received, the undersigned "Lessor" and "Lessee", as they are so identified in the Pooling Agreement dated effective May 16, 2017, creating GLO Unit No. 8487 (Iron Leige 37 State Unit) (the "Pooling Agreement"), hereby amend Line (4) on Addendum "A" of the Pooling Agreement to provide as follows:

"(4) A total of 14 horizontal wells (inclusive of the 10 prior wells) on or before June 30, 2021;"

The Drilling Obligation Timeframe as set out on Addendum "A" is not changed for any other well.

The parties agree that the Pooling Agreement is hereby ratified and that no provision of the Pooling Agreement, including all attachments thereto, is amended except as expressly amended above in this First Amendment.

This First Amendment, once fully executed, is made effective as of April 21, 2020.

Given under my hand and seal of office on September 25, 2020.

STATE OF TEXAS

Content _____
Dep. Dir. _____
OGC _____
Executive _____

By: [Signature]
GEORGE P. BUSH, COMMISSIONER
GENERAL LAND OFFICE

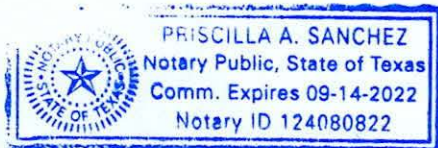
CIMAREX ENERGY CO.

By: [Signature]
Printed name: MICHAEL DESHAZER
Its: ATTORNEY-IN-FACT
Date: 07-09-2020

STATE OF TEXAS

MIDLAND
COUNTY OF ~~TRAVIS~~

This instrument was acknowledged before me on July 9, 2020, by Michael Deshaizer
as Attorney-in-Fact of Cimarex Energy Co., a TEXAS Delaware
corporation on behalf of said company.



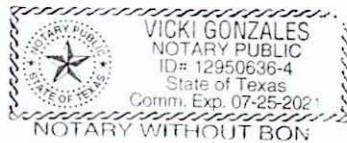
[Signature]
Notary Public, State of Texas

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF Travis

This instrument was acknowledged before me on 25 of Sept., 2020, by George P. Bush as Commissioner of the General Land Office of the State of Texas on behalf of the State of Texas.



Vicki Gonzales

NOTARY PUBLIC- STATE OF TEXAS

File No. MF114793
Culberson County
1st Amendment Unit 8487
Date Filed: 10/20/2020
By jm George P. Bush, Commissioner



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (September 8, 2020)

DATE: August 27, 2020

TO: Commissioner Bush

FROM: Joy McCauley

SUBJECT: First Amendment of Pooling Agreement for the Nyquist 25 State Unit to defer 2020 Drilling Obligation Wells for Six (6) Months for signature.

.....

SUMMARY: Attached for your approval and signature are duplicate originals of an Amended 2020 Plan of Development for the Nyquist 25 State Unit for Drilling Deferral that was approved by the School Land Board on April 21, 2020, whereby the School Land Board delegated to the Commissioner, until December 31, 2020, the authority to grant extensions of time not to exceed six (6) months in duration.

DETAILS: This agreement complies with existing GLO rules and policies and has been reviewed and approved by Energy Resources staff and the Legal Services Division. Chapter 52, Subchapter F of the Texas Natural Resources Code, which constitutes the owner of the soil as agent for the State to lease the oil and gas that in certain State lands upon such terms and conditions as such owner may deem best and gives authority to the Commissioner to approve such lease and the terms and conditions therein contained.

Document Name	Recipient
First Amendment of Pooling Agreement Six (6) Month Drilling Deferral for Nyquist 25 State Unit Culberson County, Texas	Cimarex Energy Co.

Recommendation: Please sign and return to Joy McCauley in Energy Resources (3-4704).

Attachments: Two (2) First Amendments of Pooling Agreement for the Nyquist 25 State Unit

Thru: Larry Hargrave
Legal

FIRST AMENDMENT OF POOLING AGREEMENT
CIMAREX ENERGY CO.
NYQUIST 25 STATE UNIT
GLO UNIT NO. 8485
CULBERSON COUNTY, TEXAS

For mutual and adequate consideration, hereby acknowledged as received, the undersigned "Lessor" and "Lessee", as they are so identified in the Pooling Agreement dated effective May 16, 2017, creating GLO Unit No. 8485 (Nyquist 25 State Unit) (the "Pooling Agreement"), hereby amend Line (4) on Addendum "A" of the Pooling Agreement to provide as follows:

"(4) A total of 14 horizontal wells (inclusive of the 10 prior wells) on or before June 30, 2021;"

The Drilling Obligation Timeframe as set out on Addendum "A" is not changed for any other well.

The parties agree that the Pooling Agreement is hereby ratified and that no provision of the Pooling Agreement, including all attachments thereto, is amended except as expressly amended above in this First Amendment.

This First Amendment, once fully executed, is made effective as of April 21, 2020.

Given under my hand and seal of office on _____, 2020.

STATE OF TEXAS

Content
Dep. Dir.
OGC
Executive

DBO
[Signature]
[Signature]

By: _____
GEORGE P. BUSH, COMMISSIONER
GENERAL LAND OFFICE

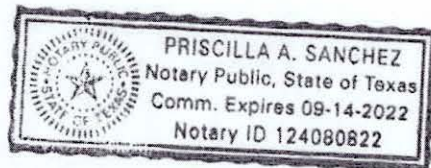
CIMAREX ENERGY CO.

By: [Signature] rm
Printed name: MICHAEL DESTHAZER
Its: ATTORNEY-IN-FACT
Date: 07-09-2020

STATE OF TEXAS

MIDLAND
COUNTY OF TRAVIS

This instrument was acknowledged before me on July 9, 2020, by Michael Desthazer,
as Attorney-in-Fact of Cimarex Energy Co., a Colorado Delaware corporation on behalf of said company.



[Signature]
Notary Public, State of Texas

File No. ME114793
Culberson County
Memo 2020 Well Deferral Unit 8485
Date Filed: 10/20/2020
By jm George P. Bush, Commissioner

FIRST AMENDMENT OF POOLING AGREEMENT
CIMAREX ENERGY CO.
NYQUIST 25 STATE UNIT
GLO UNIT NO. 8485
CULBERSON COUNTY, TEXAS

For mutual and adequate consideration, hereby acknowledged as received, the undersigned "Lessor" and "Lessee", as they are so identified in the Pooling Agreement dated effective May 16, 2017, creating GLO Unit No. 8485 (Nyquist 25 State Unit) (the "Pooling Agreement"), hereby amend Line (4) on Addendum "A" of the Pooling Agreement to provide as follows:

"(4) A total of 14 horizontal wells (inclusive of the 10 prior wells) on or before June 30, 2021;"

The Drilling Obligation Timeframe as set out on Addendum "A" is not changed for any other well.

The parties agree that the Pooling Agreement is hereby ratified and that no provision of the Pooling Agreement, including all attachments thereto, is amended except as expressly amended above in this First Amendment.

This First Amendment, once fully executed, is made effective as of April 21, 2020.

Given under my hand and seal of office on September 25, 2020.

STATE OF TEXAS

Content _____
Dep. Dir. _____
OGC _____
Executive _____

By: [Signature]
GEORGE P. BUSH, COMMISSIONER
GENERAL LAND OFFICE

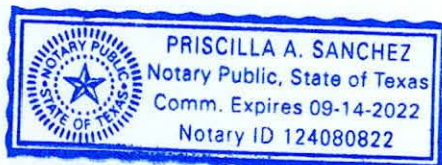
CIMAREX ENERGY CO.

By: [Signature] RM
Printed name: MICHAEL DESHAZER
Its: ATTORNEY-IN-FACT
Date: 07-09-2020

STATE OF TEXAS

MIDLAND
COUNTY OF ~~TRAVIS~~

This instrument was acknowledged before me on July 9, 2020, by Michael Deshazer
as Attorney-in-Fact of Cimarex Energy Co., a Delaware corporation on behalf of said company.



[Signature]
Notary Public, State of Texas

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF Travis

This instrument was acknowledged before me on 25 of Sept, 2020, by George P. Bush as Commissioner of the General Land Office of the State of Texas on behalf of the State of Texas.



Vicki Gonzales
NOTARY PUBLIC-STATE OF TEXAS

16.
File No. ME114793
Culberson County
1st Amendment Unit 8485
Date Filed: 10/20/2020
By JP George P. Bush, Commissioner



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (September 8, 2020)

DATE: August 27, 2020

TO: Commissioner Bush

FROM: Joy McCauley

SUBJECT: First Amendment of Pooling Agreement for the I'll Have Another 39 State Unit to defer 2020 Drilling Obligation Wells for Six (6) Months for signature.

.....

SUMMARY: Attached for your approval and signature are duplicate originals of an Amended 2020 Plan of Development for the I'll Have Another 39 State Unit for Drilling Deferral that was approved by the School Land Board on April 21, 2020, whereby the School Land Board delegated to the Commissioner, until December 31, 2020, the authority to grant extensions of time not to exceed six (6) months in duration.

DETAILS: This agreement complies with existing GLO rules and policies and has been reviewed and approved by Energy Resources staff and the Legal Services Division. Chapter 52, Subchapter F of the Texas Natural Resources Code, which constitutes the owner of the soil as agent for the State to lease the oil and gas that in certain State lands upon such terms and conditions as such owner may deem best and gives authority to the Commissioner to approve such lease and the terms and conditions therein contained.

Document Name	Recipient
First Amendment of Pooling Agreement Six (6) Month Drilling Deferral for I'll Have Another 39 State Unit Culberson County, Texas	Cimarex Energy Co.

Recommendation: Please sign and return to Joy McCauley in Energy Resources (3-4704).

