



CAUTION

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Archives and Records Staff

MF115340

#9514
#9550
#10541
Unit 11336

PARTIAL RELEASE

Sec. 18 & Sec. 2
04125116

S/2 SECTION 18 - 320
N/E/4 SECTION 2 - 160
480 AC

Leasing: Q
Analyst: Q
Maps: JK
GIS: mc
DocuShare: _____

State Lease	Control	Base File	County
MF115340	07-109871	134784	REEVES
MF115340	07-109997	134368	REEVES
MF115340	07-110039	136501	REEVES
MF115340	07-110075	146397	REEVES

Survey	T & P RY CO	
Block	54, 55	
Block Name		
Township	5-S	
Section/Tract	2, 12, 18, 22	
Land Part		
Part Description	NE/4, S/2, N/2	
Acres	2880 1600	
Depth Below	Depth Above	Depth Other

Name	EOG RESOURCES, INC.
Lease Date	5/3/2013
Primary Term	5 yrs
Bonus (\$)	\$1,560,000.00
Rental (\$)	\$0.00
Lease Royalty	0.1250

CONTENTS OF FILE NO. M- 115340

1 RAL Sleet	4/26/12	16. Memo to Commissioner Unit 10541	4/8/21
2. Lease	5/16/13	17. Pooling Agreement - Unit 10541	4/8/21
3 Cover Letter Bonus & Fee	5/14/13	18. Scanned PJ	29 June 2021
4 Final Letter	6/4/13	18. Surface Damage Pmt	8/25/2021
5. C+R + Fee's	6-25-13	19. Surface Damage Pmt	8/25/2021
Scanned sm 7/8/13		20. Surface Damage Pmt	8/25/2021
6. Surface Damage-Caliche Pmt.	12/16/13	21. Surface Damage Pmt	8/25/2021
7. Surface Damage-Caliche Pmt.	4/16/14	22. Surface Damage Pmt	8/25/2021
8. Surface Damage-Caliche Pmt.	5/19/14	23. Surface Damage Pmt	8/25/2021
Scanned PJ 9-2-14		24. Surface Damage Pmt	8/25/2021
9. Partial Release	04/29/16	Scanned JG 9/21/21	
10. Rental	04/29/16	25. Assign # 11085 Crown &	
Scanned PJ 7-22-16		Crump (76) G REIZ & Espuela	10-20-21
11. Assign # 10342 EOG		Scanned JG 11-3-2021	
(to) Invictus	8-7-17	26. Unit 11336 - State Einhorn Unit	
Scanned PJ 8-25-2017		27. Recon Billing	9/19/2022
12. Assign # 10623 Invictus		28. Recon Billing	9/19/2022
(to) Crown & Crump	6-25-18	29. Recon Billing	9/19/2022
Scanned PJ 7-10-2018		Scanned PJ 20 Sept 2022	
13. Surface damage Payment	8/7/18	(30) Comm Exempt 3' Gas Lift Approval 10/1/23 10/5/23	
14. Surface damage Payment	8/8/18	Scanned sm 10/26/2023	
Scanned PJ 8-30-2018		(31) Comm Exempt 3' Gas Lift Approval 11/29/23 12/1/23	
See # 30 in M-115339 For the		Scanned sm 12/12/2023	
State Bluewing Unit A, #9514		32. Recon Billing 7/9/2024	
Scanned PJ 10-2-2018		Scanned sm 7/10/2024	
See # 33 in M-115339 For the			
State Bluewing Unit B, #9550			
Scanned PJ 11-1-2018			
15. Buckslip Unit 10541	04/08/2021		

RAL REVIEW SHEET

Transaction # 7774

Geologist:

Lessor: Jobe Ranch

Lease Date: 5/1/2013

UL ☐

Lessee: EOG Resources

Gross Acres: 2080

Net Acres: 2080

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	07-109997	134368	all	2	55	05S	T & P RY CO	4742
REEVES	07-110039	136501	all	12	55	05S	T & P RY CO	4433
REEVES	07-110075	146397	S/2	18	55	05S	T & P RY CO	5111
REEVES	07-110084	146398	N/2	22	55	05S	T & P RY CO	5112
REEVES	07-109871	134784	NE/4	2	54	05S	T & P RY CO	4744

TERMS OFFERED

Primary Term: 5 years

Bonus/Acre: \$1,500.00

Rental/Acre: \$0.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 5 years

Bonus/Acre: \$1,500.00

Rental/Acre: \$0.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF108642	Alpine Energy, LP	10/17/2007	5 years	\$350.00	\$1.00	1/4	Last Lease
Pending	Cimarex Energy	4-1-13	3Y-5	\$1000.00	\$1.00	1/4	Adjacent West

Comments: Paid Up 2nd & 3rd yr / 4th Yr \$1500.00 per ac pays up 5th Yr

Approved: 1) R 4.26.13

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: 22-Apr-13

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

Applicant:	EOG Resources	County:	REEVES
Prim. Term:	5 years	Bonus/Acre	\$1,500.00
Royalty:	1/4	Rental/Acre	\$0.00

Consideration

Recommended: RJA Date: 4/30/13

Not Recommended: _____

Comments: Paid Up 2nd & 3rd yr / 4th Yr \$1500.00 per ac pays up 5th Yr

☒ Lease Form

Recommended: RJA Date: 4/30/13

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner

Date: 4-30-13

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: 5/2/13

Recommended: WTW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 5/6/13

Approved: OL

Not Approved: _____

Jerry Patterson, Commissioner

Date: 5/8/13

Approved: Jerry E. Patterson

Not Approved: _____

1
File No. 115340

RAL Sleet

Date Filed: 4/26/13

Jerry E. Patterson, Commissioner

By Get

2/2/12

1/1/12

2/1-06-1

6/1/12

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V. 1000
P. 0709-0739

The State of Texas



MF 115340

Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 3rd day of May, 2013, between the State of Texas, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC of 1150 Southview Drive, El Paso, Texas 79928 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and EOG RESOURCES, INC. of P.O. Box 2267, Midland, Texas 79702 hereinafter called Lessee. (Give Permanent Address)

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

Sections 2, 12, South ½ of Section 18, and North ½ of Section 22, all in Block 55, Township 5, Reeves County, Texas; and Northeast ¼ of Section 2, Block 54, Township 5, Reeves County, Texas

containing 2,080 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: One Million Five Hundred Sixty Thousand
Dollars (\$ 1,560,000.00)

To the owner of the soil: One Million Five Hundred Sixty Thousand
Dollars (\$ 1,560,000.00)

Total bonus consideration: Three Million One Hundred Twenty Thousand
Dollars (\$ 3,120,000.00)

The total bonus consideration paid represents a bonus of One Thousand Five Hundred
Dollars (\$ 1,500.00) per acre, on 2,080 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. This is a **paid-up Lease for three (3) years with provisions for rental payments for the fourth (4th) and fifth (5th) years of the Primary Term.** See Addendum paragraph 3.

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3

3. **DELAY RENTALS.** 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 or to his credit. This is a paid-up Lease for the first three (3) years with a provision for rental payment for the fourth (4th) and fifth (5th) years of the Primary Term as provided in Addendum paragraph 3 hereof.

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: N/A
Dollars (\$ N/A)
To the State of Texas: N/A
Dollars (\$ N/A)
Total Delay Rental: N/A
Dollars (\$ N/A)

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 restated paragraph 3 in Addendum.

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 one fourth (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 one fourth (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 one fourth (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 one fourth (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 hundred dollars (\$100.00) per acre. See restated paragraph 5 in Addendum.

21915



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Handwritten signature or initials.

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. See Addendum paragraph 9 for additional provision regarding payment of royalty to Owner of the Soil.

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

01915



Reeves County
Clerks Office

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

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

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

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$4,000 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 fifty dollars (\$50.00) 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 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, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

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

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

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

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

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

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

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

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

21. USE OF WATER. See Section 3 of Exhibit A "Surface Use Agreement" attached to this Lease and incorporated herein by reference with regard to Lessee's rights to use of water.

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. The subject property is not farmland, all pipelines shall be buried at least thirty-six (36) inches below natural surface level. See Addendum for additional language for Section 23.

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.

See Addendum for additional language pertaining to Limitations on Assignment.

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.

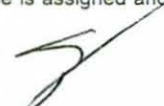
30. DISCLOSURE CLAUSE. All provisions pertaining to the lease of the above-described land have been included in this instrument, including the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral agreements concerning 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

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assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

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

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

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

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

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

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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.

SEE ADDENDUM PROVISIONS RELATING TO LEASE SECTIONS 3, 5, 9, 16, 23, 27 and ADDITIONAL PROVISIONS 40, 41, 42, and 43; EXHIBIT "A" SURFACE USE AGREEMENT; EXHIBIT "B" CONFIRMATION EASEMENT; and SCHEDULE 1.

LESSEE

BY: [Signature]
Title: Gary L. Pitts
Date: 8 May 2013
Vice President & General Manager
Midland Division

STATE OF TEXAS

BY: Jobe Ranch Family Limited Partnership, acting by and through
its General Partner, Jobe Ranch Management LLC,
for itself and as agent for the State of Texas

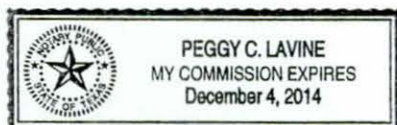
BY: [Signature]
Stanley P. Jobe, Member
Date: 5-2-2013

STATE OF TEXAS

COUNTY OF MIDLAND

BEFORE ME, the undersigned authority, on this day personally appeared Gary L. Pitts
known to me to be the person whose name is subscribed to the foregoing instruments as Vice President & General Manager
of EOG Resources, Inc. 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 8th day of May, 2013.



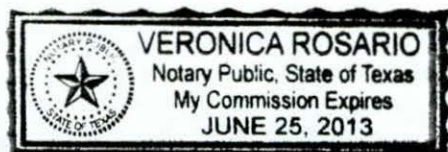
[Signature]
Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF EL PASO

BEFORE ME, the undersigned authority, on this day personally appeared Stanley P. Jobe, known to me to be the person whose name is
subscribed to the foregoing instruments as Member of Jobe Ranch Management LLC, General Partner of Jobe Ranch Family Limited Partnership and
acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of
said limited partnership.

Given under my hand and seal of office this the 2nd day of May, 2013.



[Signature]
Notary Public in and for the State of Texas

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**ADDENDUM PROVISIONS RELATING TO LEASE SECTIONS 3, 5, 9, 16, 23, 27 and
ADDITIONAL PROVISIONS 40, 41, 42, and 43**

3. **Delay Rentals.** 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 Commissioner of the General Land Office of the State of Texas, Austin, Texas, and to the owner of the soil or to his credit the consideration for the fourth (4th) and fifth (5th) years of this Lease pursuant to the provisions set forth in this Addendum. This is a paid-up Lease for the first three (3) years with a provision for rental payment for the fourth (4th) and fifth (5th) years of the Primary Term. Lessee or its assigns shall have the right to keep this Lease in force and effect for the fourth and fifth years of the primary term provided herein by tendering a payment of One Thousand Five Hundred Dollars (\$1,500.00) per net acre prior to May 3, 2016, as to any acreage covered hereby not otherwise being maintained by any other provision herein at such time. For the avoidance of doubt, even if a well has been commenced on the Leased Premises on or before three years from this date, Lessee may keep this lease in effect for the fourth and fifth years of the primary term by making the aforementioned payment with respect to the acreage not otherwise being maintained by the drilling of such well(s). Such payment shall constitute payment in full for the fourth (4th) and fifth (5th) years of the primary term of this Lease.
5. **Minimum Royalty.** During any year after the expiration of the Primary Term of this Lease, if this Lease or any portion of the same as to any Proration Unit is maintained by production, the royalties to be paid under this Lease in no event shall be less than \$100.00 per acre, per year, payable one-half (½) to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, and one-half (½) to the Owner of the Soil and to be due and payable on or before the last day of the month succeeding the anniversary date of this Lease. Lessee shall be entitled to credit against any such amount due hereunder for the actual amount of any royalties paid during the preceding year upon such property.
9. The following language is hereby added to Section 9 of this Lease:
- “All royalties due to the owner of the soil, not taken in kind, shall be paid to the owner of the soil at 1150 Southview Drive, El Paso, Texas 79928 or such other address as the owner of the soil may furnish to the Lessee and shall be pursuant to the same terms and conditions as are set forth in Section 9 hereof regarding royalty payments and reports to the Commissioner of the Texas General Land Office.”
16. The following language is substituted for and in place of printed form Lease provisions 16(A) and 16(B), which have been deleted:
- “16. Continuous Development.**
- A. If Lessee is at the expiration of the primary term and is engaged in actual drilling operations, this Lease shall remain in full force and effect as to all lands covered hereby for so long as such operations continue to completion or abandonment and for so long thereafter as

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continuous development is conducted, being defined as no more than 180 days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well; or

- B. If at the expiration of the primary term Lessee is not conducting actual drilling operations, but Lessee has completed a well on the Leased premises prior to the expiration of the primary term which is capable of producing oil and/or gas in paying quantities, this Lease shall remain in full force and effect for so long as actual drilling operations on an additional well are commenced within 180 days following the expiration of the primary term, and this Lease shall continue in force for so long thereafter as continuous development is conducted, being defined as no more than 180 days elapsing between completion or abandonment of one well and the commencement of actual drilling on the next succeeding well.

At such time as Lessee:

- I. fails to commence said continuous development, or
 - II. once commenced, fails to continue same, this Lease shall terminate as to all land not then included within a proration unit assigned to a well then capable of producing oil or gas in paying quantities, and said proration unit shall be limited in depth from the surface down to and including 100 feet below the base of the deepest formation penetrated by drilling.
- C. Paragraph 16(C) of printed form is unchanged and is retained in this Lease.
- D. The following language to be known as 16(D) is hereby added to this Lease:

"The term "proration unit" as used herein shall be the number of acres which are allocated to a well under the regulation of the Railroad Commission of Texas, (or other governmental body having jurisdiction over producing tracts) for production of oil or gas under applicable Railroad Commission of Texas Field Rules applicable to the area involved herein so as to enable the well to a maximum allowable; provided, however, if no Railroad Commission of Texas Field Rules have been adopted by said Commission, then such proration unit shall be deemed to be 40 acres as to oil wells and 160 acres as to gas wells. "Completion" shall be defined as the date of the initial potential test as noted on the Railroad Commission of Texas completion report, but no later than 60 days after the release of the drilling rig."