Attachments: Two (2) First Amendments of Pooling Agreement for the I'll Have Another 39 State Unit

Thru: Larry Hargrave
Legal

FIRST AMENDMENT OF POOLING AGREEMENT
CIMAREX ENERGY CO.
I'LL HAVE ANOTHER 39 STATE UNIT
GLO UNIT NO. 8486
CULBERSON COUNTY, TEXAS

For mutual and adequate consideration, hereby acknowledged as received, the undersigned "Lessor" and "Lessee", as they are so identified in the Pooling Agreement dated effective May 16, 2017, creating GLO Unit No. 8486 (I'll Have Another 39 State Unit) (the "Pooling Agreement"), hereby amend Line (4) on Addendum "A" of the Pooling Agreement to provide as follows:

"(4) A total of 14 horizontal wells (inclusive of the 10 prior wells) on or before June 30, 2021;"

The Drilling Obligation Timeframe as set out on Addendum "A" is not changed for any other well.

The parties agree that the Pooling Agreement is hereby ratified and that no provision of the Pooling Agreement, including all attachments thereto, is amended except as expressly amended above in this First Amendment.

This First Amendment, once fully executed, is made effective as of April 21, 2020.

Given under my hand and seal of office on _____, 2020.

STATE OF TEXAS

Content
Dep. Dir.
OGC
Executive

DBO
[Signature]
[Signature]

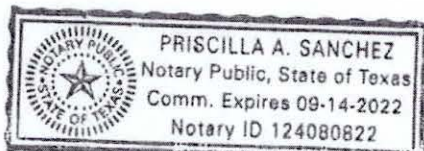
By: _____
GEORGE P. BUSH, COMMISSIONER
GENERAL LAND OFFICE

CIMAREX ENERGY CO.

By: [Signature]
Printed name: MICHAEL DESHAZER
Its: ATTORNEY-IN-FACT
Date: 07-09-2020

STATE OF TEXAS
MIDLAND
COUNTY OF TRAVIS

This instrument was acknowledged before me on July 9, 2020, by Michael Deshazer
as Attorney-in-Fact of Cimarex Energy Co., a Colorado Delaware corporation on behalf of said company.



[Signature]
Notary Public, State of Texas

File No. MF 114793
Culberson County
Memo 2020 Well Deferral Unit 8486
Date Filed: 10/20/2020
By jm George P. Bush, Commissioner

FIRST AMENDMENT OF POOLING AGREEMENT
CIMAREX ENERGY CO.
I'LL HAVE ANOTHER 39 STATE UNIT
GLO UNIT NO. 8486
CULBERSON COUNTY, TEXAS

For mutual and adequate consideration, hereby acknowledged as received, the undersigned "Lessor" and "Lessee", as they are so identified in the Pooling Agreement dated effective May 16, 2017, creating GLO Unit No. 8486 (I'll Have Another 39 State Unit) (the "Pooling Agreement"), hereby amend Line (4) on Addendum "A" of the Pooling Agreement to provide as follows:

"(4) A total of 14 horizontal wells (inclusive of the 10 prior wells) on or before June 30, 2021;"

The Drilling Obligation Timeframe as set out on Addendum "A" is not changed for any other well.

The parties agree that the Pooling Agreement is hereby ratified and that no provision of the Pooling Agreement, including all attachments thereto, is amended except as expressly amended above in this First Amendment.

This First Amendment, once fully executed, is made effective as of April 21, 2020.

Given under my hand and seal of office on September 25, 2020.

STATE OF TEXAS

Content _____
Dep. Dir. _____
OGC _____
Executive _____

By: [Signature]
GEORGE P. BUSH, COMMISSIONER
GENERAL LAND OFFICE

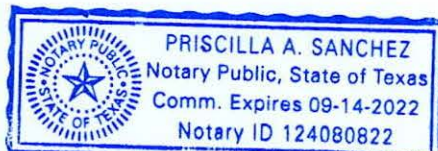
CIMAREX ENERGY CO.

By: [Signature] RM
Printed name: MICHAEL DESHAZER
Its: ATTORNEY-IN-FACT
Date: 07-09-2020

STATE OF TEXAS

MIDLAND
COUNTY OF TRAVIS

This instrument was acknowledged before me on July 9, 2020, by Michael DeShazer
as Attorney-in-Fact of Cimarex Energy Co., a Colorado Delaware rs
corporation on behalf of said company.



[Signature]
Notary Public, State of Texas

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF Travis

This instrument was acknowledged before me on 25 of Sept., 2020, by George P. Bush as Commissioner of the General Land Office of the State of Texas on behalf of the State of Texas.



Vicki Gonzales

NOTARY PUBLIC- STATE OF TEXAS

18.
File No. MF114793
Culberson County
1st Amendment Unit 8486
Date Filed: 10/20/2020
By George P. Bush, Commissioner

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA179520

Unit Number 8485
Operator Name Cimarex Energy Co. **Effective Date** 05/16/2017
Customer ID C000044010 **Unitized For** Oil And Gas
Unit Name Nyquist 25 State **Unit Term**
County 1 Culberson **RRC District 1** 08 **Old Unit Number** **Inactive Status Date**
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Standard
State Net Revenue Interest Oil 0.06250000
State Part in Unit 0.50000000
Unit Depth Specified Depths **Well**
From Depth Surface **Formation** **Base**
To Depth 11580 Cisco **Participation Basis** Surface Acreage
Canyon TVD
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114793	1	673.000000	1,346.000000	0.50000000	O/G	0.12500000	0.06250000	No

API Number

4210933105, 4210933457

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

05/18/2021

05/18/2021

05/18/2021

06/02/2022

05/18/2021

Pooling Committee Report

To: School Land Board

UPA179520

Date of Board Meeting: 05/18/2021

Unit Number: 8485

Effective Date: 05/16/2017

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep:

Operator: CIMAREX ENERGY CO.

Unit Name: Nyquist 25 State

Field Name: FORD, WEST (WOLFCAMP)

County:

Culberson

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114793	0.12500000	12/31/2017	5 years	2,016.000000	673.000000	0.06250000

Private Acres:	673.000000
State Acres:	673.000000
Total Unit Acres:	1346.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	50.00%
<u>State Net Revenue Interest:</u>	6.25%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,820 acres for a 10,000 foot lateral (FTP to LTP).

Working File Number: **UPA179520**

REMARKS:

- Cimarex Energy Co. is requesting to amend the drilling obligation date for this unit and the other associated units to run from July 1st of one year through June 30th of the following
- year. The RAL Surface owner is agreeable with the change in obligation date.
- All other terms of the Pooling Agreement will remain the same.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the the amended Nyquist 25 State Unit under the above-stated provisions.

General Land Office

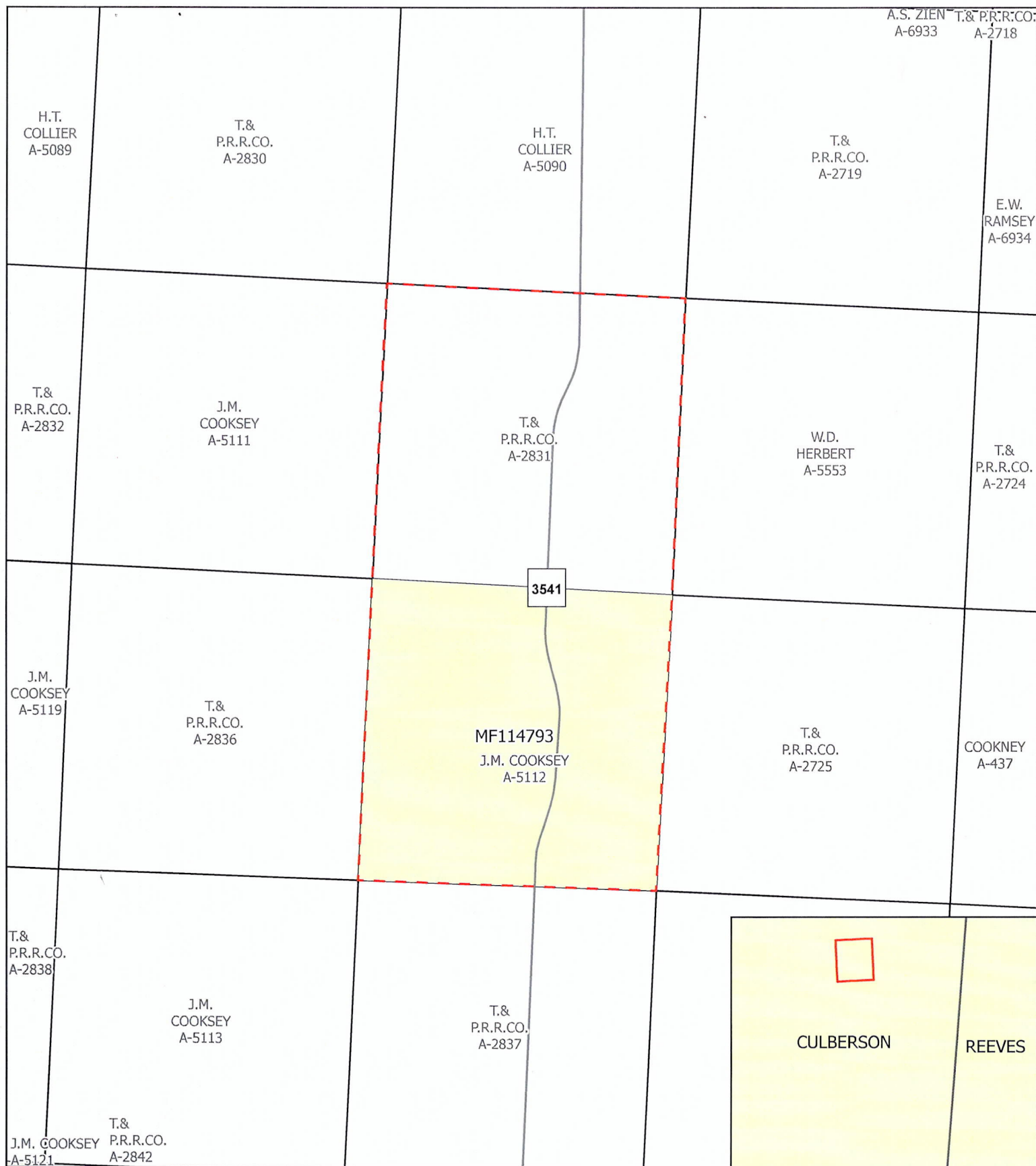
Date

Office of the Governor

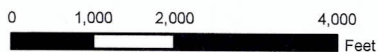
Date

Office of the Governor

Date



Unit #8485
Cimarex Energy Co.
Nyquist 25 State Unit
Ford, W (Wolfcamp) Field
Culberson County, Texas



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



Map generated by:
Kelsey Williams
Geospatial Technology Services
May 2021

AMENDMENT TO POOLING AGREEMENT
NYQUIST 25 STATE UNIT
GLO UNIT NO. 8485

STATE OF TEXAS §
 §
COUNTY OF CULBERSON §

WHEREAS the Commissioner of the General Land Office, on behalf of the State of Texas, and Cimarex Energy Co., et al, entered into a Pooling Agreement for the Nyquist 25 State Unit dated effective May 16, 2017, and recorded in Volume 30, page 624 of the Official Public Records of Culberson County, Texas (the "Agreement"). Such Agreement covers the following lands:

All of Sections 25 & 36, Block 60, Township 2, Culberson County, Texas, consisting of 1,346.0 acres, more or less, and limited to depths from surface to the stratigraphic equivalent of the base of the Cisco Canyon Formation. The base of the Cisco Canyon formation is defined as the stratigraphic equivalent of 11,580 feet Measured Depth, as seen in the Halliburton Spectral Density Dual Spaced Neutron Log dated December 12, 2010 for the Cimarex Energy Co. Dark Star 21 Unit #1H Well, located in Section 21, Block 59, T1, T&P RR Co. Survey, Culberson County, Texas; API #42-109-32352.

WHEREAS, it is the desire of the undersigned that the annual drilling obligation be changed from a calendar year to instead run from July 1st of one year through June 30th of the following year.

NOW, THEREFORE, the undersigned, in and for good and valuable consideration, the receipt of which is hereby acknowledged, agree to delete the Addendum "A" in the Agreement, and replace it with the Amended Addendum "A" attached hereto, and made a part hereof.

Except as herein changed, the provisions of the Agreement shall remain in full force and effect and are hereby ratified, adopted and confirmed the same as if incorporated herein.

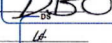
IN WITNESS WHEREOF this instrument is executed as of the date of the acknowledgements below, but shall be effective as of May 1, 2021.

[THIS SPACE WAS INTENTIONALLY LEFT BLANK]
[Signature and Acknowledgement pages to follow]

Date Executed 7/15/2021

STATE OF TEXAS

By: 
GEORGE P. BUSH, COMMISSIONER
GENERAL LAND OFFICE

Content 
Min. Leasing 
Legal 
Executive 

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 18th day of May, 2021, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 15th day of July, 2021.


Secretary of the School Land Board

CIMAREX ENERGY CO.

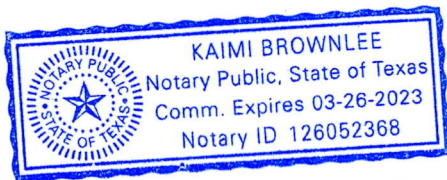

Michael DeShazer, Attorney-in-Fact

209

ACKNOWLEDGEMENT

STATE OF Texas §
COUNTY OF Midland §

This instrument was acknowledged before me on this 10 day of May, 2021,
by Michael DeShazer, acting as Attorney-in-fact for **CIMAREX ENERGY CO.**, a Delaware corporation,
on behalf of said corporation.




Notary Public in and for the State of Texas
My Commission Expires: 3/26/2023

CHEVRON U.S.A., Inc

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS

§

§

COUNTY OF _____

§

This instrument was acknowledged before me on this _____ day of _____, 2021, by
_____, as _____ of **CHEVRON U.S.A., INC.**, a
_____ corporation, on behalf of said corporation.

Notary Public in and for State of _____

My Commission Expires: _____

Amended Addendum A

To that certain Pooling Agreement for the Nyquist 25 State Unit
Culberson County, Texas

The pooled unit for the **Nyquist 25 State Unit** shall consist of the leases described in Exhibit "A" and all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C".

The following provisions are incorporated into the Pooling Agreement for the **Nyquist 25 State Unit**.

The School Land Board of the State of Texas approved applications for the following six pooled units at its meeting in Austin, Texas, on May 16, 2017, herein collectively referred to as the "Six Pooled Units", each of which is located in Culberson County, Texas:

- (i) GLO Unit No. 8481, Spectacular Bid 15 State Unit (1358.0 acres),
- (ii) GLO Unit No. 8482, Go For Gin 27 State Unit (1340.0 acres),
- (iii) GLO Unit No. 8485, Nyquist 25 State Unit (1346.0 acres),
- (iv) GLO Unit No. 8486, I'll Have Another 39 State Unit (1340.0 acres)
- (v) GLO Unit No. 8487, Iron Leige 37 State Unit (1346.0 acres), and
- (vi) GLO Unit No. 8488, Brokers Tip 24 State Unit (1364.0 acres)

The pooling agreements and descriptions of each of the Six Pooled Units may be found in the official records of the General Land Office in Austin, Texas by reference to the GLO Unit Nos.

Lessee agrees to conduct a continuous drilling program on the Six Pooled Units by commencing actual drilling operations for horizontal wells on any one, or on any combination of one or more of the Six Pooled Units, in accordance with the schedule set forth below, herein called the "Drilling Obligation Timeframe":

- (1) A total of two horizontal wells on or before December 31, 2017;
- (2) A total of 6 horizontal wells (inclusive of the two prior wells) on or before December 31, 2018;
- (3) A total of 10 horizontal wells (inclusive of the six prior wells) on or before December 31, 2019;
- (4) A total of 14 horizontal wells (inclusive of the 10 prior wells) on or before June 30, 2021;
- (5) A total of 18 horizontal wells (inclusive of the 14 prior wells) on or before June 30, 2022;
- (6) A total of 22 horizontal wells (inclusive of the 18 prior wells) on or before June 30, 2023;
- (7) A total of 26 horizontal wells (inclusive of the 22 prior wells) on or before June 30, 2024;

and continuing for each succeeding obligation year ending June 30 thereafter with the additional drilling obligation of 4 additional horizontal wells on or before the end of each such succeeding obligation year.

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

So long as Lessee complies with the Drilling Obligation Timeframe set forth above, all of the leases within the Six Pooled Units shall remain in full force and effect and all of the Six Pooled Units described herein shall remain in effect and in their original size and shape.

On the date on which Lessee shall fail to meet the Drilling Obligation Timeframe, as specifically defined above, each unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for an approximate maximum size as follows:

- (1) For the Spectacular Bid 15 State Unit, 340 acres multiplied by the number of horizontal wells drilled in the Spectacular Bid 15 State Unit;
- (2) For the Go For Gin 27 Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the Go For Gin 27 State Unit;
- (3) For the Nyquist 25 State Unit, approximately 337 acres multiplied by the number of horizontal wells drilled in the Nyquist 25 State Unit;
- (4) For the I'll Have Another 39 State Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the I'll Have Another 39 State Unit;
- (5) For the Iron Leige 37 State Unit, approximately 336 acres multiplied by the number of horizontal wells drilled in the Iron Leige 37 State Unit; and
- (6) For the Brokers Tip 24 State Unit, approximately 341 acres multiplied by the number of horizontal wells drilled in the Brokers Tip 24 State Unit.

Each such unit shall be as close as is reasonably practicable to the shape of a rectangle surrounding the wells.

For any pooled unit in which Lessee commences actual drilling operations on four (4) horizontal wells within the Drilling Obligation Timeframe, and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities the parties hereby agree that such pooled unit shall remain in the original, unaltered size and shape as described in the original exhibits to the pooling agreement.

The parties hereby agree that should a conflict exist between this Addendum and the body of the Pooling Agreement, or between this Addendum and any provision of the leases that this Addendum shall prevail.

End of Addendum A

File No. MF114793Culberson County
Unit 8485 - Amended Nyquist 25 StateDate Filed: 05/13/2022

George P. Bush, Commissioner

By Jm

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA179521

Unit Number 8486
Operator Name Cimarex Energy Co. **Effective Date** 05/16/2017
Customer ID C000044010 **Unitized For** Oil And Gas
Unit Name I'll Have Another 39 State **Unit Term**
County 1 Culberson **RRC District 1** 08 **Old Unit Number** **Inactive Status Date**
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Standard
State Net Revenue Interest Oil 0.06250000
State Part in Unit 0.50000000
Unit Depth Specified Depths **Well**
From Depth Surface **Formation** **Base**
To Depth 11580 Cisco **Participation Basis** Surface Acreage
Canyon TVD
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114793	1	670.000000	1,340.000000	0.50000000	O/G	0.12500000	0.06250000	No

API Number

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

05/18/2021

05/18/2021

05/18/2021

06/02/2022

05/18/2021

Pooling Committee Report

To: School Land Board

UPA179521

Date of Board Meeting: 05/18/2021

Unit Number: 8486

Effective Date: 05/16/2017

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep:

Operator: CIMAREX ENERGY CO.