23. The following language is added to Section 23 of the Lease:

“Lessee shall not be required to bury its temporary pipelines (temporary being to be in place for two years or less) or obtain written easements therefore, but shall provide to Lessor a survey showing the length of such pipelines and shall pay to the Commissioner of the General Land Office of the State of Texas and to the Owner of the Soil appropriate damages and consideration for such lines pursuant to Schedule 1 attached hereto. Lessee agrees to consult with the Owner of the Soil regarding the depth of burial of permanent lines, including any lines carrying brackish water. The parties agree that the burial of brackish water lines should be relatively shallow so that any leaks will be readily observable. The Owner of the Soil will not require that any pipeline be buried more than 36” below the natural surface.”

27. The following language is added to Section 27(B) of the Lease:

“Limitation on Assignment. Notwithstanding the language of paragraphs 27(A) and 27(B) of this Lease, the Lessee may not assign this Lease or any rights hereunder to Chesapeake Energy, Chesapeake Operating, Inc., or Chesapeake Oil Field Services, Inc. or any subsidiary or affiliated entity or company of which Chesapeake Energy or one of its subsidiaries or affiliates is a principal or has an ownership interest in excess of 10% either directly or indirectly as a shareholder, member, partner, participant, or principal; or Autry Stephens, individually or Javaid Anwar, individually, or any entity or company of which either such individual is a principal or has an ownership interest in excess of 10%, either directly or indirectly, as a shareholder, member, partner, participant, or principal (all of which are hereinafter referred to as “the excluded individuals and entities”) without Lessor’s and the Owner of the Soil’s written consent and that Lessor and/or the Owner of the Soil may absolutely within their discretion, without cause, reason, justification, or explanation refuse to consent to any assignment to an excluded entity or individual.

The following new paragraphs are hereby added to this Lease:

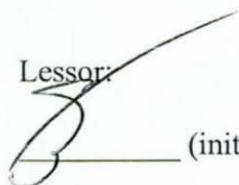
40. **“Salt Water and Other Fluids Produced During Drilling Operations.** Any agreement regarding the injection and disposal of salt water or other drilling fluids on the property of the Owner of the Soil identified hereinabove will be negotiated by the parties and set forth in a separate agreement after the parties have had an opportunity to look at the geology to determine the best depth/strata at which to dispose of such fluids and have agreed upon consideration for the same. The Owner of the Soil has indicated to the Lessee that the Owner of the Soil would prefer that any salt water produced upon the Owner of the Soil’s property be disposed of on its property subject to the parties agreeing upon terms and conditions for the same. The Owner of the Soil also does hereby indicate to the Lessee that it will consider accepting salt water from other properties outside of the Owner of the Soil’s Ranch for disposal on the Owner of the Soil’s Ranch, subject to the parties agreeing upon the terms and conditions for the same. Lessee agrees to first negotiate with the Owner of the Soil for the disposition of any salt water produced upon the Owner of the Soil’s property before contracting to dispose of such salt water on



another property. Nothing herein shall be construed to relieve Lessee from complying with any applicable state or federal regulations pertaining to the injection and/or disposal of salt water and/or other drilling fluids.”

41. **Surface Use Agreement.** See attached Addendum identified as Exhibit “A” regarding Surface Use which is incorporated herein by reference.
42. Lessee’s right to construct, maintain, and use roads, pipelines, and other utility rights of way on or across the Leased Premises, including the use of existing ranch roads shall be subject to Lessee’s payment to the Lessor of the surface damage fee set forth in Schedule 1 attached to the foregoing Lease for such uses which surface damage fees for roads, pipelines, utility rights of way or other rights of way or easements required by Lessee in its operations across the Leased Premises shall be paid half (½) to the Lessor (State of Texas) and half (½) to the Owner of the Soil. Such surface damage fees shall be paid in advance before construction of any roadway, pipeline, utility line, or commencement or other improvements or commencement of preparation for drilling upon a drill pad site. Any such surface damage fees due for roads, pipelines, or utilities on or across other adjoining property owned by the Owner of the Soil shall be paid to the Owner of the Soil.
43. **Counterpart Provision.** This Lease shall be effective upon execution by the Lessee and the Owner of the Soil as agent for the Lessor and when approved by the State of Texas, acting by and through the Commissioner of the General Land Office of the State of Texas.

Lessor:

 (initials)

Lessee:

 (initials)



EXHIBIT "A"
SURFACE USE AGREEMENT

This Exhibit is attached to and made a part of that certain Oil and Gas Lease dated May 3, 2013, from the State of Texas, by and through its agent, Jobe Ranch Family Limited Partnership, in favor of EOG Resources, Inc., which Lease covers lands in Reeves County, Texas.

"Lessee" as used herein means EOG Resources, Inc., and its agents and representatives;

"Lessor" as used herein, shall refer to the State of Texas, by and through its agent, Jobe Ranch Family Limited Partnership; and

"Owner of the Soil" as used herein, means Jobe Ranch Family Limited Partnership, acting as agent for the State of Texas.

"Lease" as used herein, means, collectively, the three oil and gas leases entered into by and between Lessor and Lessee dated May 3, 2013.

"Leased Premises" as used herein means the surface of the Leased Premises defined in the Lease and any other surface in the adjacent lands to which the Owner of the Soil has rights of surface use.

The parties agree that in furtherance of the purposes and objectives set forth in this Lease, Lessee's use of the surface estate in connection with all of its operations on the Leased Premises shall be subject to the following terms and conditions and that the respective rights of the Lessee and the Lessor and the obligations and entitlements of each regarding the use of the surface of the Leased Premises are as follows:

1. **Roads.** Lessee shall have the right to build, at its expense, roads for purposes of providing access to drilling sites and to access and service any and all wells, pipelines for oil or gas, and all other facilities, systems, and equipment required to be located on such land for purposes of the production, collection, and transportation of hydrocarbons produced from wells drilled upon such land provided they are in the furtherance of the objectives of this Lease. Lessee agrees that all travel on such roads shall be incident to the drilling and/or production and/or service of production operations and facilities relating to wells drilled upon the Leased Premises. Any road constructed by Lessee on the Leased Premises or across Owner of the Soil's adjoining property for purposes of access to the Leased Premises shall be crushed limestone or caliche. Where possible, Lessee agrees to use existing ranch roads for access purposes. Consideration pursuant to Schedule 1 shall also be paid for use of existing Ranch roads. Lessee shall have the right to improve existing roads, subject to Owner of the Soil's approval, and shall be responsible for maintaining any existing roads which it uses, including bearing all expense of restoring any existing ranch roads, rutted or damaged or destroyed by Lessee's construction activities or the use thereof. Lessee shall perform regular maintenance upon such ranch roads so that they remain



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

readily usable by Owner of the Soil for its pickups, stock trailers, and other normal uses. All new roads constructed by Lessee on the Leased Premises or for purposes of access to the Leased Premises shall be constructed and maintained by Lessee at Lessee's sole cost and expense said construction and maintenance to be consistent with the Owner of the Soil's existing roads and subject to Owner of the Soil's approval. Owner of the Soil reserves the right for Owner of the Soil and its employees, successors, assigns, and invitees to use the roads constructed by Lessee as a means of access to and from the Leased Premises and other parts of Owner of the Soil's Ranch. Lessee will maintain all roads and gates used in connection with its operation in a state of good condition and repair and shall where necessary construct cattle guards.

Lessee shall have the right to build, in segments, roads to access and service any and all wells, gas pipelines, gas gathering and gas processing plants, and all other facilities, systems and equipment located on said land, provided they are in the furtherance of the objectives of this Lease. Lessee shall have the right to place its own lock on any gate which it must pass through to conduct its operations, and Owner of the Soil shall be entitled to a key or combination to all of Lessee's locks. In regards to maintenance of roads and gates used by Lessee, Lessee shall repair the damaged portions within a reasonable time after written notice by Owner of the Soil of need for such repair, and Lessee agrees to work with Owner of the Soil to keep them in a continuous state of good condition and repair. In connection with any roads built by Lessee, Lessee agrees to consult with Owner of the Soil as to the location of such roads and will construct diversion terraces as may be reasonably necessary to reduce soil erosion. If Owner of the Soil requests, Lessee will install cattle guards or, at Owner of the Soil's option, pipe gates to the side of such cattle guard at each fence crossing. If Lessee decides to abandon a road, or a portion of a road, built under the terms of this Lease, Lessee will notify Owner of the Soil in writing of its abandonment, after which time Lessee will no longer be entitled to use the abandoned portion. Once Lessee abandons a road, or a portion thereof, Lessee shall no longer be responsible for maintaining it. If requested by Lessee and upon payment by Lessee to Owner of the Soil of agreed upon amount, Owner of the Soil will execute an agreement suitable for recording, that conveys to Lessee the rights herein granted.

With regard to such roads, the following provisions shall also be applicable:

- (a) For purposes of access to the leased property, Owner of the Soil agrees to convey to Lessee limited rights of non-exclusive access, including ingress and egress, over and across Owner of the Soil's adjoining lands to enable Lessee to accomplish the purpose anticipated by this Lease. All such rights of access for roads, pipelines, or other utility lines shall be reduced to a Confirmation of Right of use of Temporary Easement and Right of Way (hereinafter referred to as "Confirmation") in the general form of Exhibit "B" attached hereto and incorporated herein by reference. Lessee's right of access and use of such easements shall be limited to uses necessary for purposes of Lessee's operations on the Leased Premises, which is the subject matter of the Lease



and shall be limited to access that is needed for purposes of conducting its operations under this Oil and Gas Lease. Consideration to be paid for such access shall be in accordance with Schedule 1 attached to this Lease and incorporated herein by reference.

- (b) With regard to any such access easement for roads, pipelines, or utility lines, Lessee shall furnish to Owner of the Soil, at Lessee's expense, a center line description, together with a plat, of any such access easement which Lessee desires so that a Confirmation may be prepared. Lessee shall furnish to Owner of the Soil at least twenty-one (21) days prior to construction such center line description of the right of way which it requires or is requesting so that Owner of the Soil may consider the same for approval. To the extent reasonably possible, roads, pipelines, and utility lines crossing lands that were not ultimately included within a proration unit for a specific well that such roads, pipelines, and utility lines service shall, where reasonably practical, be placed immediately adjacent to the section line of the section within which roads, pipelines, or utility lines are located so as not to bisect sections in a manner that would adversely affect future development of oil, gas, and mineral resources upon such property not included with any proration unit within which the well being served by such road, pipeline, or utility line is located.
- (c) For roads, such right of way during construction may be up to sixty (60) ft. in width, and after initial construction, shall be not wider than thirty (30) ft. in width, being fifteen (15) ft. on each side of the center line of such road right of way. With regard to pipelines and utility lines during construction, such easement shall not exceed sixty (60) ft. in width and after construction, the easement for the same shall be thirty (30) ft. in width, being fifteen (15) ft. on each side of the center line of the easement.
- (d) Lessee will install and properly maintain a gate or cattle guard of a type and nature approved by Owner of the Soil, at Owner of the Soil's option, at each fence crossing made necessary by Lessee's operations, and will properly brace and reconstruct remaining fences at such openings. If any pipeline installed by Lessee shall cross an existing water pipeline of Owner of the Soil's, Lessee shall properly mark with permanent surface markers or signs the location of such crossing and shall have the right to place, at its expense, sleeves or other protective devices over Owner of the Soil's water pipelines.

2. **Surface Use.** Lessee's use of the surface estate in connection with its operations on the Leased Premises shall be subject to the following:

- (a) Lessee agrees to conduct its operations on the Leased Premises in a manner that minimizes the impact of Lessee's operations on the use and operation of the surface for agricultural and livestock raising purposes to the greatest extent reasonably possible consistently with the purposes of this Lease. Lessee agrees to pay Owner of the Soil for damages to livestock, fences and



improvements on the Leased Premises caused by Lessee's operations, regardless of whether the operations causing such damage are reasonably necessary to Lessee's operations or not and regardless of whether caused by negligence. Lessee agrees to consult with Owner of the Soil before any entry or disturbance of the surface and, to the extent reasonably practicable without unreasonably increasing the cost or risk of Lessee's operations, accommodate Owner of the Soil's reasonable requests with respect to the location of surface well locations, tank batteries, roads, pipelines, utility lines, and other facilities, furnishing to Owner of the Soil drawings and plats depicting the location of such surface actions, equipments, and other facilities.

- (b) Lessee agrees to cause (including proper enforcement) its employees, agents, contractors, and suppliers when using vehicles on the Leased Premises, to operate in a safe manner, at reasonable speeds, and without excessive speed taking into account Owner of the Soil's own use of such roads and the fact that this is open range where Owner of the Soil's livestock will be grazing.
- (c) Lessee shall not permit firearms to be brought onto the Leased Premises at any time by its employees, agents, contractors, subcontractors, and suppliers. Lessee agrees that all persons entering upon the Leased Premises or other portions of Owner of the Soil's property for purposes of conducting activities relating to the Lease, including Lessee's employees, Lessee's agents, licensees, invitees, contractors, subcontractors, and suppliers **will not** hunt, fish, hike, carry firearms, search for archeological sites, or use any part of the premises for recreation purposes, including riding of motorcycles, four-wheelers, or other similar activities. Lessee and persons entering upon the property for purposes of carrying out and conducting Lessee's business on the property shall not bring dogs upon the property. Nothing herein shall be construed to prohibit Lessee or its contractors such as surveyors from using four-wheelers or all-terrain vehicles (ATVs) for purposes of conducting their work activities as are reasonably required and related to operations conducted pursuant to this Lease.
- (d) Owner of the Soil shall have the right to construct additional water pipelines or fences, which may cross Lessee's pipelines herein, provided that Owner of the Soil shall notify Lessee at least thirty (30) days prior to constructing any such pipeline or fence.
- (e) Lessee's right to construct, maintain, and use roads, pipelines, and other utility rights of way on or across the Leased Premises, including the use of existing ranch roads shall be subject to Lessee's payment to the Lessor of the surface damage fee set forth in Schedule 1 attached to the foregoing Lease for such uses which surface damage fees for roads, pipelines, utility rights of way or other rights of way or easements required by Lessee in its operations across the Leased Premises shall be paid half (1/2) to the Lessor (State of Texas) and half (1/2) to the Owner of the Soil. Such surface damage fees shall be paid in



advance before construction of any roadway, pipeline, utility line, or commencement or other improvements or commencement of preparation for drilling upon a drill pad site. Any such surface damage fees due for roads, pipelines, or utilities on or across other adjoining property owned by the Owner of the Soil shall be paid to the Owner of the Soil.