Unit Name: I'll Have Another 39 State

Field Name: FORD, WEST (WOLFCAMP)

County:

Culberson

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114793	0.12500000	12/31/2017	5 years	2,016.000000	670.000000	0.06250000

Private Acres:	670.000000
State Acres:	670.000000
Total Unit Acres:	1340.000000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	50.00%
State Net Revenue Interest:	6.25%

Unit Type:	Unitized for:
Permanent	Oil And Gas
Term:	

RRC Rules:	Spacing Acres:
Yes	1,820 acres for a 10,000 foot lateral (FTP to LTP).

Working File Number: UPA179521

REMARKS:

- Cimarex Energy Co. is requesting to amend the drilling obligation date for this unit and the other associated units to run from July 1st of one year through June 30th of the following
- year. The RAL Surface owner is agreeable with the change in obligation date.
- All other terms of the Pooling Agreement will remain the same.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the the amended I'll Have Another 39 State Unit under the above-stated provisions.

General Land Office

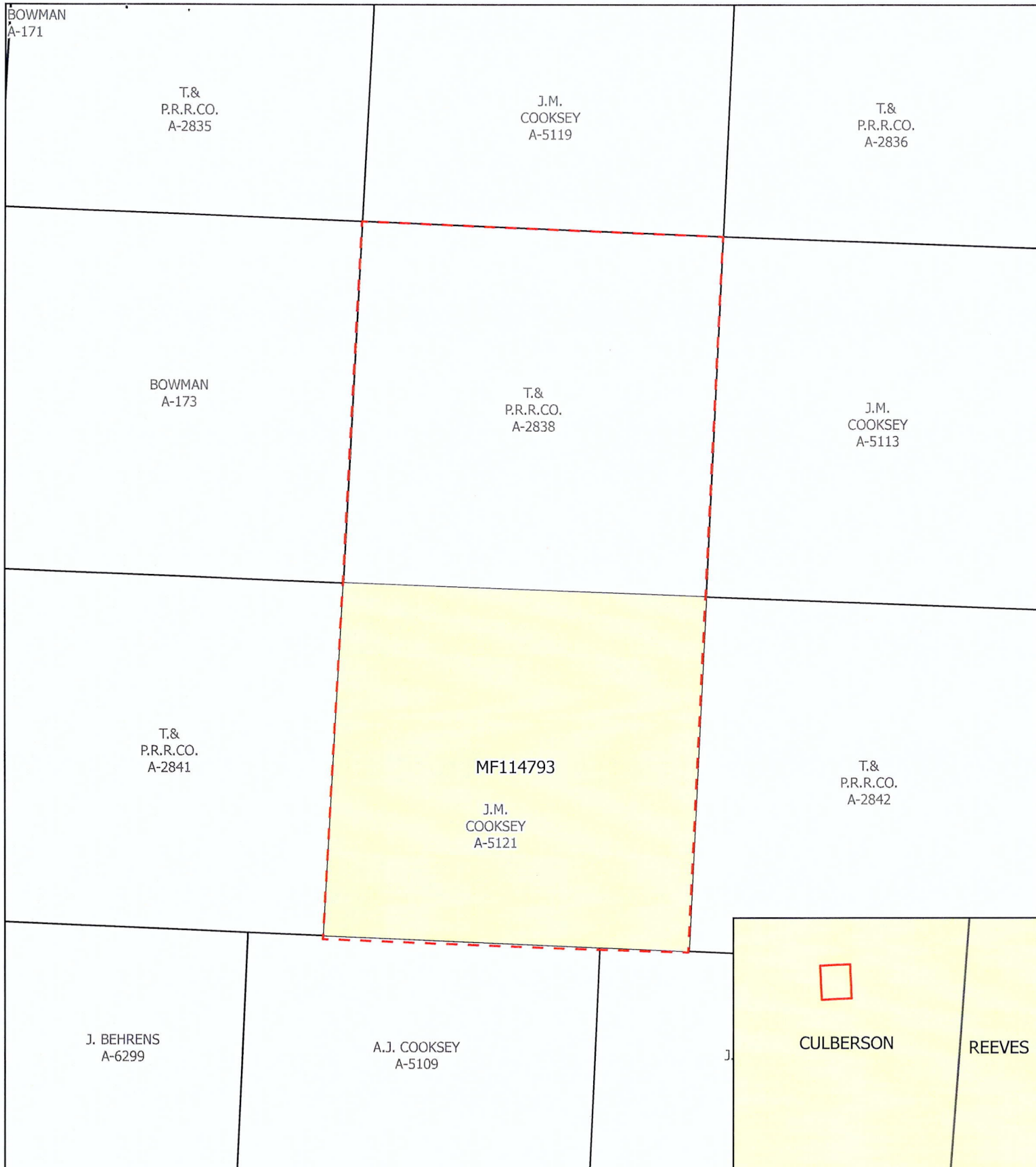
Date

Office of the Governor

Date

Office of the Governor

Date



Unit #8486
Cimarex Energy Co.
I'll Have Another State Unit
Ford, W (Wolfcamp) Field
Culberson County, Texas

0 500 1,000 2,000
Feet



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



Map generated by:
Kelsey Williams
Geospatial Technology Services
May 2021

AMENDMENT TO POOLING AGREEMENT
I'LL HAVE ANOTHER 39 STATE UNIT
GLO UNIT NO. 8486

STATE OF TEXAS §
 §
COUNTY OF CULBERSON §

WHEREAS the Commissioner of the General Land Office, on behalf of the State of Texas, and Cimarex Energy Co., et al, entered into a Pooling Agreement for the I'll Have Another 39 State Unit dated effective May 16, 2017, and recorded in Volume 30, page 668 of the Official Public Records of Culberson County, Texas (the "Agreement"). Such Agreement covers the following lands:

All of Sections 39 & 46, Block 60, Township 2, Culberson County, Texas, consisting of 1,340.0 acres, more or less, and limited to depths from surface to the stratigraphic equivalent of the base of the Cisco Canyon Formation. The base of the Cisco Canyon formation is defined as the stratigraphic equivalent of 11,580 feet Measured Depth, as seen in the Halliburton Spectral Density Dual Spaced Neutron Log dated December 12, 2010 for the Cimarex Energy Co. Dark Star 21 Unit #1H Well, located in Section 21, Block 59, T1, T&P RR Co. Survey, Culberson County, Texas; API #42-109-32352.

WHEREAS, it is the desire of the undersigned that the annual drilling obligation be changed from a calendar year to instead run from July 1st of one year through June 30th of the following year.

NOW, THEREFORE, the undersigned, in and for good and valuable consideration, the receipt of which is hereby acknowledged, agree to delete the Addendum "A" in the Agreement, and replace it with the Amended Addendum "A" attached hereto, and made a part hereof.

Except as herein changed, the provisions of the Agreement shall remain in full force and effect and are hereby ratified, adopted and confirmed the same as if incorporated herein.

IN WITNESS WHEREOF this instrument is executed as of the date of the acknowledgements below, but shall be effective as of May 1, 2021.

[THIS SPACE WAS INTENTIONALLY LEFT BLANK]
[Signature and Acknowledgement pages to follow]

Date Executed 7/15/2021

STATE OF TEXAS

Content
Min. Leasing DS
Legal ME
Executive 250

By: [Signature]
GEORGE P. BUSH, COMMISSIONER
GENERAL LAND OFFICE

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 18th day of May, 2021, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 15th day of July, 2021.

[Signature]
Secretary of the School Land Board

CIMAREX ENERGY CO.



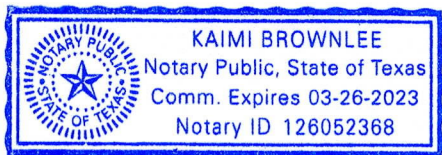
Michael DeShazer, Attorney-in-Fact

DOF

ACKNOWLEDGEMENT

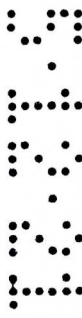
STATE OF Texas §
COUNTY OF Midland §

This instrument was acknowledged before me on this 10 day of May, 2021,
by Michael DeShazer, acting as Attorney-in-fact for **CIMAREX ENERGY CO.**, a Delaware corporation,
on behalf of said corporation.





Notary Public in and for the State of Texas
My Commission Expires: 3/26/2023



CHEVRON U.S.A., Inc

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS

§

§

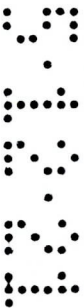
COUNTY OF _____

§

This instrument was acknowledged before me on this _____ day of _____, 2021, by _____, as _____ of **CHEVRON U.S.A., INC.**, a _____ corporation, on behalf of said corporation.

Notary Public in and for State of _____

My Commission Expires: _____



Amended Addendum A

To that certain Pooling Agreement for the I'll Have Another 39 State Unit
Culberson County, Texas

The pooled unit for the **I'll Have Another 39 State Unit** shall consist of the leases described in Exhibit "A" and all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C".

The following provisions are incorporated into the Pooling Agreement for the **I'll Have Another 39 State Unit**.

The School Land Board of the State of Texas approved applications for the following six pooled units at its meeting in Austin, Texas, on May 16, 2017, herein collectively referred to as the "Six Pooled Units", each of which is located in Culberson County, Texas:

- (i) GLO Unit No. 8481, Spectacular Bid 15 State Unit (1358.0 acres),
- (ii) GLO Unit No. 8482, Go For Gin 27 State Unit (1340.0 acres),
- (iii) GLO Unit No. 8485, Nyquist 25 State Unit (1346.0 acres),
- (iv) GLO Unit No. 8486, I'll Have Another 39 State Unit (1340.0 acres)
- (v) GLO Unit No. 8487, Iron Leige 37 State Unit (1346.0 acres), and
- (vi) GLO Unit No. 8488, Brokers Tip 24 State Unit (1364.0 acres)

The pooling agreements and descriptions of each of the Six Pooled Units may be found in the official records of the General Land Office in Austin, Texas by reference to the GLO Unit Nos.