3. **Water for Drilling and Completion.** Lessee will not have the right to use water from Owner of the Soil's ponds, lakes, tanks, streams or water wells without the written consent of Owner of the Soil. Lessee will, however, have the right to drill water wells and use the water therefrom without additional compensation to Owner of the Soil for such well site, but subject to paying to the Owner of the Soil a royalty as set forth in and pursuant to Schedule 1 attached to this Lease. Any such water wells shall be at least 1,320 ft. from the Halamicek water well located in the SW/4 SW/4 of Section 26, Block 55, T-4, T&P RR Co. Survey, Reeves County, Texas, and any well drilled to replace the Halamicek water well. Lessee agrees, after cessation of its use of any water well drilled by Lessee on said land and prior to plugging or removing the casing therefrom, to tender such water well or wells to Owner of the Soil. If Owner of the Soil elects to accept such water well(s), it (they) shall become the property of the Owner of the Soil without payment of any additional consideration to Lessee; provided, however, that Lessee shall have the right to use such well(s) at any time during the continuance of this Lease in connection with any of Lessee's operations on said land, including production activities subject to paying the pumping cost and payment of an agreed upon royalty as compensation for the water. If Lessee shall use any water from the Owner of the Soil's existing water wells or ponds, it shall only do so with the Owner of the Soil's consent and shall be obligated to pay reasonable compensation to the Owner of the Soil for such water. Lessee may not utilize surface water on the premises or water from Owner of the Soil's existing water wells without permission of Owner of the Soil and without payment of reasonable compensation for the same. Lessee shall have no right to use for any secondary or other enhanced recovery operation any water produced from the Leased Premises that is suitable for human or animal consumption or for irrigation. Without the Owner of the Soil's consent, Lessee shall not use the surface or subsurface of the Leased Premises for any purpose, including the production or disposal of water and other fluids and the storage and transportation of oil, gas or water, except for purposes directly and solely benefiting the production of oil, gas and associated substances from the Leased Premises under this lease.
4. **No Hunting, Fishing, or Other Recreational Uses.** Lessee, including its agents, employees, and contractors is not allowed to engage in hunting or fishing on such land.
5. **Drilling Locations.** Subject to paying the consideration pursuant to Schedule 1 attached hereto, Owner of the Soil grants to Lessee the right to build drilling locations on said land. After the drilling and completion of a producing well, Lessee will reduce the size of the location to the smallest reasonable area, as determined solely by Lessee, necessary to operate the well and to perform any workover operations. Pits



will be filled and drilling locations will be restored as nearly as practicable to their original condition and contour within 180 days of completion (whether as a dry hole or a producer) of each well, weather permitting. If requested by Lessee, Owner of the Soil will execute an agreement, suitable for recording, that conveys to Lessee the rights herein granted.

6. **Use by Owner of the Soil.**

- (a) The Owner of the Soil reserves the right to fully use the Leased Premises for ranching and for hunting and to receive the benefits of the use of the surface of the property covered by this Oil and Gas Lease and any easements for access thereto, except that such use and enjoyment shall not create hazardous situations, hinder, conflict or interfere with the exercise of Lessee's rights under such easement.
- (b) The Owner of the Soil shall have the right to maintain existing roads, water lines, and fences, which may cross any of Lessee's roads, pipelines, or utility lines, as well as constructing and maintaining any new roads, water lines, and fences after the date of construction of roads, pipelines, or utility lines by Lessee.

7. **Pipelines and Drilling Locations.** No well shall be drilled within 1,000 feet of any residence, barn or other building now on said land, or within 1,320 feet of the Halamicek water well located in the SW/4 SW/4 of Section 26, Block 55, T-4, T&P RR Co. Survey, Reeves County, Texas, and any well drilled to replace the Halamicek water well, without Owner of the Soil's prior written consent. Prior to drilling any additional water wells, Owner of the Soil will consult with Lessee to identify suitable locations that do not unreasonably interfere with Lessee's plans to drill oil and/or gas wells. Lessee shall consult with the Owner of the Soil about whether or not pipelines will be required to be buried. Temporary pipelines (any pipelines to be in place two years or less) may be left on the surface without cover. Pipelines carrying salt water, depending upon the nature of the pipeline material, may either be left on the surface or may be buried shallow, but shall generally require some small amount of cover. All other pipelines shall be buried. Lessee shall not be required to bury any pipeline more than 36 inches below the surface. All buried pipelines other than pipelines carrying salt water or brackish water shall be buried a minimum of 20" below the natural surface.

8. **Electric Lines.** With regard to any electric lines installed by Lessee, Lessee agrees:

- (a) That it will install, at its expense, aircraft warning balls that meet FAA specification on each side of each installed electric pole (2 balls per pole, one on each side) with a minimum size of the warning balls to be not less than twelve (12) inches in diameter. These balls will be installed on each electric pole that is installed within any electric line easement granted by Owner of the Soil to Lessee. Owner of the Soil has disclosed to Lessee that helicopters and



aircraft are used for purposes of gathering and working cattle on the ranch where this leased property is located, therefore necessitating the requirement for aircraft warning balls. The warning balls may be installed as close to the cross arms of the pole as regulations will permit. Lessee shall be responsible for the cost and expense of the installation of such warning balls and maintain the same. Electric lines, pipelines, and roads shall only be installed for purposes of accessing Lessee's operations on the property covered by this Lease. The electric lines placed in this easement shall not be used for purposes of collecting and/or transmitting electric power created from wind generation and shall only be used for purposes relating to Lessee's operations pursuant to the provisions of this Lease on the Leased Premises.

- (b) Electric lines shall be for one three-phase electric line consisting of wires, poles, and other necessary and desirable equipment. Any replacement of electric lines shall be no larger than the original electric line, unless prior written consent is obtained from Owner of the Soil. Lessee shall not have the right to add additional electric lines or pipelines within any easement without the prior written consent of Owner of the Soil and without paying additional consideration for the same.
- (c) Lessee shall remove any or all electric utility poles within sixty (60) days after the termination of such Lease, if requested to do so in writing by Owner of the Soil.

9. **Sand, Gravel, Clay and Caliche.** If Lessee desires to mine and remove sand, gravel, clay, and/or caliche from any Relinquishment Act Land owned by Jobe Ranch Family Limited Partnership, then the Owner of the Soil shall act as agent for the State with regard to such materials and shall enter into a lease with the Lessee for the same subject to the approval of the Commissioner of the Texas General Land Office on behalf of the State of Texas. Any royalties due for materials removed from the Relinquishment Act caliche pit shall be paid pursuant to the terms of the Lease for the same, one-half (½) paid to the Commissioner of the General Land Office of the State of Texas and one-half (½) paid to the Owner of the Soil. The parties agree that the royalty rate for such materials shall be \$5.00 per cubic yard. If Lessee desires to purchase sand, gravel, clay, and/or caliche that is to be removed from other property owned by Owner of the Soil that is not Relinquishment Act Land, then the royalties for such material shall be paid to the Surface Owner/Owner of the Soil. If Lessee desires to remove sand, gravel, clay, and/or caliche from land in which the State of Texas owns both the surface and the minerals where the Owner of the Soil identified hereinabove has a mining lease with the Texas General Land Office, then the royalties for such materials shall be paid to the Lessee under such Mining Lease who shall be responsible for paying to the Commissioner of the General Land Office of the State of Texas in Austin, Texas, such amounts as may be due to the State of Texas. The consideration to be paid by the Lessee for caliche removed from either the Jobe Ranch Family Limited Partnership property or the State of Texas property on a mining lease shall be a total of \$5.00 per cubic yard.



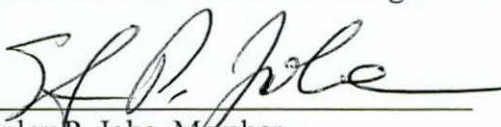
Nothing herein shall be construed to authorize Lessee to mine or remove any sand, gravel, clay, or caliche from the Leased Premises or any other parcels of Owner of the Soil's property for any purpose, including, constructing of drilling pads, roads, or other facilities related to Lessee's operations, without Owner of the Soil's prior written approval, and without an agreement to pay Owner of the Soil and the State of Texas, to the extent that it may have an interest in the same, compensation for such materials pursuant to the first paragraph of this Section 9.

10. **Damages.** Lessee agrees that if Lessee or its employees, agents, contractors, subcontractors, suppliers, invitees, or licensees who are upon the Leased Premises, or any other property of Owner of the Soil, shall damage or destroy any of Owner of the Soil's improvements or personal property, including, but not limited to, fences, pipelines, livestock watering equipment, livestock, gates, cattle guards, or other personal property or improvements of Owner of the Soil (hereinafter referred to as "Owner of the Soil's Improvements or Livestock"), then Lessee agrees that it shall be responsible for the reasonable repairs or replacement of Owner of the Soil's Improvements or Livestock so damaged to the reasonable satisfaction of Owner of the Soil.
11. During its operations on the Leased Premises, Lessee agrees to keep all of its sites and equipment in a reasonably neat and orderly condition, free of all rubbish, cans, bottles, paper, plastic, garbage, trash, scrap, and bone yard equipment resulting in from Lessee's operations and shall not bury on site an rubbish, trash, or water materials.
12. **Duty to Fence and Restore Surface.** When requested by Owner of the Soil, Lessee agrees to promptly fence all pits and installations to prevent entry into such pits and installations by livestock. Lessee agrees, within a reasonable time after the completion of drilling or reworking operations, to remove all driller's mud and chemicals, to level all dumps and mounds, fill all holes, pits, ditches, and excavations, and at Owner of the Soil's election remove or burn all brush and debris, and remove all concrete blocks or other objects placed upon said land, or upon the terminated portion of such Lease, as the case may be, and return the surface of the land substantially to the same condition as it was before the commencement of such operations, subject only to reasonable wear and tear.
13. **Surface Damages.** In further accordance with the provisions of this Lease, Lessee shall at all times use a reasonable degree of care in all of its operations on said land to prevent injury or damage to the grass, crops, cattle, livestock, buildings or other property situated thereon, or to water wells or tanks located thereon. Lessee agrees not to allow any waste oil or salt water to flow over the surface of said land, nor to allow same to drain down any draws, drains, creeks or ravines, nor allow same to contaminate any tanks, ground water or underground water thereon. Lessee shall dispose of such salt water and waste in accordance with the Rules and Regulations of the Railroad Commission of Texas.



14. **Seismic.** Lessee shall have the non-exclusive right to conduct seismic operations across said land. If Lessee conducts such operations, Lessee shall be required to compensate the Commissioner of the General Land Office of the State of Texas at Austin, Texas, and Owner of the Soil for damages, payable one-half (1/2) to each Party.
15. **Use of Abandoned Wells as Water Wells.** In the event any oil or gas well drilled on said land is abandoned as a dry hole or is no longer capable of production, Lessee agrees, before plugging such well, to tender such well to Owner of the Soil and if Owner of the Soil elects to accept same for completion as a water well subject to Lessee complying with any requirements of the TCEQ and/or Texas Railroad Commission for plugging or closing an oil or gas well bore hole, Lessee agrees to install a cement plug in the bottom of such well, or at such depth as Owner of the Soil designates, and a removable swage at the top, and Lessee will turn over such well to Owner of the Soil for completion as a water well; provided, however, Owner of the Soil shall first execute the necessary forms and applications to the Railroad Commission of Texas or other regulatory agencies relieving Lessee of any further liability. If Owner of the Soil does not accept such well, Lessee shall plug and abandon it in accordance with the rules and regulations of the Texas Railroad Commission.

Jobe Ranch Family Limited Partnership, acting by and through
its General Partner, Jobe Ranch Management LLC,
for itself as Owner of the Soil and as agent for the State of Texas

By: 
Stanley P. Jobe, Member

Agreed to and Accepted:

By: 
On behalf of Lessee _____

 Gary L. Pitts
Vice President & General Manager
Midland Division

Dated: 8 May 2013



EXHIBIT "B"
CONFIRMATION EASEMENT

STATE OF TEXAS §
 §
COUNTY OF REEVES §

KNOW ALL MEN BY THESE PRESENTS THAT:

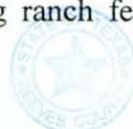
For and in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged by the State of Texas, acting by and through the Commissioner of the General Land Office of the State of Texas and Jobe Ranch Family Limited Partnership, Owner of the Soil, and agent for the State of Texas (together hereinafter referred to as "Grantor," being the Owner of the Soil and acting as agent for the State of Texas), whose address is 1150 Southview Drive, El Paso, Texas 79928, do hereby grant, assign, and convey to _____, whose address is _____, a non-exclusive term right of way and easement (the "Easement") and the privilege to install, repair, maintain, operate, and remove (choose one): (a) road ☐; (b) pipeline and related equipment ☐; (c) road with pipeline ☐; (d) electric utility line ☐; (e) communication line ☐; (f) (description of nature of easement pipeline, road, etc.) for _____ or overhead electric line for electric distribution consisting of wire, poles, and other necessary desirable equipment such as deadman anchors or poles as needed and as may be necessary or convenient to the operation of the power lines, across or along upon and through the Grantor's land situate in Reeves County, Texas, described as follows:

Legal Description: _____

Said Easement is shown and more particularly depicted on Exhibit "A" attached hereto.