Lessee agrees to conduct a continuous drilling program on the Six Pooled Units by commencing actual drilling operations for horizontal wells on any one, or on any combination of one or more of the Six Pooled Units, in accordance with the schedule set forth below, herein called the "Drilling Obligation Timeframe":

- (1) A total of two horizontal wells on or before December 31, 2017;
- (2) A total of 6 horizontal wells (inclusive of the two prior wells) on or before December 31, 2018;
- (3) A total of 10 horizontal wells (inclusive of the six prior wells) on or before December 31, 2019;
- (4) A total of 14 horizontal wells (inclusive of the 10 prior wells) on or before June 30, 2021;
- (5) A total of 18 horizontal wells (inclusive of the 14 prior wells) on or before June 30, 2022;
- (6) A total of 22 horizontal wells (inclusive of the 18 prior wells) on or before June 30, 2023;
- (7) A total of 26 horizontal wells (inclusive of the 22 prior wells) on or before June 30, 2024;

and continuing for each succeeding obligation year ending June 30 thereafter with the additional drilling obligation of 4 additional horizontal wells on or before the end of each such succeeding obligation year.

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

So long as Lessee complies with the Drilling Obligation Timeframe set forth above, all of the leases within the Six Pooled Units shall remain in full force and effect and all of the Six Pooled Units described herein shall remain in effect and in their original size and shape.

On the date on which Lessee shall fail to meet the Drilling Obligation Timeframe, as specifically defined above, each unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for an approximate maximum size as follows:

- (1) For the Spectacular Bid 15 State Unit, 340 acres multiplied by the number of horizontal wells drilled in the Spectacular Bid 15 State Unit;
- (2) For the Go For Gin 27 Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the Go For Gin 27 State Unit;
- (3) For the Nyquist 25 State Unit, approximately 337 acres multiplied by the number of horizontal wells drilled in the Nyquist 25 State Unit;
- (4) For the I'll Have Another 39 State Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the I'll Have Another 39 State Unit;
- (5) For the Iron Leige 37 State Unit, approximately 336 acres multiplied by the number of horizontal wells drilled in the Iron Leige 37 State Unit; and
- (6) For the Brokers Tip 24 State Unit, approximately 341 acres multiplied by the number of horizontal wells drilled in the Brokers Tip 24 State Unit.

Each such unit shall be as close as is reasonably practicable to the shape of a rectangle surrounding the wells.

For any pooled unit in which Lessee commences actual drilling operations on four (4) horizontal wells within the Drilling Obligation Timeframe, and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities the parties hereby agree that such pooled unit shall remain in the original, unaltered size and shape as described in the original exhibits to the pooling agreement.

The parties hereby agree that should a conflict exist between this Addendum and the body of the Pooling Agreement, or between this Addendum and any provision of the leases that this Addendum shall prevail.

End of Addendum A

19.517

20.

File No. MF114793

Culberson County

Unit 8486 - I'll Have Another 39 State Unit

Date Filed: 05/13/2022

George P. Bush, Commissioner

By Jm

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA179522

Unit Number 8487
Operator Name Cimarex Energy Co. **Effective Date** 05/16/2017
Customer ID C000044010 **Unitized For** Oil And Gas
Unit Name Iron Leige 37 State **Unit Term**
County 1 Culberson **RRC District 1** 08 **Old Unit Number** **Inactive Status Date**
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Standard
State Net Revenue Interest Oil 0.06250000
State Part in Unit 0.50000000
Unit Depth Specified Depths **Well**
From Depth Surface **Formation** **Base**
To Depth 11580 Cisco **Participation Basis** Surface Acreage
Canyon TVD
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114793	1	673.000000	1,346.000000	0.50000000	O/G	0.12500000	0.06250000	No

API Number

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

05/18/2021

05/18/2021

05/18/2021

06/02/2022

05/18/2021

Pooling Committee Report

To: School Land Board

UPA179522

Date of Board Meeting: 05/18/2021

Unit Number: 8487

Effective Date: 05/16/2017

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep:

Operator: CIMAREX ENERGY CO.,

Unit Name: Iron Leige 37 State

Field Name: FORD, WEST (WOLFCAMP)

County:

Culberson

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114793	0.12500000	12/31/2017	5 years	2,016.000000	673.000000	0.06250000

Private Acres:	673.000000
State Acres:	673.000000
Total Unit Acres:	1346.000000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	50.00%
State Net Revenue Interest:	6.25%

Unit Type:	Unitized for:
Permanent	Oil And Gas
Term:	

RRC Rules:	Spacing Acres:
Yes	1,820 acres for a 10,000 foot lateral (FTP to LTP).

Working File Number: **UPA179522**

REMARKS:

- Cimarex Energy Co. is requesting to amend the drilling obligation date for this unit and the other associated unit to run from July 1st of one year through June 30th of the following year.
- The RAL Surface owner is agreeable with the change in obligation date.
- All other terms of the Pooling Agreement will remain the same.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the the amended Iron Leige 37 State Unit under the above-stated provisions.

General Land Office

Date

Office of the Governor

Date

Office of the Governor

Date

J.M.
COOKSEY
A-5119

T.&
P.R.R.CO.
A-2836

J.M.
COOKSEY
A-5112

T.&
P.R.R.CO.
A-2725

J.M.
COOKSEY
A-5113

T.&
P.R.R.CO.
A-2837

STATE
A-443

3541

T.&
P.R.R.CO.
A-2842

J.M.
COOKSEY
A-5114

MF114793

T.&
P.R.R.CO.
A-2731

J.M.
COOKSEY
A-5117

J.M. COOKSEY
A-5116

RUSTLER SPRINGS RD

LONG
A-

CULBERSON

REEVES

Unit #8487
Cimarex Energy Co.
Iron Leige 37 State Unit
Ford, W (Wolfcamp) Field
Culberson County, Texas

0 500 1,000 2,000
Feet



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



Map generated by:
Kelsey Williams
Geospatial Technology Services
May 2021

AMENDMENT TO POOLING AGREEMENT
IRON LEIGE 37 STATE UNIT
GLO UNIT NO. 8487

STATE OF TEXAS §
 §
COUNTY OF CULBERSON §

WHEREAS the Commissioner of the General Land Office, on behalf of the State of Texas, and Cimarex Energy Co., et al, entered into a Pooling Agreement for the Iron Leige 37 State Unit dated effective May 16, 2017, and recorded in Volume 30, page 657 of the Official Public Records of Culberson County, Texas (the "Agreement"). Such Agreement covers the following lands:

All of Sections 37 & 48, Block 60, Township 2, Culberson County, Texas, consisting of 1,346.0 acres, more or less, and limited to depths from surface to the stratigraphic equivalent of the base of the Cisco Canyon Formation. The base of the Cisco Canyon formation is defined as the stratigraphic equivalent of 11,580 feet Measured Depth, as seen in the Halliburton Spectral Density Dual Spaced Neutron Log dated December 12, 2010 for the Cimarex Energy Co. Dark Star 21 Unit #1H Well, located in Section 21, Block 59, T1, T&P RR Co. Survey, Culberson County, Texas; API #42-109-32352.

WHEREAS, it is the desire of the undersigned that the annual drilling obligation be changed from a calendar year to instead run from July 1st of one year through June 30th of the following year.

NOW, THEREFORE, the undersigned, in and for good and valuable consideration, the receipt of which is hereby acknowledged, agree to delete the Addendum "A" in the Agreement, and replace it with the Amended Addendum "A" attached hereto, and made a part hereof.

Except as herein changed, the provisions of the Agreement shall remain in full force and effect and are hereby ratified, adopted and confirmed the same as if incorporated herein.

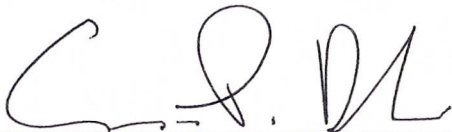
IN WITNESS WHEREOF this instrument is executed as of the date of the acknowledgements below, but shall be effective as of May 1, 2021.

[THIS SPACE WAS INTENTIONALLY LEFT BLANK]
[Signature and Acknowledgement pages to follow]

Date Executed 7/15/2021

STATE OF TEXAS

Content ME
Min. Leasing DS
Legal ME
Executive ME

By: 
GEORGE P. BUSH, COMMISSIONER
GENERAL LAND OFFICE

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 18th day of May, 2021, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 15th day of July, 2021.


Secretary of the School Land Board

CIMAREX ENERGY CO.



Michael DeShazer, Attorney-in-Fact

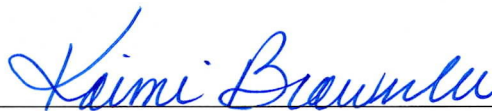
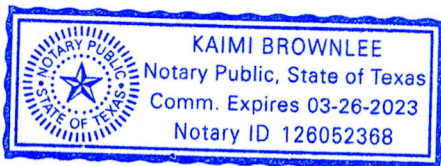
dep

ACKNOWLEDGEMENT

STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on this 10 day of May, 2021, by Michael DeShazer, acting as Attorney-in-fact for **CIMAREX ENERGY CO.**, a Delaware corporation, on behalf of said corporation.



Notary Public in and for the State of Texas
My Commission Expires: 3/26/2023



CHEVRON U.S.A., Inc

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS

§

§

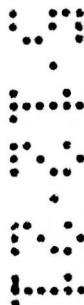
COUNTY OF _____

§

This instrument was acknowledged before me on this _____ day of _____, 2021, by _____, as _____ of **CHEVRON U.S.A., INC.**, a _____ corporation, on behalf of said corporation.

Notary Public in and for State of _____

My Commission Expires: _____



Amended Addendum A

To that certain Pooling Agreement for the Iron Leige 37 State Unit
Culberson County, Texas

The pooled unit for the **Iron Leige 37 State Unit** shall consist of the leases described in Exhibit "A" and all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C".