To have and to hold this right of way and easement unto Grantee pursuant to the following terms and conditions:

1. (a) Additionally, Grantor grants, assigns, and conveys to Grantee a limited right of ingress and egress over and across Grantor's Lands to enable Grantee to accomplish the purpose described in the Easement. Except where necessary to construct new roads or for purposes of access to a site, or for purposes of access for an electric power line or access for a pipeline which pipeline or electric line will be built in this Easement, Grantee's right of access shall be limited to existing roads and such access as is needed for purposes of operating, maintaining, and removing the electric power lines and pipelines to be constructed pursuant to the terms hereof.
- (b) Grantor reserves the right to fully use and enjoy the above-described Lands covered by this right of way except that such use and enjoyment shall not create hazardous situations, hinder, conflict, or interfere with the exercise of Grantee's rights hereunder and Grantee's access.
- (c) Grantor may not construct or permit others to construct any house building or other structure or obstructions on or over this electric line, pipeline, easement and right of way without the written consent of Grantee. This provision shall not prevent Grantor from using existing ranch fences, roads, or buried water line



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Reeves County
Clerks Office



pipelines that cross this Easement. Grantor may construct across said right of way new fences, ranch roads, and water lines provided Grantor will notify Grantee in advance before laying or placing any new fences, ranch roads, or water lines across the right of way.

- (d) Grantor shall have right to maintain existing roads, water lines, and fences across the right of way which presently exist across such right of way in the ordinary course of business as well as maintaining any new roads, water lines, and fences placed after the date of the construction of the electric line and pipeline by Grantee.
- (e) Grantor shall not be required to maintain any roads for access by Grantee and Grantee shall bear all expense of maintaining any access roads constructed by it. Grantee shall also bear all expense of restoring any existing ranch roads rutted, damaged, or destroyed by Grantee's construction activities or use of the same.
- (f) Grantee shall have the right from time to time to cut and removal all trees, undergrowth, or other obstructions that may injure, endanger, or interfere with the rights of Grantee.

2. Grantee agrees:

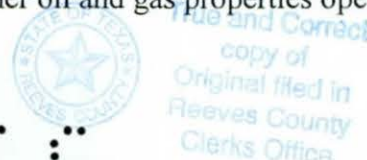
- (a) That it will install at its expense aircraft warning balls that meet FAA specifications on each side of each installed electric pole (2 balls per pole, one on each side) with the minimum size of the warning balls being not less than twelve inches in diameter. These balls will be installed on each electric pole that is installed within the easement granted hereby. Grantor has disclosed to Grantee that helicopters and aircraft are used for purposes of gathering and working cattle on this ranch, therefore, necessitating the requirement for the aircraft warning balls. The warning balls may be installed as close to the cross arms on the pole as regulations will permit.
- (b) Pursuant to the terms of paragraph 35 of the Oil and Gas Lease between the parties being the General Land Office Relinquishment Act Lease form Revised September 1997, the provisions of which paragraph are incorporated herein by reference, Grantee shall indemnify and hold Grantor harmless from and shall defend Grantor from all claims for damages, including injury of wrongful death to persons or damages to property arising out of Grantee's use and occupancy of the right of way created hereby, including any claims by parties other than the Grantor arising out of Grantee's use of ranch roads or other means of access on Grantor's Ranch property.
- (c) Grantee agrees to pay to Grantor reasonable damages which may occur to crops, timber, pasture land or fences from Grantee's use of the land pursuant to this Easement. Grantee agrees to install gates and H-braces where needed at any point where such electric power line crosses any existing ranch fences.



3. This Agreement provides for an easement of thirty (30') feet in width, being (15') on each side of the centerline of the Easement. Grantor covenants and agrees not to impound water or construct buildings or structures of any type on the Lands within fifteen (15) feet of any electric line or equipment placed within the Easement.
4. The rights of the parties created in this Easement constitute covenants running with the land and are binding upon and inure to the benefit of Grantor and Grantee, respectively, and their respective heirs, executors, administrators, successors and assigns.
5. Grantee's alleged failure to comply with any term or covenant hereunder will not be a breach of this agreement, unless and until Grantor has given written notice to Grantee, setting forth the alleged breach. If Grantor gives such notice and Grantee disagrees that the alleged breach has occurred, or if GRANTEE does not disagree and fails to correct the alleged breach within 30 days after receipt of the written notice, Grantor may seek judicial relief, including a determination that this Agreement has terminated, and enforcement of all of the remediation provisions herein regarding termination or abandonment and the prevailing party shall be entitled to recover their reasonable attorney's fees in such action.
6. Grantee agrees to bury pipeline at all road and fence crossings. Grantee agrees that when this Lease terminates, it will remove, at its expense, if requested to do so by Lessor after consulting with Lessee, all utility poles and pipelines installed in any easement.

SPECIAL PROVISIONS

7. Grantor and Grantee further agree to the following Special Provisions:
 - (a) Grantee shall pay to Grantor \$_____ per rod as consideration for the Easement.
 - (b) Grantee shall pay to Grantor \$_____ per rod for surface damages.
 - (c) Grantor and Grantee agree that road, pipeline, and utility easements shall all be for a **maximum term and period of ten years**, but shall be subject to renewal for a maximum additional term of ten years with consideration due for such renewal to be calculated pursuant to the then-applicable Rate and Damage Schedule used by the University of Texas System for University Lands. Road, pipeline, and utility easements serving a well upon which the Owner of the Soil is receiving royalties may thereafter be extended for additional terms for so long as oil or gas is being produced or capable of being produced in paying quantities from the well served by such easement or right of way and at least minimum royalties are being paid as a result of such well or wells.
 - (d) The electric line placed in this Easement shall not be used for purposes of collecting and/or transmitting electric power created from wind generation or for providing electric utility service to facilities other than those on the leased property and other than those on other oil and gas properties operated by Lessee.



- (e) **Rights of Other Parties.** This Easement is made subject to any and all existing easements, prescriptive rights, rights-of-way, leases, subleases, licenses, and permits affecting the Easement Property, or any part thereof, whether of record or not and all presently recorded matters that affect the Easement property. Grantor further reserves the right to grant future easements, leases, and subleases covering the Easement property or any part thereof to the extent the same do not unduly interfere with Grantee's rights hereunder, except that this Easement shall be subject to any future oil, gas, and mineral leases affecting the Easement property. Grantor and Grantor's oil and gas lessees shall have no right to drill, excavate, mine, or dig for such minerals on the electric line easement and right-of-way except by directional methods from other land and in a manner in which will not unreasonably interfere with the rights in said right-of-way hereby granted to Grantee. Grantor reserves the right to use and enjoy the Easement property insofar as the exercise thereof does not endanger or interfere with the existence and maintenance of the property. Grantee is not receiving any mineral rights related to the Easement all of which rights are reserved by Grantor.
- (f) **Employee Restrictions.** Lessee shall not permit firearms to be brought onto the leased premises at any time by its employees, agents, contractors, subcontractors, and suppliers. Lessee agrees that all persons entering upon the leased premises or other portions of Lessor's property for purposes of conducting activities relating to the Lease, including Lessee's employees, Lessee's agents, invitees, contractors, subcontractors, and suppliers will not hunt, fish, hike, carry firearms, search for archeological sites, or use any part of the premises for recreation purposes, including riding of motorcycles, four-wheelers, or other similar activities. Lessee and persons entering upon the property for purposes of carrying out and conducting Lessee's business on the property shall not bring dogs upon the property. Grantor may exclude therefrom any person violating this provision and Grantee shall use due diligence to enforce compliance with this provision. No person shall enter the right of way except bona fide employees, servants, or agents of Grantee or Grantee's independent contractors actually engaged in operations necessary for the enjoyment by Grantee of the rights hereby granted. Nothing herein shall be construed to prohibit Lessee or its contractors such as surveyors from using four-wheelers or all-terrain vehicles (ATVs) for purposes of conducting their work activities as are reasonably required and related to operations conducted pursuant to this Lease.
- (g) **Environmental Clause.** Grantee shall keep and maintain the easement premises in compliance with all applicable environmental laws and not cause or permit the easement premises or any activity conducted thereon to be in violation of any applicable environmental laws including, but not limited to, those governing soil and ground water conditions. Grantee shall not manufacture, dispose of or release any hazardous materials on, under or about the property herein described, and shall not transport hazardous materials to or from the property in any manner which would violate any applicable environmental laws. Grantee hereby agrees to indemnify Grantor and hold Grantor harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements and enforcement actions of any kind resulting from a violation of this paragraph

including, but not limited to, reasonable attorneys' fees and expenses resulting there from.

(h) **Limitation on Expansion.** The easement granted hereby is for one _____, consisting of _____ and other necessary or desirable equipment used in relation thereto. If this Easement is for a pipeline or electric line, any replacement electric line or pipeline shall be no larger than the original electric line or pipeline, unless prior written consent is obtained from Grantor and additional consideration is paid to Grantor by Grantee. Grantee shall not have the right to add additional electric lines or pipelines within this Easement without the prior written consent from Grantor.

8. The parties may, rather than recording this entire Easement document, elect to record a Memorandum of the Easement identifying the parties, the specific real property covered and benefitted by such Easement, and the term of the Easement without disclosing the consideration paid for the same.

This Agreement shall be a covenant running with the land and shall be binding upon Grantor and Grantor, their heirs, successors and assigns.

It is agreed that _____ nor its successors and assigns may NOT assign or transfer this easement or any part thereof without the prior written consent of Grantor; and Grantor shall not unreasonably withhold such permission for transfer of easement, EXCEPT as to the following: (1) under no conditions may _____ or its successors or assigns ever assign, transfer or convey this easement or any part thereof to Texas New Mexico Power Company or their assigns or to any other public utility company. However, the public utility restriction shall not apply to oil or gas pipelines which are twelve inches or smaller in inside diameter; and (2) Grantor will not withhold such permission if Grantee is also assigning all of its right, title and interest in the Lease and is in compliance with the assignment terms and conditions therein. Any violation of this condition and stipulation will authorize Jobe Ranch Family Limited Partnership or its executors and assigns to cancel and terminate remove this Easement and to require the removal of Lessee's facilities therefrom.

This Easement is signed by Grantor and Grantee as of the date of acknowledgment of their respective signatures below.

GRANTOR:

Jobe Ranch Family Limited Partnership

By: Jobe Ranch Management, LLC
Its: General Partner

By: _____
Stanley P. Jobe
Its: Member



GRANTEE:

By: _____

Its: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS

§

§

COUNTY OF EL PASO

§

The foregoing instrument was acknowledged before me on this _____ day of _____ 2013, by Stanley P. Jobe, Member of Jobe Ranch Management, LLC, General Partner of Jobe Ranch Family Limited Partnership, a Texas limited partnership, on behalf of said limited partnership.

Notary Public in and for
The State of Texas

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me on this _____ day of _____ 2013, by _____, _____ of _____, a _____, on behalf of said _____.

Notary Public in and for
The State of _____



SCHEDULE 1

Before commencing any of the operations herein provided, Lessee shall pay Lessor reasonable compensation for the usual and ordinary damage to the surface of the Lessor's Property including the Leased Premises caused by the operation hereafter set forth in the following amount:

- (a) Each Operations Site (well site) up to a 3.25 acres site. \$12,000.00 per location

(If dual well sites are placed at one location, then consideration for the total site for the two wells shall be calculated at the rate of \$0.085 per square foot, but shall not be less than \$12,000.00.)

- (b) Roads (not to exceed 30 feet in width) (without pipeline). \$50.00 per rod
- (c) Road with pipeline (up to 4" pipeline). \$60.00 per rod
- (d) Pipelines (single) up to 4". \$10.00 per rod up to 4"

Consideration for pipeline sizes larger than 4" in diameter will be the same as set forth in the University of Texas System Rate and Damage Schedule for University Lands using the most recent Rate and Damage Schedule in effect at the time that the easement or right of way is requested.

Consideration at the same rate shall be due for temporary pipelines that will be in place less than two years. Lessee shall provide to Lessor a survey showing the length of any temporary pipelines and consideration for such pipelines pursuant to the rate set forth in this Schedule shall be due one-half ($\frac{1}{2}$) to the Commissioner of the General Land Office of the State of Texas, Austin, Texas and one-half ($\frac{1}{2}$) to the Owner of the Soil.

- (d) Geophysical operation – 2D. \$2,000.00 per mile
- (e) Geophysical operation – 3D. \$1,000.00, plus \$18.00 per acre

91915



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- (f) Grass or surface damage from leaks or otherwise per acre damage (reduced proportionately if less than one acre and payable promptly after the damage has occurred). \$300.00 per acre
- (g) Compressor sites (not within an Operations Site) not to exceed one (1) acre. \$5,000.00 per site
- (h) Electric utility lines. \$18.00 per rod

Electric utility lines and poles must be removed at expiration of easement or lease. Electric line which exclusively serves the oil and gas lease on which it is located does not require a separate written easement. All other lines require written easements.

\$25.00 per rod if lines will serve other oil and gas operations of Lessee located off the Leased Premises

This Schedule is applicable only to electric distribution lines (13,800 volts) providing power to oil and gas wells and related operations and is not applicable to any high voltage electric transmission lines.

- (i) Phone or Communication Line not hung on the same structures as the electric utilities. \$ 7.00 per rod
- (j) Freshwater frac pit sites. \$0.25 square foot

Pit areas for calculation of the consideration due shall be calculated from the outside of the berm at the rate of \$0.25 per square foot.

Freshwater frac pit sites are for no more than a five-year period and must be closed and the land reclaimed upon closure of the pit unless drilling and completion operation are being conducted or contemplated on the Leased premises, provided no cessation of use exceeding two (2) years has occurred with respect to such pond.



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Clerks Office



(k) Water.

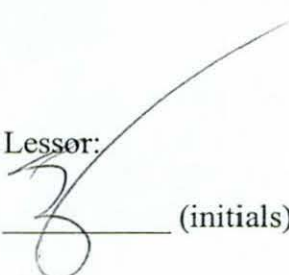
\$0.50 per barrel

Lessee shall pay to the Owner of the Soil a royalty of \$0.50 per barrel for any water pumped for use by Lessee in its oil and gas well drilling or development operations or other operations conducted by Lessee on the Owner of the Soil's Ranch; provided, however, that Lessee shall only be required to pay such amount after it has recovered its costs and expenses to drill and equip the water well sourcing such water, based on a rate of \$0.50 per barrel. ("Cost and expense" as used herein means Lessee's direct cost and expense of drilling and equipping such well.)

Compensation for surface damages for roads, pipelines, utility lines, and sites which are on or cross other property owned by the Owner of the Soil to reach the Leased Premises shall also be at the same rates as set forth in this Schedule and shall be paid to the Owner of the Soil. Compensation for any surface damages due pursuant to this Schedule shall be paid one-half (½) to the Commissioner of the General Land Office of the State of Texas, Austin, Texas and one-half (½) to the Owner of the Soil for any surface damages or easements on Relinquishment Act Land owned by Jobe Ranch Family Limited Partnership who is acting as agent for the State of Texas with regard to such Relinquishment Act Land. However, any royalties paid for water shall be paid solely to the Owner of the Soil.