The following provisions are incorporated into the Pooling Agreement for the **Iron Leige 37 State Unit**.

The School Land Board of the State of Texas approved applications for the following six pooled units at its meeting in Austin, Texas, on May 16, 2017, herein collectively referred to as the "Six Pooled Units", each of which is located in Culberson County, Texas:

- (i) GLO Unit No. 8481, Spectacular Bid 15 State Unit (1358.0 acres),
- (ii) GLO Unit No. 8482, Go For Gin 27 State Unit (1340.0 acres),
- (iii) GLO Unit No. 8485, Nyquist 25 State Unit (1346.0 acres),
- (iv) GLO Unit No. 8486, I'll Have Another 39 State Unit (1340.0 acres)
- (v) GLO Unit No. 8487, Iron Leige 37 State Unit (1346.0 acres), and
- (vi) GLO Unit No. 8488, Brokers Tip 24 State Unit (1364.0 acres)

The pooling agreements and descriptions of each of the Six Pooled Units may be found in the official records of the General Land Office in Austin, Texas by reference to the GLO Unit Nos.

Lessee agrees to conduct a continuous drilling program on the Six Pooled Units by commencing actual drilling operations for horizontal wells on any one, or on any combination of one or more of the Six Pooled Units, in accordance with the schedule set forth below, herein called the "Drilling Obligation Timeframe":

- (1) A total of two horizontal wells on or before December 31, 2017;
- (2) A total of 6 horizontal wells (inclusive of the two prior wells) on or before December 31, 2018;
- (3) A total of 10 horizontal wells (inclusive of the six prior wells) on or before December 31, 2019;
- (4) A total of 14 horizontal wells (inclusive of the 10 prior wells) on or before June 30, 2021;
- (5) A total of 18 horizontal wells (inclusive of the 14 prior wells) on or before June 30, 2022;
- (6) A total of 22 horizontal wells (inclusive of the 18 prior wells) on or before June 30, 2023;
- (7) A total of 26 horizontal wells (inclusive of the 22 prior wells) on or before June 30, 2024;

and continuing for each succeeding obligation year ending June 30 thereafter with the additional drilling obligation of 4 additional horizontal wells on or before the end of each such succeeding obligation year.

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

So long as Lessee complies with the Drilling Obligation Timeframe set forth above, all of the leases within the Six Pooled Units shall remain in full force and effect and all of the Six Pooled Units described herein shall remain in effect and in their original size and shape.

On the date on which Lessee shall fail to meet the Drilling Obligation Timeframe, as specifically defined above, each unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for an approximate maximum size as follows:

- (1) For the Spectacular Bid 15 State Unit, 340 acres multiplied by the number of horizontal wells drilled in the Spectacular Bid 15 State Unit;
- (2) For the Go For Gin 27 Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the Go For Gin 27 State Unit;
- (3) For the Nyquist 25 State Unit, approximately 337 acres multiplied by the number of horizontal wells drilled in the Nyquist 25 State Unit;
- (4) For the I'll Have Another 39 State Unit, approximately 335 acres multiplied by the number of horizontal wells drilled in the I'll Have Another 39 State Unit;
- (5) For the Iron Leige 37 State Unit, approximately 336 acres multiplied by the number of horizontal wells drilled in the Iron Leige 37 State Unit; and
- (6) For the Brokers Tip 24 State Unit, approximately 341 acres multiplied by the number of horizontal wells drilled in the Brokers Tip 24 State Unit.

Each such unit shall be as close as is reasonably practicable to the shape of a rectangle surrounding the wells.

For any pooled unit in which Lessee commences actual drilling operations on four (4) horizontal wells within the Drilling Obligation Timeframe, and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities the parties hereby agree that such pooled unit shall remain in the original, unaltered size and shape as described in the original exhibits to the pooling agreement.

The parties hereby agree that should a conflict exist between this Addendum and the body of the Pooling Agreement, or between this Addendum and any provision of the leases that this Addendum shall prevail.

End of Addendum A

File No. MF114793

Culberson County

Unit 8487-Amended Iron Leige 37 State Unit

Date Filed: 05/13/2022

George P. Bush, Commissioner

By Jm



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: Rebecca Johnson
202 S Cheyenne Ave Ste 1000
Tulsa, OK 74103-3001

Billing Date: 4/17/2023
Billing Due Date: 5/17/2023
Customer Number: C000044010

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
23I00936	MF114793	\$51,457.01	\$0.00	\$5,145.70	\$1,781.17	\$58,383.88
Total Due		\$51,457.01	\$0.00	\$5,145.70	\$1,781.17	\$58,383.88

Penalty and interest have been calculated thru 4/30/2023. Payment remitted after 4/30/2023 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: 4/17/2023

Billing Due Date: 5/17/2023

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
23I00936	MF114793	\$51,457.01	\$0.00	\$5,145.70	\$1,781.17	\$58,383.88
Total Due		\$51,457.01	\$0.00	\$5,145.70	\$1,781.17	\$58,383.88
Amt. Paid						

Customer ID: C000044010
 Invoice Number: MF114793
 GLO Lease: CIMAREX ENERGY CO.
 GLO Review: Sept 2021 - Aug 2022
 Review Period:

Category Gas
 Auditor/AE: ECortez
 Billing Date: 4/13/2023
 P&I Calculation Date: 4/30/2023
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Sep-21	08-283717	7,622	1	\$4,267	1.174188	\$38,189.80	\$4,773.73	\$0.00	\$4,773.73	531	4.25%	\$477.37	\$262.36	\$5,513.46
Oct-21	08-283717	7,134	1	\$4,737	1.175166	\$39,709.75	\$4,963.72	\$0.00	\$4,963.72	501	4.25%	\$496.37	\$255.46	\$5,715.55
Nov-21	08-283717	6,335	1	\$4,547	1.154335	\$33,253.02	\$4,156.63	\$0.00	\$4,156.63	470	4.25%	\$415.66	\$198.92	\$4,771.21
Dec-21	08-283717	6,290	1	\$3,404	1.167942	\$25,008.24	\$3,126.03	\$0.00	\$3,126.03	439	4.25%	\$312.60	\$138.32	\$3,576.95
Jan-22	08-283717	6,254	1	\$3,626	1.181731	\$26,792.35	\$3,349.04	\$0.00	\$3,349.04	411	4.25%	\$334.90	\$137.26	\$3,821.20
Feb-22	08-283717	5,083	1	\$3,917	1.198644	\$23,864.84	\$2,983.11	\$0.00	\$2,983.11	380	4.25%	\$298.31	\$111.50	\$3,392.92
Mar-22	08-283717	5,509	1	\$3,863	1.157380	\$24,633.22	\$3,079.15	\$0.00	\$3,079.15	350	4.25%	\$307.92	\$104.33	\$3,491.40
Apr-22	08-283717	5,606	1	\$5,571	1.179753	\$36,839.24	\$4,604.91	\$0.00	\$4,604.91	319	4.25%	\$460.49	\$139.41	\$5,204.81
May-22	08-283717	5,811	1	\$6,791	1.167839	\$46,083.84	\$5,760.45	\$0.00	\$5,760.45	289	4.25%	\$576.05	\$154.27	\$6,490.77
Jun-22	08-283717	3,818	1	\$7,528	1.188040	\$34,144.94	\$4,268.12	\$0.00	\$4,268.12	258	4.25%	\$426.81	\$98.90	\$4,793.83
Jul-22	08-283717	4,342	1	\$5,936	1.195824	\$30,821.39	\$3,852.67	\$0.00	\$3,852.67	227	4.25%	\$385.27	\$75.36	\$4,313.30
Aug-22	08-283717	6,005	1	\$7,411	1.175588	\$52,315.58	\$6,539.45	\$0.00	\$6,539.45	197	4.25%	\$653.95	\$105.08	\$7,298.48
TOTALS		69,806				\$411,656.00	\$51,457.01	\$0.00	\$51,457.01			\$5,145.70	\$1,781.17	\$58,383.68

COMMENTS: BILLING ON UNDER REPORTED GAS VOLUMES TO THE GLO FOR UNIT 8485 (08-283717, 08-288403)

COLUMN (3) UNDER REPORTED VOLUMES: 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: accountservices@glo.texas.gov and eric.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

ATTN: Mary Jane Russell
 EMAIL: Mary.Russell@coterra.com
 Casey Voss
Casey.Voss@coterra.com

File No. MF 114793 22

County
Recon Billings

Date Filed: 5/10/2023
Commissioner Dawn Buckingham, M.D.

By: VD

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA179520

Unit Number 8485
Operator Name Cimarex Energy Co.
Customer ID C000044010
Unit Name Nyquist 25 State
County 1 Culberson **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Standard
State Net Revenue Interest Oil 0.06250000
State Part in Unit 0.50000000
Unit Depth Specified Depths
From Depth Surface
To Depth 11580.000000
Cisco Canyon
TVD
Well
Formation **Base**
Participation Basis Surface Acreage
Effective Date 05/16/2017
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114793	1	673.000000	1,346.000000	0.50000000	O/G	0.12500000	0.06250000	No

API Number

4210933105, 4210933457, 4210934225, 4210934226, 4210934227, 4210934228

Remarks:

Prepared By:

Jm

Prepared Date:

06/18/2024

GLO Base Updated By:

Jm

GLO Base Date:

06/18/2024

RAM Approval By:

JD

RAM Approval Date:

06/18/2024

GIS By:

RL

GIS Date:

4/14/25

Well Inventory By:

Jm

WI Date:

06/18/2024

Pooling Committee Report

To: School Land Board

UPA179520

Date of Board Meeting: 06/18/2024

Unit Number: 8485

Effective Date: 05/16/2017

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep:

Operator: CIMAREX ENERGY CO.