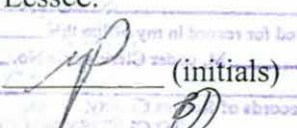
Road, pipeline, and utility easements shall all be for a **maximum term and period of ten years**, but shall be subject to renewal for a maximum additional term of ten years with consideration due for such renewal to be calculated pursuant to the then-applicable Rate and Damage Schedule used by the University of Texas System for University Lands. Road, pipeline, and utility easements serving a well upon which the Owner of the Soil is receiving royalties may thereafter be extended for additional terms for so long as oil or gas is being produced or capable of being produced in paying quantities from the well served by such easement or right of way and at least minimum royalties are being paid as a result of such well or wells.

Lessor:

 (initials)

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

Lessee:

 (initials)

01915

File No. 115340
Lease
 Date Filed: 5/16/13
 Jerry E. Patterson, Commissioner
 By JEH

**THE STATE OF TEXAS
 COUNTY OF REEVES**

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

Oil and Gas Lease dated May 3, 2013
 filed for record in my office this 14th day of May 2013 at 11:01 AM, under Clerk's File No. 13-03244, to be recorded in the

Official Public Records
 Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
 this 14th day of May, 2013.

By J. E. Gudino, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
 REEVES COUNTY, TEXAS

Inst No. 13-03244
 DIANNE O. FLOREZ
 COUNTY CLERK

2013 May 14 at 11:01 AM
 REEVES COUNTY, TEXAS

By: VE [Signature], DEPUTY

2013



EOG Resources, Inc.

P. O. Box 2267

Midland, TX 79702

May 13, 2013

Mineral Leasing Division
Texas General Land Office
1700 North Congress Avenue, Room 600
Austin, Texas 78701-1495

Attention: Mr. Drew Reid

Re: State of Texas Oil and Gas Leases between the State of Texas, acting by and through its agent, The George W. Brackenridge Foundation and between the State of Texas, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC, and EOG Resources, Inc. covering various lands in Reeves County, Texas. EOG's Zena Prospect

Gentlemen:

Pursuant to your recent conversations with Brian Levea of this office, enclosed are copies of the executed leases (6 Leases) referenced above and checks as shown on attached list from EOG Resources, Inc. to the State of Texas, Commissioner of General Land Office.

Please furnish us your acceptance letter and the M File number as soon as possible.

Should you have any questions, or need anything further for your approval of these Oil and Gas Leases, please call either Brian Levea at 432/686-3633 or me at 432/686-3731 as soon as possible.

Very truly yours,

EOG RESOURCES, INC.

Peggy C. Lavine
Land Associate

PCL/pcl
Enclosures

Reid, Drew, Brackenridge and Jobe leases Zena Prospect.docx

List of Attachments to letter dated 5-13-13 to Drew Reid

Leases in Reeves County, Texas	Check No.	Bonus	Rentals
Brackenridge Lease covering Section 16, Block 55, T-5-S, T&P RR Co Survey, 320 net acres	1192115089	\$ 480,000.00	\$ 16,000.00
Brackenridge Lease covering Section 24, Block 55, T-5-S, T&P RR Co Survey, 320 net acres	1192115087	\$ 480,000.00	\$ 16,000.00
Brackenridge Lease covering N/2 Section 26, Block 55, T-5-S, T&P RR Co Survey 300 net acres	1192115091	\$ 450,000.00	\$ 15,000.00
Jobe Ranch Lease covering Sections 26, 30, 34 and 40, Block 55, T-4, T&P RR Co Survey 1,280 net acres	1192115093	\$ 1,920,000.00	
Jobe Ranch Lease covering Sections 22, 34, S/2 of 44, Block 55, T-4 and Section 6, Block 55, T-5, T&P RR Co Survey 1,120 net acres	1192115094	\$ 1,680,000.00	
Jobe Ranch Lease covering Sections 2, 12, S/2 of 18, N/2 of 22, Block 55, T-5 and the NE/4 of 2, Block 54, T-5, T&P RR Co Survey 1,040 net acres	1192115095	\$ 1,560,000.00	



EOG Resources, Inc.
P. O. Box 2267
Midland, TX 79702

May 15, 2013

Mineral Leasing Division
Texas General Land Office
1700 North Congress Avenue, Room 600
Austin, Texas 78701-1495

Attention: Mr. Drew Reid

Re: State of Texas Oil and Gas Leases between the State of Texas, acting by and through its agent, The George W. Brackenridge Foundation and between the State of Texas, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC, and EOG Resources, Inc. covering various lands in Reeves County, Texas. EOG's Zena Prospect. See attached list.

Gentlemen:

Pursuant to your recent conversations with Brian Levea of this office, enclosed are **Certified Copies** of the executed leases (6 Leases) referenced above from EOG Resources, Inc. to the State of Texas, Commissioner of General Land Office. I will furnish you copies of the recorded leases as soon as they are available.

Please furnish us your acceptance letter. The GLO MF numbers are on each lease.

Should you have any questions, or need anything further for your approval of these Oil and Gas Leases, please call either Brian Levea at 432/686-3633 or me at 432/686-3731 as soon as possible.

Very truly yours,

EOG RESOURCES, INC.


Peggy C. Lavine
Land Associate

PCL/pcl
Enclosures

Reid, Drew, Brackenridge and Jobe leases Zena Prospect Certified Copies .docx

List of Attachments to letter dated 5-13-13 to
Drew Reid

Leases in Reeves County, Texas	Check No.	Bonus	Rentals	GLO Numbers
Brackenridge Lease covering Section 16, Block 55, T-5-S, T&P RR Co Survey, 320 net acres	1192115089	\$ 480,000.00	\$ 16,000.00	MF-115341
Brackenridge Lease covering Section 24, Block 55, T-5-S, T&P RR Co Survey, 320 net acres	1192115087	\$ 480,000.00	\$ 16,000.00	MF-115342
Brackenridge Lease covering N/2 Section 26, Block 55, T-5-S, T&P RR Co Survey 300 net	1192115091	\$ 450,000.00	\$ 15,000.00	MF-115343
Jobe Ranch Lease covering Sections 26, 30, 34 and 40, Block 55, T-4, T&P RR Co Survey 1,280	1192115093	\$ 1,920,000.00		MF-115338
Jobe Ranch Lease covering Sections 22, 34, S/2 of 44, Block 55, T-4 and Section 6, Block 55, T-5, T&P RR Co Survey 1,120 net acres	1192115094	\$ 1,680,000.00		MF-115339
Jobe Ranch Lease covering Sections 2, 12, S/2 of 18, N/2 of 22, Block 55, T-5 and the NE/4 of 2, Block 54, T-5, T&P RR Co Survey 1,040 net	1192115095	\$ 1,560,000.00		MF-115340

EOG Resources, Inc.
P.O. Box 4362
Houston, TX 77210-4362

13710826

CHECK NO. 1192115095

VENDOR NO. 034232

PAGE 1 OF 1

DATE 05/07/13

STATE OF TEXAS
COMMISSIONER OF GENERAL LAND
OFFICE
1700 N CONGRESS
AUSTIN, TX 78701

VOUCHER NO.	INVOICE NO.	INVOICE DATE	DESCRIPTION	NET AMOUNT
162018	MAY0613I	05/06/13	LEASE BONUS	1,560,000.00
			TOTAL CHECK AMOUNT	USD 1,560,000.00

121

X

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS.

EOG Resources, Inc.
P.O. Box 4362
Houston, TX 77210-4362

13710826

CHECK NO. 1192115095

VENDOR NO. 034232

PAGE 1 OF 1

DATE 05/07/13

STATE OF TEXAS
COMMISSIONER OF GENERAL LAND
OFFICE
1700 N CONGRESS
AUSTIN, TX 78701

VOUCHER NO.	INVOICE NO.	INVOICE DATE	DESCRIPTION	NET AMOUNT
162018	MAY0613I	05/06/13	LEASE BONUS	1,560,000.00
TOTAL CHECK AMOUNT				USD 1,560,000.00

121

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS.

THE FACE OF THIS CHECK IS PRINTED BLUE - THE BACK CONTAINS A SIMULATED WATERMARK



EOG Resources, Inc.
P.O. Box 4362
Houston, TX 77210-4362

VENDOR NO. 034232

No. 1192115095
05/07/13

One million five hundred sixty thousand and 00/100 Dollars

****\$1,560,000.00

NOT VALID AFTER 90 DAYS

PAY TO THE
ORDER OF

STATE OF TEXAS
COMMISSIONER OF GENERAL LAND
OFFICE
1700 N CONGRESS
AUSTIN, TX 78701

OPERATIONS ACCOUNT

1192115095

3
File No. 115340

Cover Letter to Benson & Fenn

Date Filed: 5/14/13

Jerry E. Patterson, Commissioner

By GA

2743

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

June 4, 2013

Peggy Lavine
EOG Resources Inc.
PO Box 2267
Midland, Texas 79702

Re: **State Lease MF 115340**

RAL Lease dated May 3, 2013 recorded in Doc. 13-03244,
covering 2080 ac., Sec. 2, 12, 18, 22, Blk. 55, T-5, & Sec. 2, Blk.
54. T-5, T&P Ry Co. Survey, Reeves Co., TX, Jobe Ranch
Family, agent for State of TX, Lessor

Dear Ms. Lavine:

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-115340**. **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 **\$1,560,000.00** has been applied to the State's portion of the cash bonus. However, we are not in receipt of the \$100 processing fee or the \$25 filing fee which we request you submit as soon as possible.

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

4
File No. 115340

Final Letter

Date Filed: 6/4/13

Jerry E. Patterson, Commissioner

By GAH



EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
(432) 686-3600

June 19, 2013

Mr. Drew Reid
State of Texas
General Land Office
1700 North Congress Avenue, Room 600
Austin, Texas 78701-1495

Re: GLO Lease Nos. MF 115338, MF 115339 and MF 115340, all from the State of Texas, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC to EOG Resources, Inc. dated May 3, 2013 and GLO Lease Nos. MF-115341, MF-115342 and MF-115343 all from the State of Texas, acting by and through its agent, The George W. Brackenridge Foundation to EOG Resources, Inc. dated April 29, 2013

Dear Mr. Reid:

Enclosed for your records are copies of the referenced Leases that have been recorded in the Reeves County, Texas Records as follows:

MF-115338	Volume 1000, Page 0678
MF-115339	Volume 1000, Page 0647
MF-115340	Volume 1000, Page 0709
MF-115341	Volume 1000, Page 0759
MF-115342	Volume 1000, Page 0740
MF-115343	Volume 1000, Page 0778

We have already furnished you copies of the Certified Leases; this is so you will have a copy of each lease that reflects the volume and page. Also enclosed is our Check 1192128450 in the amount of \$750.00 which is processing and filing fees for all the referenced leases.

Mr. Drew Reid

Page Two

June 19, 2013

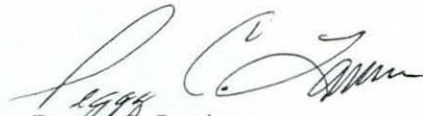
Re: GLO Lease Nos. MF 115338, MF 115339 and MF 115340, all from the State of Texas, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC to EOG Resources, Inc. dated May 3, 2013 and GLO Lease Nos. MF-115341, MF-115342 and MF-115343 all from the State of Texas, acting by and through its agent, The George W. Brackenridge Foundation to EOG Resources, Inc. dated April 29,

Should you have any questions, please contact either Brian Levea at 432/686-3633 or me at 432/686-3731 or peggy_lavine@eogresources.com.

Thank you and all your staff for the help you have given to us.

Sincerely,

EOG RESOURCES, INC.



Peggy C. Lavine
Land Associate

PCL
Enclosures

EOG RESOURCES, INC.
P.O. BOX 4362
HOUSTON, TEXAS 77210-4362

13712713

CHECK No. 1192128450

VENDOR No. 034232

06/17/13

PAGE 1 OF 2

2100034 01 SD T 5816 009 -P00034



STATE OF TEXAS
COMMISSIONER OF GENERAL LAND
OFFICE
1700 N CONGRESS
AUSTIN, TX 78701

VOUCHER NO.	INVOICE NO.	INVOICE DATE	DESCRIPTION	NET AMOUNT
301317	JUN1713	06/17/13	89984-89989 MF-115338 MF-115339 MF-115340 MF-115341 MF-115342 MF-115343	750.00 121 \$125.00 to each lease
			TOTAL CHECK AMOUNT	USD 750.00

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS.



EOG RESOURCES, INC.
P.O. BOX 4362
HOUSTON, TEXAS 77210-4362

VENDOR No. 034232

13712713
No. 1192128450

06/17/13

\$\$\$\$\$\$\$\$\$\$\$\$750.00

NOT VALID AFTER 90 DAYS

PAY TO THE
ORDER OF

STATE OF TEXAS
COMMISSIONER OF GENERAL LAND
OFFICE
1700 N CONGRESS
AUSTIN, TX 78701

Seven Hundred Fifty and 00/100 Dollars

Alchyl
AUTHORIZED SIGNATURE

OPERATIONS ACCOUNT

CITIBANK, N.A.
ONE PENN'S WAY, NEW CASTLE, DE 19720

1192128450

5.

File No. 115340

CLR & Fee's

Date Filed: 6.26.13

Jerry Patterson, Commissioner

By JP



December 9, 2013

Commissioner of the General Land Office
Bill Farr, Mineral Leasing Division
PO Box 12873
Austin, TX 78711

Re: Caliche Purchase for Pad & Road - EJ Brady 56 #1
Section 12, Block 55, T5, T&P RR Co. Survey, Reeves County

Dear Mr. Farr:

Enclosed please find check #490570 from Energen Resources Corporation in the amount of \$27,450.00, representing payment for 10,980 yards (@ \$5/yard) of caliche for the property described above.

Please indicate your receipt of the enclosed check as the full amount due from Energen for the above by signing, dating, and returning one copy of this letter in the postage paid envelope provided. If you have any questions or concerns, please don't hesitate to contact me at (432) 818-1744.

Sincerely,

A handwritten signature in blue ink, appearing to read "P. Mayers".

Patrick A. Mayers
Sr. Right-of-Way Agent

PAM/lw
Enclosure

RECEIVED AND ACCEPTED this _____ day of _____, 2013.

General Land Office, Texas

By: _____

ENERGEN RESOURCES CORPORATION

605 Richard Arrington Blvd North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2710

14704968

Page 1 of 1

VENDOR NAME	VENDOR NO.	CHECK DATE	CHECK NUMBER	AMOUNT
COMMISSIONER OF THE GENERAL LAND OFFICE	72176	Dec-05-2013	490570	\$27,450.00

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
11-AP-19822	103013	10/30/13	27,450.00	0.00	27,450.00
ROAD & SITE CONSTRUCT					
OVERNIGHT TO STEPHEN CHANDLER					
TOTAL INVOICES PAID					27,450.00

M-115340

Energen Resources Corporation now offers payment via **DIRECT DEPOSIT**.
If you would like to receive your payments in a more secure, efficient and timely manner,
please contact the Vendor Relations group by email at AP.ERCACH@energen.com for an enrollment form.

DETACH BEFORE DEPOSITING

6

File No. M-115340

Surface Damage-Coliche Pmt.

Date Filed: 12/16/13

Jerry E. Patterson, Commissioner

By BA



February 26, 2014

Commissioner of the General Land Office
Bill Farr, Mineral Leasing Division
PO Box 12873
Austin, TX 78711

M-115340

Re: Caliche Purchase for Road – Enterprise C19-5 #1
Section 12, Block 55, TWP 5, T&P RR Co. Survey, Reeves County

Dear Mr. Farr:

Enclosed please find check #499708 from Energen Resources Corporation in the amount of \$51,480.00, representing payment for 20,260 cuyd of caliche for the property described above.

Please indicate your receipt of the enclosed check as the full amount due from Energen for the above by signing, dating, and returning one copy of this letter in the postage paid envelope provided. If you have any questions or concerns, please don't hesitate to contact me at (432) 818-1744.

Sincerely,

Patrick A. Mayers
Sr. Right-of-Way Agent

PAM/lw
Enclosure

RECEIVED AND ACCEPTED this _____ day of _____, 2014.

General Land Office, Texas

By: _____

ENERGEN RESOURCES CORPORATION

605 Richard Arrington Blvd North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2710

14708556

Page 1 of 1

VENDOR NAME	VENDOR NO.	CHECK DATE	CHECK NUMBER	AMOUNT
TEXAS GENERAL LAND OFFICE	70499	Feb-25-2014	499708	\$51,480.00

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
02-AP-7525	012714	01/27/14	51,480.00	0.00	51,480.00
CALICHE					
OVERNIGHT TO PATRICK MAYERS					
TOTAL INVOICES PAID				X	51,480.00

X

161

Energen Resources Corporation now offers payment via **DIRECT DEPOSIT**.
If you would like to receive your payments in a more secure, efficient and timely manner,
please contact the Vendor Relations group by email at AP.ERCACH@energen.com for an enrollment form.

DETACH BEFORE DEPOSITING

⑦

File No. M-115340

Surface Damage - Caliche Pit

Date Filed: 4/16/14

Jerry E. Patterson, Commissioner

By BT



May 14, 2014

M-115340

Texas General Land Office
Attn: Bill Farr
PO Box 12873
Austin, TX 78711

Re: Caliche Usage – Well Pad & Road
Wilson 56-7 #1H
Section 12, Block 55, T5, T&P RR Co Survey, Reeves County, Texas

Dear Mr. Farr:

Enclosed please find check #509833 from Energen Resources Corporation in the amount of \$7,020.00, representing your share of the agreed upon payment for caliche usage described above.

Please indicate your receipt of the enclosed check as the full amount due from Energen for the above by signing, dating, and returning one copy of this letter in the postage paid envelope provided. If you have questions or concerns, please don't hesitate to contact me at (432) 818-1744.

Sincerely,

Patrick A. Mayers
Sr. Right-of-Way Agent

PAM/lw
Enclosure

RECEIVED AND ACCEPTED this _____ day of _____, 2014.

GENERAL LAND OFFICE

By: _____

Printed Name & Title

ENERGEN RESOURCES CORPORATION

605 Richard Arrington Blvd North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2710

Page 1 of 1

14712195

VENDOR NAME	VENDOR NO.	CHECK DATE	CHECK NUMBER	AMOUNT
TEXAS GENERAL LAND OFFICE	70499	May-13-2014	509833	\$7,020.00

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
05-AP-1539	050614	05/06/14	7,020.00	0.00	7,020.00
CALICHE					
OVERNIGHT TO PATRICK MAYERS					
TOTAL INVOICES PAID					7,020.00

X

161

Energen Resources Corporation now offers payment via **DIRECT DEPOSIT**.
If you would like to receive your payments in a more secure, efficient and timely manner,
please contact the Vendor Relations group by email at AP.ERCACH@energen.com for an enrollment form.

DETACH BEFORE DEPOSITING

⑧

File No.

M-115340

Surface Damage Caliche Pmt

Date Filed:

5/19/14

Jerry E. Patterson, Commissioner

By

[Signature]

PARTIAL RELEASE OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS §
 §
COUNTY OF REEVES §

16-05048
FILED FOR RECORD
REEVES COUNTY, TEXAS
Apr 27, 2016 at 01:26:00 PM

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the following oil, gas and mineral lease was executed by the State of Texas as Lessor, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC, whose address is 1150 Southview Drive, El Paso, Texas 79928, in favor of EOG RESOURCES, INC. ("EOG"), whose address is P.O. Box 2267, Midland, Texas, 79702, covering the described lands ("the Lands") in Reeves County, Texas:

State Lease No.: MF-115340
EOG Lease No.: 0089989-000
Lease Date: May 3, 2013
Lessor: State of Texas, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC
Lessee: EOG Resources, Inc.
Recording: Volume 1000, Page 709, Official Public Records, Reeves County, Texas
Description: Section 2, 12, S/2 of Section 18 and N/2 of Section 22, all in Block 55, Township 5, T. & P. RR. Co., Reeves County, Texas; and NE/4 of Section 2, Block 54, Township 5, T. & P. RR. Co., Reeves County, Texas

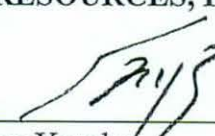
WHEREAS, EOG is the current owner of all of the working interest created by the above-described lease.

WHEREAS, EOG desires to release a portion of the Lands covered by the above-described lease insofar and only insofar as to the S/2 of Section 18, Block 55, Township 5, T. & P. RR. Co., Reeves County, Texas and the NE/4 of Section 2, Block 54, Township 5, T. & P. RR. Co., Reeves County, Texas, ("Released Lands").

NOW THEREFORE, EOG RESOURCES, INC., does hereby RELEASE, REMISE, RELINQUISH and SURRENDER to Lessor its, successors and assigns all of its right, title and interest presently owned in the oil, gas and mineral lease described above insofar and only insofar as to the Released Lands to the extent not expressly released herein, EOG hereby retains its ownership interest in the Lands as set forth in the Lease.

EXECUTED this 25th day of April, 2016, but EFFECTIVE as of April 25th, 2016.

EOG RESOURCES, INC.

By: 
Ezra Jacob
Vice President and General Manager

CS

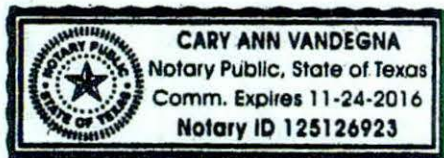
STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 25th day of April, 2016, by Ezra Yacob, as Vice President and General Manager of EOG Resources, Inc., a Delaware corporation.

Cary Ann Van Degna
Notary Public in and for the State of Texas

My Commission Expires:

11/24/2016



Inst No. 16-05048
DIANNE O. FLOREZ
COUNTY CLERK
2016 Apr 27 at 01:28 PM
REEVES COUNTY, TEXAS
By: MA _____, DEPUTY

31.03.14

File No. 115340

 County

Partial Release

Date Filed: 04/29/16
George P. Bush, Commissioner

By 

IF CORRESPONDENCE IS REQUIRED, PLEASE MAKE
REFERENCE TO THE BELOW LEASE NUMBER

LEASE DATE	LESSOR	NUMBER OF MONTHS	MONTHS BEGINNING	LEASE NUMBER	SUF
05-03-2013	ST TX MF-115340 AGENT JOBE RANCH	00	05-03-2016	0089989	000

AGENCY LEASE NUMBER: MF115340

IN PAYMENT OF: DELAY RENTAL PAYMENT

DIVISION

: MIDLAND

FOR: 4TH & 5TH YR RENTALS

16710050

RECORDED: Book 1000 Page 0709 Reception # 13-03244

TRACT: 1 COUNTRY: US STATE: TX COUNTY: REEVES

NET ACRES

PROSPECT: ZENA

1,600.000

BASIN/LANDMAN: *

LEGAL (Part of): T&P RR CO SUR 12, BLK 55 T5 ABST/ID# 4433 Grantee Twsp 5

Blk 55 Sec 12 QQ ALL

T&P RR CO SUR 2, BLK 55 T5 ABST/ID# 4742 Grantee Twsp 5

Blk 55 Sec 2 QQ ALL

T&P RR CO SUR 22, BLK 55 T5 ABST/ID# 5112 Grantee Twsp 5

Blk 55 Sec 22 QQ N2

FOR THE CREDIT OF:

PAYMENT

STATE OF TEXAS

(BA# 040650L)

\$1,200,000.00

GENERAL LAND OFFICE

STEPHEN F AUSTIN BLDG

1700 N CONGRESS AVE

AUSTIN

TX 78711-2873

ACCT: MF-115340

(DPS# 004796B)

TOTAL BANK SERVICE CHARGE

\$.00

TOTAL AMOUNT PAID

\$1,200,000.00

X
121

CHECK NO.

154917



EOG Resources, Inc.

P. O. Box 2267
Midland, TX 79702

April 27, 2016

Commissioner of General Land Office State of Texas
Stephen F. Austin Building
1700 North Congress Ave.
Austin, Texas 78701

SENT VIA FEDEX NEXT DAY AIR

RE: Release and Delay Rental Payment
MF-115340
Reeves County, Texas

Mr. Nicholson,

Enclosed for your records is a copy of the Partial Release of Oil, Gas and Mineral Lease dated April 25, 2016, instrument number 16-05048 of the Official Public Records of Reeves County, Texas ("Partial Release"). The Partial Release releases a portion of Mineral File Number 115340 insofar and only insofar as to the S/2 of Section 18, Block 55, Township 5, T. & P. RR. Co. and NE/4 of Section 2, Block 54, Township 5, T. & P. RR. Co., Reeves County, Texas. The remainder of the acreage covered under the lease was retained by EOG.

EOG wishes to pay the 4th and 5th year delay rental provided for in provision 3 of the lease addendum for the portion of the lease that was retained. Please accepted the enclosed check in the amount of \$1,200,000.00 as payment for the State of Texas' portion of the delay rental.

Please acknowledge receipt of this letter and the enclosed release by signing below and returning one copy via the enclosed prepaid envelop. If you have any questions or concerns please do not hesitate to contact me at (432) 686-3660.

Sincerely
EOG Resources, Inc.,

Chloe Sawtelle
Landman – Midland Division

Payment in the amount of \$1,200,000.00 was received this _____ day of _____, 2016.

By: _____

The Texas General Land Office

31.03.16

10.

File No. 115340

County

Rental

Date Filed: 04/29/16

George P. Bush, Commissioner

By: [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 17, 2017

Jon Moreland, VP Land
Invictus Energy, LLC
50 Sugar Creek Blvd, Ste 300
Sugar Land, Texas 77478

RE: Assignment ID 10342 – MF115340
Reeves County

Dear Mr. Moreland:

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

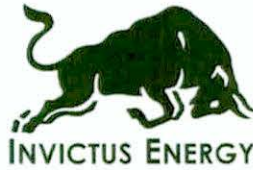
Assignment of Oil and Gas Leases, effective May 30, 2017, from EOG Resources, Inc, as assignor to Invictus Energy, LLC, as assignee. Filed for record under Doc #17-09350.

Filing fees in the amount of \$25.00 were received for the referenced assignment.

Please feel free to contact me at (512) 463-5407 or email carl.bonn@glo.texas.gov if you have further questions.

Best regards,

Carl Bonn, CPL
Mineral Leasing – Energy Resources



MF115340

June 12, 2017

General Land Office
State of Texas
Attn: Carl Bonn
1700 North Congress Avenue
Austin, Texas 78701-1495

Re: Assignment Notification
Section 12, Block 55 T-5
T&P Ry. Co. Survey,
Reeves County, Texas

Dear Mr. Bonn:

Please find enclosed a certified copy of an Assignment of Oil and Gas Leases from EOG Resources, Inc. to Invictus Energy, LLC of lease # MF-115340, being that certain oil and gas lease between the State of Texas, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC, as Lessor, and EOG Resources, Inc., as Lessee, insofar and only insofar as such lease covers Section 12, Block 55 T-5, T&P Ry Co. Survey, Reeves County, Texas.

I've also enclosed a fully completed Assignment Summary form and a check in the amount of \$25 as a fee to the GLO.

If you have any questions or need any additional information, please do not hesitate to give me a call or send me an email. I've provided my contact information below.

Sincerely,

Jon Moreland
Vice President, Land
Invictus Energy, LLC
832-944-5617
jmoreland@invictusenergy.net

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

Texas General Land Office
ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	Volume	Page	Execution Date/Effective Date
Reeves	TBD	TBD	5/30/17

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)
INTEREST BEING CONVEYED: (mark one)

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks: only as to section 12, Block 55 T5
T&P RR Survey, Reeves County Tx

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1. <u>EOG Resources, Inc.</u>	<u>Invictus Energy, LLC</u>	<u>100%</u>	<u>100%</u>	<u>0%</u>
2.				
3.				
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. <u>MF115340</u>	<u>Reeves</u>	<u>55 T5</u>	<u>12</u>	<u>all</u>	<u>N/A</u>
2.					
3.					
4.					