Unit Name: Nyquist 25 State

Field Name: FORD, WEST (WOLFCAMP)

County: Culberson

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF114793	0.12500000	12/31/2017	5 years	2,016.000000	673.000000	0.06250000

Private Acres:	673.000000
State Acres:	673.000000
Total Unit Acres:	1346.000000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	50.00%
State Net Revenue Interest:	6.25%

Unit Type:	Unitized for:
Standard	Oil And Gas
Term:	

RRC Rules:	Spacing Acres:
Yes	1,820 acres for a 10,000 foot lateral (FTP to LTP).

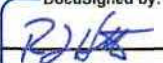
Working File Number: **UPA179520**

REMARKS:

- Cimarex Energy Co. is requesting School Land Board approval of the second amendment of the Nyquist 25 State Unit which was approved by the School Land Board on May 16, 2017 and amended on May 18, 2021.
- The applicant is requesting to amend the drilling obligation by deleting the Addendum A of the pooled unit. This unit will become a part of the Armstrong-State Orderly Development Agreement which has a set per year drilling obligation.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends School Land Board approval of the second amendment of the Nyquist 25 State Unit under the above-stated provisions.

DocuSigned by:

6C1630CF0F2E4D3
General Land Office

5/20/2024

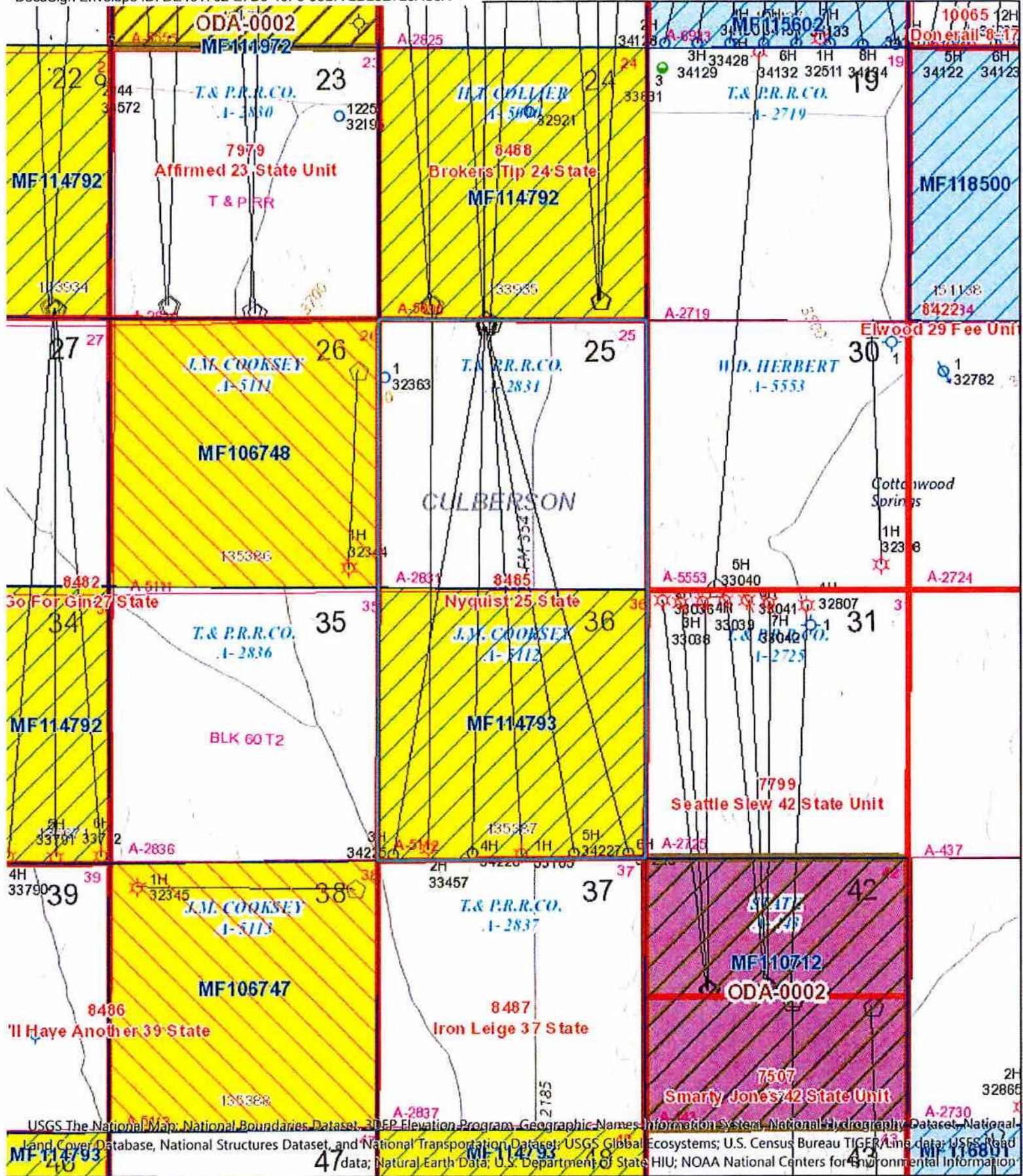
Date

Office of the Governor

Date

Office of the Governor

Date



GLO Land/Lease Mapping Viewer

Please review all copyright and disclaimer information from our webpage here: <https://www.glo.texas.gov/policy/index.html>. The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map is not suitable for navigational purposes and does not purport to depict boundaries of private and public land.



SECOND AMENDMENT TO POOLING AGREEMENT

NYQUIST 25 STATE UNIT
GLO UNIT NO. 8485

STATE OF TEXAS §
 §
COUNTY OF CULBERSON §

WHEREAS the Commissioner of the General Land Office, on behalf of the State of Texas, and Cimarex Energy Co., et al, entered into a Pooling Agreement for the Nyquist 25 State Unit dated effective May 16, 2017, and recorded in Volume 30, page 624 of the Official Public Records of Culberson County, Texas and an Amendment to Pooling Agreement dated effective May 1, 2021, and recorded in Volume 80, page 292 of the Official Public Records of Culberson County, Texas (collectively the "Agreement"). Such Agreement covers the following lands:

All of Sections 25 & 36, Block 60, Township 2, Culberson County, Texas, consisting of 1,346.0 acres, more or less, and limited to depths from surface to the stratigraphic equivalent of the base of the Cisco Canyon Formation. The base of the Cisco Canyon formation is defined as the stratigraphic equivalent of 11,580 feet Measured Depth, as seen in the Halliburton Spectral Density Dual Spaced Neutron Log dated December 12, 2010 for the Cimarex Energy Co. Dark Star 21 Unit #1H Well, located in Section 21, Block 59, T1, T&P RR Co. Survey, Culberson County, Texas; API #42-109-32352.

WHEREAS, it is the desire of the undersigned to amend the Agreement as follows:

1. The Addendum A to the Agreement shall be deleted in its entirety.
2. The following shall be added to the body of the Agreement

SUBJECT TO EXPLORATION AGREEMENT: 14.

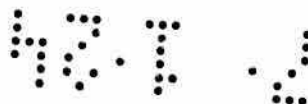
This Agreement is subject to that certain Unit Agreement for the Development and Operation of the Armstrong-State Unit dated effective January 1, 2014, as amended, by and between the State of Texas, Cimarex Energy Co., Prize Energy Resources, Inc. and Chevron U.S.A. Inc., recorded at Volume 112, Page 705 of the Oil and Gas Records of Culberson County, Texas.

SUBJECT TO JOINT DEVELOPMENT AGREEMENT: 15.

This Agreement is subject to that certain Joint Development Agreement dated effective January 1, 2013, as amended, by and between Cimarex Energy Co., Prize Energy Resources, Inc. and Chevron U.S.A. Inc.

NOW, THEREFORE, the undersigned, in and for good and valuable consideration, the receipt of which is hereby acknowledged, agree to amend the Agreement as set out above.

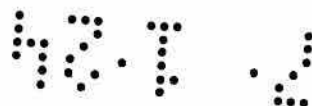
Except as herein amended, the provisions of the Agreement, and the oil and gas leases subject thereto, shall remain in full force and effect and are hereby ratified, adopted and confirmed the same as



if incorporated herein.

IN WITNESS WHEREOF this instrument is executed as of the date of the acknowledgements below, but shall be effective as of July 1, 2024.

[THIS SPACE WAS INTENTIONALLY LEFT BLANK]
[*Signature and Acknowledgement pages to follow*]



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

Date Executed 6-28-24

STATE OF TEXAS



DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Approved:

Leas. LB
Cont. DBO
Legal [Signature]
DLC [Signature]
Exec. [Signature]

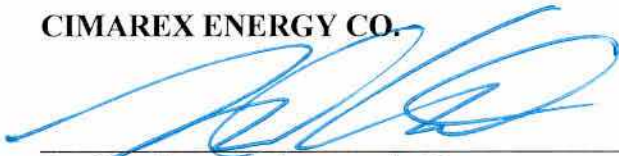
CERTIFICATE

I, Vicki Gonzales, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on June 18, 2024, the foregoing instrument was approved by said Board under the provisions of Chapter 32 and 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 28th day of June, 2024


Secretary of the School Land Board

CIMAREX ENERGY CO.



Bradley Cantrell, Attorney-in Fact

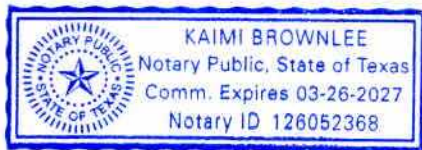
RW SK

ACKNOWLEDGEMENT

STATE OF Texas §

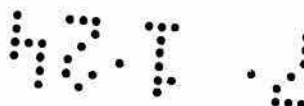
COUNTY OF Midland §

This instrument was acknowledged before me on this 25 day of June, 2024, by Bradley Cantrell, acting as Attorney-in-fact for **CIMAREX ENERGY CO.**, a Delaware corporation, on behalf of said corporation.