Prepare's Signature

Name (please print)

E-Mail Address

Telephone Number

Vice President, Land

Title

6/12/17

Date

I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Invictus Energy, LLC

Company Name

50 Sugar Creek Center Blvd

Mailing Address

Suite 300

Sugar Land TX 77478

City/State/Zip



129

FOR SECURITY PURPOSES, THE FACE OF THIS DOCUMENT CONTAINS A COLORED BACKGROUND AND MICROPRINTING IN THE BORDER

INVICTUS ENERGY, LLC

50 SUGAR CREEK CENTER BLVD, SUITE 300
SUGAR LAND, TEXAS 77478

AMEGY BANK OF TEXAS
P.O. BOX 27459
HOUSTON, TX 77227-7459

17714273

1104

6/9/2017

PAY
TO THE
ORDER OF

State of Texas General Land Office

\$ ~~25.00~~

Twenty-Five and 00/100*****

DOLLARS

State of Texas General Land Office
1700 Congress Ave.
Austin, TX 78701-1495

MEMO

Processing Fee - EOG Jobe Ranch Lease

SECURITY FEATURES INCLUDED. DETAILS ON BACK

AUTHORIZED SIGNATURE

⑈001104⑈

ASSIGNMENT OF OIL AND GAS LEASES

STATE OF TEXAS §
 §
COUNTY OF REEVES §

FD 10342
M/F 115340
eff 5-30-17

For a valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **EOG Resources, Inc.** ("Assignor"), with a notice address of P.O. Box 2267, Midland, TX 79702, does hereby assign, convey, and transfer unto **Invictus Energy, LLC** ("Assignee"), with a notice address of 50 Sugar Creek Center Blvd, Suite 300, Sugar Land, TX 77478, all of Assignor's right, title and interest in and to the oil and gas lease described in Exhibit "A" attached ("Lease"), INSO FAR AND ONLY INSO FAR as said leases cover the lands described in Exhibit "A" (collectively with the Lease, the "Lands") and the contracts, permits, easements and agreements to the extent primarily related to such Lease, SAVE AND EXCEPT that certain Agreement for Sale of Caliche dated October 5, 2015 by and between Jobe Ranch Family Limited Partnership and EOG and any extensions thereto, other than the Excluded Rights (as such term is defined in the Letter Agreement) (collectively with the Lands, the "Assigned Interests").

Assignor agrees to execute and deliver such other instruments and documents and take such other actions as may be reasonably necessary to evidence and effectuate the transactions contemplated by this Assignment of Oil and Gas Leases ("Assignment"), including but not limited to delivering additional and/or corrective assignments to transfer properties and interest that are improperly described herein or inadvertently omitted from this Assignment (including the exhibits attached hereto). In addition to filing this Assignment of record in Reeves County, Texas, the parties shall execute and file with the appropriate authorities, whether state, federal or local, all forms or instruments required by applicable law or regulation to effectuate the conveyance contemplated hereby. Said instruments shall be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein or the Letter Agreement as fully as though the same were set forth in each such instrument. The interests conveyed by such separate assignments are the same, and not in addition to, the Assigned Interests conveyed herein.

Assignee expressly assumes all responsibilities of and agrees to perform all of the express and implied obligations and covenants of the Leases and the other Assigned Interests, as well as any other contractual or statutory commitments and/or obligations appurtenant thereto, as if Assignee were the original lessee to the Leases, or an original party to the other Assigned Interests, as applicable.

This Assignment is made by Assignor without representations or warranties of any kind or character, except Assignor hereby warrants and forever defends defensible title (free and clear of any claim, lien or encumbrance) to the Lands upon Assignee (and its successors and assigns) against claims made or to be made by, through or under Assignor or any of its affiliates, but not otherwise. Assignor hereby assigns and subrogates unto Assignee, however, all prior rights in warranties and covenants heretofore made by others with respect to the Assigned Interests to the extent Assignor may legally make such assignment or grant such subrogation. **EXCEPT AS PROVIDED IN THE PRECEDING SENTENCES OF THIS PARAGRAPH OR FOR ANY REPRESENTATION, WARRANTY, COVENANT OR AGREEMENT IN THE LETTER AGREEMENT, ASSIGNOR MAKES NO, AND ASSIGNEE HAS NOT RELIED UPON ANY, REPRESENTATION OR WARRANTY IN CONNECTION HERewith OR ANY ASSIGNED INTEREST, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, THE QUALITY OR**

True & Correct Copy of a
Document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 10

QUANTITY OF HYDROCARBON RESERVES, ANY ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, OR ANY DATA, INFORMATION OR MATERIALS FURNISHED TO ASSIGNEE IN CONNECTION WITH ANY ASSIGNED INTERESTS, AND ASSIGNEE ACCEPTS ALL OF THE SAME "AS IS, WHERE IS" WITH ALL FAULTS.

This Assignment is subject to that certain Letter Agreement dated May 24, 2017 by and between Assignor and Assignee ("Letter Agreement"). In the event of a conflict between the terms and conditions of this Assignment and the Letter Agreement, the terms and conditions of the Letter Agreement shall prevail. This Assignment and the Letter Agreement are not merged, and the Letter Agreement remains in full force and effect.

The provisions hereof shall extend to and be binding upon the successors and assigns of the parties that executed this Assignment and is hereby accepted by Assignee, and this Assignment shall be duly recorded by Assignee in the Official Public Records of Reeves County, Texas.

This Assignment of Oil and Gas Leases shall be effective as of May 30, 2017 at 7:00 am (the "Effective Time").

"ASSIGNOR"

EOG Resources, Inc.

By:  _____

Name: Ezra Yacob

Title: Vice President and General Manager

"ASSIGNEE"

Invictus Energy, LLC

By: _____

Name: Kevin Green

Title: President and CEO

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 6

QUANTITY OF HYDROCARBON RESERVES, ANY ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, OR ANY DATA, INFORMATION OR MATERIALS FURNISHED TO ASSIGNEE IN CONNECTION WITH ANY ASSIGNED INTERESTS, AND ASSIGNEE ACCEPTS ALL OF THE SAME "AS IS, WHERE IS" WITH ALL FAULTS.

This Assignment is subject to that certain Letter Agreement dated May 24, 2017 by and between Assignor and Assignee ("Letter Agreement"). In the event of a conflict between the terms and conditions of this Assignment and the Letter Agreement, the terms and conditions of the Letter Agreement shall prevail. This Assignment and the Letter Agreement are not merged, and the Letter Agreement remains in full force and effect.

The provisions hereof shall extend to and be binding upon the successors and assigns of the parties that executed this Assignment and is hereby accepted by Assignee, and this Assignment shall be duly recorded by Assignee in the Official Public Records of Reeves County, Texas.

This Assignment of Oil and Gas Leases shall be effective as of May 30, 2017 at 7:00 am (the "Effective Time").

"ASSIGNOR"

EOG Resources, Inc.

By: _____

Name: Ezra Yacob

Title: Vice President and General Manager

"ASSIGNEE"

Invictus Energy, LLC

By: Kevin Green

Name: Kevin Green

Title: President and CEO

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 3 of 6

§
§
§

ss



ssss

ss

Notary Public, State of Texas

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 4 of 6

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this _____ day of May, 2017, by Ezra Yacob, acting as Vice President and General Manager for EOG Resources, Inc., a Delaware corporation, on behalf of said corporation.



Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF Fort Bend §

This instrument was acknowledged before me on this 30th day of May, 2017, by Kevin Green, acting as President and CEO for Invictus Energy, LLC, a DELAWARE LIMITED LIABILITY Co. on behalf of said limited liability company.



MJP 05/30/2017

Notary Public, State of Texas

EXHIBIT "A"

Attached hereto and made a part of that certain Assignment of Oil and Gas Leases, dated effective May 30, 2017, by and among EOG Resources, Inc. (Assignor) and Invictus Energy, LLC (Assignee)

LEASE

EOG Lease No. 0089989-000
State Lease No. MF-115340
Lessor: State of Texas, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC
Lessee: EOG Resources, Inc.
Effective Date: May 3, 2013
Recording: Volume 1000, Page 709, Official Public Records, Reeves County, Texas
Description: **Insofar and only insofar** as Section 12, Block 55, T5 T&P RR Survey, Reeves County, Texas

Inst No. 17-09350
DIANNE O. FLOREZ
COUNTY CLERK
2017 Jun 01 at 03:57 PM
REEVES COUNTY, TEXAS
By: MS Alhal danna DEPUTY

THIS IS A TRUE AND CORRECT COPY OF A
DOCUMENT ON FILE AT
REEVES COUNTY TEXAS,
DIANNE O. FLOREZ, COUNTY CLERK
Page 6 of 6

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File No. Align # 10342
EOG to Invictus
Date Filed: 8-17-17
By George P. Bush, Commissioner

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
Asmt of Oil & Gas Leases dated May 30 2017
filed for record in my office this 1st day of June at
5:15 P M, under Clerk's File No. 17-04350, to be recorded in the
Official Public Records
Records of Reeves County, Texas.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 1st day of June, 20 17.
By Ubalda, Deputy. DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 25, 2018

Harmon Murphy, Land Manager
BC Operating, Inc.
4000 N Big Springs, Ste 310
Midland, Texas 79705

*Re: GLO Assign ID #10623 – MF115340
Reeves County*

Dear Mr. Harmon:

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

Assignment, Bill of Sale and Conveyance, effective May 15, 2018, from Invictus Energy, LLC, Assignor to Crown Oil Partners, VI, LLC and Crump Energy Partners III, LLC, Assignee's. Filed of record under Doc Number 18-08398.

Filing fees in the amount of \$25.00 were received on the above assignment.

Please feel free to contact me at (512) 463-5407 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources

P.O. Box 50820
Midland, Texas 79710
Phone (432) 684-9696

BC PERATING, INC.

4000 N Big Spring, Suite 310
Midland, Texas 79705
Fax (432) 686-0600

June 8, 2018

Texas General Land Office
Attn: Carl Bonn, Energy Resources
PO Box 12873
Austin, Texas 78711-2873

FO# 10623

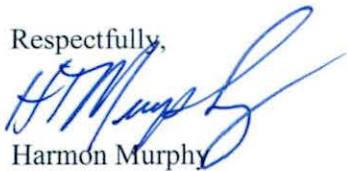
MF 115340

RE: Assignment Notification
Section 12, Block 55, Township 5
T&P Ry. Co Survey
Reeves County, Texas

Dear Mr. Bonn,

Enclosed please find a certified copy of an Assignment, Bill of Sale and Conveyance from Invictus Energy, LLC to Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC covering that certain Relinquishment Act Lease file MF-115340, insofar and only insofar as it covers all of Section 12, Block 55, Township 5, Reeves County, Texas. This assignment was filed in Volume 1592, at Page 411, under Instrument Number 18-08398 in the Reeves County Courthouse. The filing fee is also enclosed. Please let me know if you have any questions or concerns.

Respectfully,



Harmon Murphy
Land Manager
BC Operating, Inc.
Hmurphy@bcoperating.com



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881287/1163
E2Check® Check Fraud
Protection for Business

Tanna Energy Partners, LP
P.O. Box 50820
Midland, TX 79710

DATE 6/8/2018

PAY TO THE ORDER OF Texas GLO

twenty five dollars $\frac{1}{2}$ $\frac{00}{100}$ \$25.00/100 DOLLARS

CNB Community National Bank
P.O. Box 3903 Midland, Texas 79702 432.262.1600

MEMO [REDACTED]

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Security features Details on back

Mail to: Texas General Land Office
Attn: Energy Resources Carl Bonn
P.O. 12873
Austin, Texas 78711-2873

Texas General Land Office
ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	Volume	Page	Execution Date/Effective Date
Reeves	1592	411	5/15/2018

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)
INTEREST BEING CONVEYED: (mark one)

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks: Only as to Section 12-Block 55, T5, T&P RR Survey, Reeves
County, Texas

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1. Invictus Energy, LLC	Crown Oil Partners VI, LLC	100%	50%	0%
2.	And			
3.	Crump Energy Partners III, LLC		50%	0%
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. MF 115340	Reeves	55 T5	12	ALL	NONE
2.					
3.					
4.					


Preparer's Signature

Harmon Murphy

Name (please print)

Hmurphy@BCOperating.com

E-Mail Address

432-684-9696

Telephone Number

Land Manager

Title

6/8/2018

Date

I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC

Company Name

Mailing Address

P.O. Box 50820

Midland, Texas 79710

City/State/Zip

Visit our Web Site at www.glo.texas.gov

ID 10623

18-08398
FILED FOR RECORD
REEVES COUNTY, TEXAS
May 16, 2018 at 04:12:00 PM

STATE OF TEXAS §
 §
COUNTY OF REEVES §

M/ 115340
att 5-15-18
all

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this "Assignment") executed by **Invictus Energy, LLC**, a Delaware limited liability company, whose address is 50 Sugar Creek Center Blvd, Suite 300, Sugar Land, Texas 77478 (hereinafter referred to as "Assignor"), to **Crown Oil Partners VI, LLC**, a Delaware limited liability company, whose address is PO BOX 50820, Midland, Texas 79705 and **CRUMP ENERGY PARTNERS III, LLC**, a Delaware limited liability company, whose address is PO BOX 50820, Midland, Texas 79705 (hereinafter collectively referred to as "Assignee"), is dated effective at 7:00 a.m., Central Standard Time, on May 15, 2018 (said hour and day being hereinafter called the "Effective Time").

ARTICLE I
Conveyance and Reservation

Assignor, for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee, the receipt and sufficiency of which consideration are hereby acknowledged and confessed, by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER and DELIVER unto Assignee, and Assignee hereby purchases, accepts and assumes, all of Assignor's right, title and interest in and to the following described properties:

(a) the oil and gas lease described in Exhibit A attached hereto (and any ratifications, extensions, renewals and amendments thereof, whether or not the same are described in Exhibit A) and without limitation of the foregoing, all other right, title and interest (of whatever kind or character, whether legal or equitable, and whether vested or contingent) of Assignor in and to the lands described on Exhibit A hereto or covered by such lease (including, without limitation, interests in oil, gas and/or mineral leases, overriding royalties, production payments, net profits interests, fee mineral interests, fee royalty interests and other interests insofar as they cover such lands), even though Assignor's interest therein may be incorrectly described in, or omitted from, such Exhibit A (the "Lease");

(b) all agreements and contracts, whether or not recorded in the public records of Reeves County, Texas, to which Assignor is a party or in which Assignor otherwise holds an interest and (i) by which any of the assets and properties described in this Article I are bound or (ii) that primarily relate to the assets and properties described in this Article I or the operations with respect thereto, including salt water disposal agreements, water sourcing agreements, road use agreements, subsurface easements, farmin agreements, farmout agreements, operating agreements, hydrocarbon purchase, sale, compression, transportation, treating, marketing, exchange, processing and fractionating agreements

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Dianne O. Florez, County Clerk
Page 1 of 10

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(and any ratifications, extensions, renewals, and amendments thereof).