Notary Public in and for the State of Texas

My Commission Expires: 3/26/2027



CHEVRON U.S.A., Inc

By:

Name:

Title:



LYAZZAT ARENELLA

ATTORNEY-IN-FACT

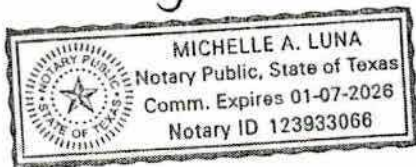
ACKNOWLEDGEMENT

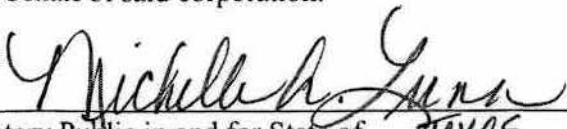
STATE OF TEXAS

COUNTY OF HARRIS

§
§
§

This instrument was acknowledged before me on this 10th day of September, 2024, by Lyazzat Arenella as Attorney-in-Fact of CHEVRON U.S.A., INC., a Pennsylvania corporation, on behalf of said corporation.




Notary Public in and for State of TEXAS

My Commission Expires: 01-07-2026

00000014593

FILED FOR RECORD

AT 2:31 O'CLOCK P. M.
ON THE 7th DAY OF October
A.D., 20 24

STATE OF TEXAS

COUNTY OF CULBERSON

I hereby certify that this instrument
was FILED on the date and at the time
stamped hereon by me and was duly
RECORDED in the Official Public
Records of CULBERSON County, Texas

TINA URIAS

COUNTY AND DISTRICT CLERK CULBERSON
COUNTY, TEXAS

BY

Jacklyn Balcaran
DEPUTY



COUNTY AND DISTRICT
CLERK CULBERSON
COUNTY, TEXAS

By _____
Commissioner David Beckwith, WFO
Date Filed _____
Clerk _____
Date _____

23

File No. MF 114793

Unit 8483 2nd Amendment County

Nyquist 23 State

Date Filed: 3-10-25

Commissioner Dawn Buckingham, M.D.

By: CRB



MF114793

OIL AND GAS DIVISION ORDER

COTERRA ENERGY OPERATING CO.
PO BOX 4544
Houston TX 77210-4544

Date: 02/12/2025
Effective Date: 02/01/2025

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN TX 78711-2873

Description: NYQUIST 25 STATE UNIT 3H
Product: ALL PRODUCTS

Unit 8485

Owner:

TEXAS GENERAL LAND OFFICE
Owner Number: 704630-08

Interest: 0.06250000
Interest Type: RI

Pay Code: RELIEVED

Property Description:

Property: 411612567
Operator: COTERRA ENERGY OPERATING CO.

Legal Description:

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

COTERRA ENERGY OPERATING CO.

Payor shall be notified, in writing, of any change in ownership, decimal interest, division of interest or payment address. All such changes shall be effective the first day of the month following receipt of such notice, and no such change is binding on Payor until recorded copies of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor.

The undersigned shall provide written notice to Payor of any suit filed that affects the interest of the owner. 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 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.

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) Phone Number: _____

Owner(s) Email Address: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 24% tax withholding and will not be refundable by Payor.



704630-08



411612567



OIL AND GAS DIVISION ORDER

COTERRA ENERGY OPERATING CO.
PO BOX 4544
Houston TX 77210-4544

Date: 02/12/2025
Effective Date: 02/01/2025

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN TX 78711-2873

Description: NYQUIST 25 STATE UNIT 4H
Product: ALL PRODUCTS

Owner:	Interest: 0.06250000	Pay Code: RELIEVED
TEXAS GENERAL LAND OFFICE	Interest Type: RI	
Owner Number: 704630-08		

Property Description:	Legal Description:
Property: 411612569	
Operator: COTERRA ENERGY OPERATING CO.	

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

COTERRA ENERGY OPERATING CO.

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

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

Owner(s) Phone Number: _____

Owner(s) Email Address: _____

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Failure to comply will result in 24% tax withholding and will not be refundable by Payor.



704630-08



411612569



OIL AND GAS DIVISION ORDER

COTERRA ENERGY OPERATING CO.
PO BOX 4544
Houston TX 77210-4544

Date: 02/12/2025
Effective Date: 02/01/2025

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN TX 78711-2873

Description: NYQUIST 25 STATE UNIT 6HR
Product: ALL PRODUCTS

Owner:		
TEXAS GENERAL LAND OFFICE	Interest: 0.06250000	Pay Code: RELIEVED
Owner Number: 704630-08	Interest Type: RI	

Property Description:	Legal Description:
Property: 411682612	
Operator: COTERRA ENERGY OPERATING CO.	

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

COTERRA ENERGY OPERATING CO.

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

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

Owner(s) Phone Number: _____

Owner(s) Email Address: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
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OIL AND GAS DIVISION ORDER

COTERRA ENERGY OPERATING CO.
PO BOX 4544
Houston TX 77210-4544

Date: 03/06/2025
Effective Date: 02/01/2025

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN TX 78711-2873

Description: NYQUIST 25 STATE UNIT 4H
Product: ALL PRODUCTS

Owner: TEXAS GENERAL LAND OFFICE Owner Number: 704630-08	Interest: 0.06250000 Interest Type: RI	Pay Code: RELIEVED
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Property Description: Property: 411612569 Operator: COTERRA ENERGY OPERATING CO.	Legal Description: SEC 25 & 36, BLK 60, T2, T&P RR CO SVY, CULBERSON CO, TX
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The undersigned certifies the ownership of the decimal interest in production proceeds as described payable by "Payor":

COTERRA ENERGY OPERATING CO.

Payor shall be notified, in writing, of any change in ownership, decimal interest, division of interest or payment address. All such changes shall be effective the first day of the month following receipt of such notice, and no such change is binding on Payor until recorded copies of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor.

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

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

Owner(s) Phone Number: _____ _____

Owner(s) Email Address: _____ _____

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704630-08



411612569



**OIL AND GAS DIVISION ORDER**

COTERRA ENERGY OPERATING CO.
PO BOX 4544
Houston TX 77210-4544

Date: 03/06/2025
Effective Date: 02/01/2025

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN TX 78711-2873

Description: NYQUIST 25 STATE UNIT 5H
Product: ALL PRODUCTS

Owner:		
TEXAS GENERAL LAND OFFICE	Interest: 0.06250000	Pay Code: RELIEVED
Owner Number: 704630-08	Interest Type: RI	

Property Description: Property: 411612571 Operator: COTERRA ENERGY OPERATING CO.	Legal Description: T&P RR CO SURVEY A 2831 SECTION 25 BLOCK
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The undersigned certifies the ownership of the decimal interest in production proceeds as described payable by "Payor":

COTERRA ENERGY OPERATING CO.

Payor shall be notified, in writing, of any change in ownership, decimal interest, division of interest or payment address. All such changes shall be effective the first day of the month following receipt of such notice, and no such change is binding on Payor until recorded copies of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor.

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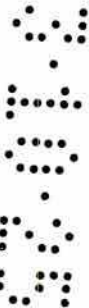
Owner(s) Signature(s): x _____ x _____

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

Owner(s) Phone Number: _____ _____

Owner(s) Email Address: _____ _____

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OIL AND GAS DIVISION ORDER

COTERRA ENERGY OPERATING CO.
PO BOX 4544
Houston TX 77210-4544

Date: 03/06/2025
Effective Date: 02/01/2025

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN TX 78711-2873

Description: NYQUIST 25 STATE UNIT 6H
Product: ALL PRODUCTS

Owner:	Interest: 0.06250000	Pay Code: RELIEVED
TEXAS GENERAL LAND OFFICE	Interest Type: RI	
Owner Number: 704630-08		

Property Description:	Legal Description:
Property: 411612573	SEC 25 & 36, BLK 60, T2, T&P RR CO SVY,
Operator: COTERRA ENERGY OPERATING CO.	CULBERSON CO, TX

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

COTERRA ENERGY OPERATING CO.

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

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

Owner(s) Phone Number: _____

Owner(s) Email Address: _____

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Failure to comply will result in 24% tax withholding and will not be refundable by Payor.





unit 8485
OIL AND GAS DIVISION ORDER
MF 114793

COTERRA ENERGY OPERATING CO.
PO BOX 4544
Houston TX 77210-4544

Date: 03/06/2025
Effective Date: 02/01/2025

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN TX 78711-2873

Description: NYQUIST 25 STATE UNIT 6HR
Product: ALL PRODUCTS

Owner:	
TEXAS GENERAL LAND OFFICE	Interest: 0.06250000 ✓
Owner Number: 704630-08	Pay Code: RELIEVED
	Interest Type: RI

Property Description:	Legal Description:
Property: 411682612	SEC 25 & 36, BLK 60, T2, T&P RR CO SVY,
Operator: COTERRA ENERGY OPERATING CO.	CULBERSON CO, TX

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COTERRA ENERGY OPERATING CO.

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

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

Owner(s) Phone Number: _____ _____

Owner(s) Email Address: _____ _____

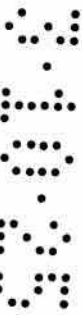
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704630-08



411682612





TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

April 3, 2025

Kimberly Jones
Division Order Analyst
Coterra Energy Operating Co.
PO Box 4544
Houston, TX 77210-4544

Re: State Lease No. MF114793 Nyquist 25 State Unit 3H, 4H, 6HR, 5H and 6H Unit 8485

Dear Ms. Jones:

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

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

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

We look forward to being 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
vivian.zamora@glo.texas.gov

File No. MF 114793

County _____

Division Order

Date Filed: 4/11/2025

Commissioner Dawn Buckingham, M.D.

By: VJg