(c) all rights, titles and interests of Assignor in and to all materials, supplies, improvements and other personal property, flowlines, pipelines, tanks, buildings, saltwater disposal facilities, injection facilities, compression facilities, gathering systems, and other equipment (collectively, "Personalty") located on the lands described on Exhibit A hereto or covered by the Lease or used or held for use in connection with the exploration, development, operation or maintenance of the properties described in subsection (a) above;

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(d) all rights, titles and interests of Assignor in and to all permits and licenses (including, without limitation, all environmental and other governmental permits, licenses and authorizations), rights of way, easements, and other rights of surface use and water rights used or held for use in connection with the exploration, development, operation or maintenance of the properties described in subsection (a) above and all Personalty located on such rights of way, easements and surface rights.

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The properties, rights and interests described in subparagraphs (a) through (d) above are herein sometimes called the "Assets". Notwithstanding the foregoing, the Assets shall not include, and there is except, reserved and excluded from the transactions contemplated hereby, the following:

(v) Assignor's permits, bonds, licenses (including but not limited to seismic licenses) or authorizations used in the conduct of Assignor's business generally or any insurance (or the proceeds therefrom) of Assignor; (w) any software, trademarks, patents, trade names and similar intellectual property of Assignor or its affiliates, and computers, software and other information technology; (x) any tools, goods, inventory, warehouse stock, equipment, personal property, fixtures and materials of Assignor located off the premises of the lands described on Exhibit A; (y) any trade credits, all accounts, receivables, rights, refunds, claims, causes of action, and other proceeds, income and revenues attributable to the Assets with respect to any period of time prior to the Effective Time (except to the extent the same are with respect to Assumed Obligations); and (z) all offices and office leases, phones, office supplies, furniture, hardware, fixtures, equipment and related personal effects located in such offices.

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TO HAVE AND TO HOLD the Assets unto Assignee, its successors and assigns, forever, subject, however, to the matters set forth herein. Simultaneously with the execution and delivery of this Assignment, Assignee shall pay to Assignor the Cash Consideration by wire transfer of immediately available funds to the account set forth in the LOI. "Cash Consideration" has the meaning set forth in that certain letter of intent, dated April 25, 2018, between the parties (the "LOI"). This Assignment is made subject to all the terms and conditions set out in that certain LOI dated April 25, 2018, by and between Assignor and Assignee, and in the event there is a conflict between the terms and conditions of the LOI and the provisions contained in this Assignment, the terms and conditions of the Letter Agreement shall prevail.

ARTICLE II

Apportionment of Liabilities and Obligations

Section 2.1. Apportionment of Liabilities and Obligations. Assignee shall assume, pay

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Page 2 of 10

for, perform and discharge all liabilities, obligations and other Damages associated with or arising in connection with the Assets after the Effective Time, and Assignor shall assume, pay for, perform and discharge all liabilities, obligations and other Damages associated with or arising in connection with the Assets prior to the Effective Time, in either case, including any liabilities, obligations or other Damages associated with or arising in connection with: (a) payments or deductions of royalties, overriding royalties, non-participating royalties, or other burdens on production with respect to the Assets, (b) any laws or regulations applicable to the Assets, including the plugging and abandonment of wells and the restoration of the surface of the land, (c) the costs or obligations applicable to or imposed under the Lease or any Companion Agreement, (d) the ownership or operation of any Asset and (e) any environmental liability with respect to, or liability relating to the environmental condition of, the Assets (collectively, the "Assumed Obligations"), except as otherwise owed by Assignor under Section 2.2(a) or Section 3.1.

Section 2.2. Indemnification. From and after the Effective Time and subject to this Section 2.2, (a) Assignor shall defend, indemnify, and hold harmless Assignee and its affiliates, including the equityholders, directors, officers, employees, agents, and representatives of each of them from and against any liabilities, losses, claims, damages, costs and expenses (including reasonable attorneys' fees) (collectively, "**Damages**") arising in connection with (i) any personal injury or death occurring with respect to the operation of the Assets prior to the Effective Time or any litigation with respect to the ownership or operation of the Assets filed prior to the Effective Time, (ii) any breach by Assignor of its representations or warranty in Section 3.2, (iii) any breach by Assignor of its agreements and covenants in this Assignment, and (iv) any Assumed Obligations occurring prior to the Effective Time, and (b) Assignee shall defend, indemnify, and hold harmless Assignor and its affiliates, and the equityholders, directors, officers, employees, agents and representatives of each of them, from and against any Damages arising in connection with (i) any Assumed Obligations occurring after the Effective Time, (ii) any breach by Assignee of its representations or warranties in Section 3.2 or (iii) any breach by Assignee of its agreements and covenants in this Assignment. Except for a breach of Section 3.1, the indemnification, defense and hold harmless obligations under this Section 2.2 shall be the sole and exclusive remedy of either Assignor or Assignee in connection with this Assignment or any Asset, and, except for the indemnification, defense and hold harmless obligations under this Section 2.2 of Assignor or Assignee, or Assignor's obligations under Section 3.1, each party hereby releases, acquits and discharges the other party, its affiliates and its and their respective equityholders, directors, officers, employees, agents and representations from any Damage arising in connection with this Assignment or any Asset, including any claim for title, environmental or any other Damage arising in connection with any Asset or this Assignment, regardless of cause and whether arising at law, in contract, in equity or otherwise. Neither party shall have any liability under this Assignment for any consequential, special, exemplary or punitive damage arising in connection with this Assignment; provided, however, that this sentence shall not limit any third-party claim that is subject to any indemnification, defense or hold harmless obligation in this Section 2.2. Each of Assignor and Assignee shall use commercially reasonable efforts to mitigate its Damages under this Section 2.2 or Section 3.1. Any such Damages shall be reduced by (x) any insurance proceeds actually received by the party asserting such Damages as a result of the events giving rise to such Damages (net of any reasonable third-party expenses related to the receipt of such proceeds or increase in insurance premiums as a result thereof) and (y) any recovery by such party from any person or entity with respect to such Damages (excluding any intra-company contributions or loans

and net of any reasonable third-party expenses related to the receipt of such recovery). The representation, warranties, covenants and agreements under this Assignment shall survive the execution of this Assignment; provided, however, that Sections 2.2(a)(i), 3.1 and 4.1 shall automatically terminate upon the expiration of two years after the Effective Time. This Section 2.2 shall apply to any Damage regardless of cause and whether arising at law, in contract, in equity or otherwise and even if such Damage is caused by the **SOLE, JOINT OR CONTRIBUTORY NEGLIGENCE, GROSS NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF THE PERSON OR ENTITY BEING RELEASED, DISCHARGED, ACQUITTED, INDEMNIFIED, DEFENDED OR HELD HARMLESS OR WHOSE LIABILITY IS OTHERWISE LIMITED HEREBY.**

ARTICLE III Representations and Warranties

Section 3.1. Warranty of Title. Assignor does hereby bind itself to warrant and forever defend, all and singular, title to the Lease unto Assignee against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise, except for and subject to any Permitted Encumbrance and Section 2.2. "Permitted Encumbrance" means (a) any third-party consent and preferential right requirements and similar restrictions as disclosed and set forth in this Assignment; (b) any rights to consent, required notices to, filings with, or other actions by governmental bodies in connection with the sale or conveyance of the Assets if they are not required prior to the sale or conveyance thereof or are of a type customarily obtained thereafter; (c) any easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations to the extent that they do not, individually or in the aggregate, materially interfere with the ownership and operation of the Assets; (d) any terms of the Lease (e) any rights reserved to or vested in any governmental authority to control or regulate any Asset and all obligations under all applicable laws, rules and orders of any such governmental authority or under any franchise, grant, license or permit issued by any such governmental authority; (f) any liens, charges, encumbrances, defects or irregularities that are of record.

Section 3.2 General Representations. Each party represents and warrants to the other party, as of the Effective Time, that (a) such party is a limited liability company duly formed, validity existing and in good standing under the laws of Delaware, (b) such party has the requisite limited liability company power and authority to execute and deliver, and perform its obligations under, this Assignment, and (c) this Assignment has been duly executed and delivered by such party and is a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law and except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally. Assignee represents and warrants to Assignor, as of the Effective Time, that (y) Assignee is an experienced and knowledgeable investor in the oil and gas business and is sophisticated in the evaluation, purchase, ownership, and operation of oil and gas properties and is not acquiring the Assets in connection with a distribution or resale thereof in violation of federal or state securities laws and (z) Assignee has been afforded an opportunity to examine, investigate

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Page 4 of 10

and discuss the Assets and such documents, instruments, and other materials as it has requested and has relied solely on the express representations and warranties of Assignee in this Assignment, its independent investigation of, and judgment with respect to, the Assets, and not on any comments or statements of, or documents furnished by or on behalf of, Assignee or its affiliates, or any representatives or agents of, or consultants or advisors engaged by, Assignee or its affiliates.

Section 3.3 Waivers. EXCEPT FOR THE SPECIAL WARRANTY IN SECTION 3.1 AND AS SET FORTH IN SECTION 3.2, ASSIGNOR MAKES NO REPRESENTATION OR WARRANTY (WHETHER STATUTORY, EXPRESS, IMPLIED OR OTHERWISE) AND ASSIGNEE HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY (WHETHER STATUTORY, EXPRESS, IMPLIED OR OTHERWISE), STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE OR ANY OF ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, MEMBERS, MANAGERS, EQUITY OWNERS, CONSULTANTS, REPRESENTATIVES OR ADVISORS. EXCEPT FOR THE SPECIAL WARRANTY IN SECTION 3.1 AND AS SET FORTH IN SECTION 3.2, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNOR EXPRESSLY DISCLAIMS, AND ASSIGNEE ACKNOWLEDGES AND AGREES THAT IT HAS NOT RELIED UPON, ANY REPRESENTATION OR WARRANTY (WHETHER STATUTORY, EXPRESS, IMPLIED OR OTHERWISE) AS TO (a) TITLE TO ANY ASSET, (b) THE CONTENTS, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, OR ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO ANY ASSET, (c) THE QUANTITY, QUALITY, PRODUCTION OR RECOVERABILITY OF PETROLEUM SUBSTANCES IN OR FROM ANY ASSET, (d) ANY ESTIMATE OF THE VALUE OF ANY ASSET OR FUTURE REVENUE GENERATED BY ANY ASSET, (e) ANY ESTIMATES OF OPERATING COSTS AND CAPITAL REQUIREMENTS FOR ANY WELL, OPERATION, OR PROJECT, (f) ANY ENVIRONMENTAL RELEASE OR OTHER ENVIRONMENTAL MATTER, COMPLIANCE WITH ANY LAW (INCLUDING ANY ENVIRONMENTAL LAW) OR THE PROTECTION OF THE ENVIRONMENT OR HEALTH OR PUBLIC SAFETY, OR THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF ANY ASSET, (g) ANY OTHER MATERIAL OR INFORMATION AVAILABLE OR COMMUNICATED IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS ASSIGNMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, OR (i) MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT ASSIGNEE SHALL OBTAIN THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS. ASSIGNEE HEREBY WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES - CONSUMER PROTECTION ACT, SECTION 17.41 ET SEQ., BUSINESS AND COMMERCE CODE, AND ANY SIMILAR LAW IN ANY OTHER STATE TO THE EXTENT SUCH ACT OR SIMILAR LAW WOULD OTHERWISE APPLY. TO EVIDENCE ASSIGNEE'S ABILITY TO GRANT SUCH WAIVER, ASSIGNEE REPRESENTS AND WARRANTS TO ASSIGNOR THAT IT (w) IS IN THE BUSINESS

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Page 5 of 10

OF SEEKING OR ACQUIRING, BY PURCHASE OR LEASE, GOODS OR SERVICES FOR COMMERCIAL OR BUSINESS USE, (x) HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE IT TO EVALUATE THE MERITS AND RISKS OF THE TRANSACTIONS CONTEMPLATED HEREBY, (y) IS NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION, AND (z) HAS CONSULTED WITH, AND IS REPRESENTED BY, AN ATTORNEY OF ASSIGNEE'S OWN SELECTION IN CONNECTION WITH THIS TRANSACTION, AND SUCH ATTORNEY WAS NOT DIRECTLY OR INDIRECTLY IDENTIFIED, SUGGESTED, OR SELECTED BY ASSIGNOR OR AN AGENT OF ASSIGNOR.

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ARTICLE IV
Miscellaneous

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Section 4.1. Further Assurances. Each of Assignor and Assignee covenants and agrees to execute and deliver to the other party all such other and additional instruments and other documents, and will do all such other acts and things, as may be reasonably requested by the other party that are necessary to more fully assign to Assignee or its successors, and permitted assigns, all of the respective properties, rights and interests herein and hereby granted or intended to be granted and to otherwise effectuate the purposes of this Assignment, including, without limitation, executing separate assignments of individual oil, gas and mineral leases or interests therein, which are included in the Assets.

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Section 4.2. Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of Assignor and Assignee. All references herein to either Assignor or Assignee shall include their respective successors and assigns.

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Section 4.3. Counterparts. This Assignment may be executed in several original counterparts, all of which are identical. Each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same assignment.

Section 4.4. Governing Law. This Assignment shall be governed by and construed under the laws of the State of Texas, excluding any choice of law rules which may direct the application of the laws of another jurisdiction. Each party consents to personal jurisdiction in any legal action, suit or proceeding with respect to this Assignment in any court, federal or state, within Harris County, Texas, having subject matter jurisdiction and each party irrevocably waives, to the fullest extent permitted by law, any claim or any objection that it may now or hereafter have, that venue or jurisdiction is not proper with respect to any such legal action, suit or proceeding brought in such court, including any claim that such legal action, suit or proceeding brought in such court has been brought in an inconvenient forum and any claim that such party is not subject to personal jurisdiction or service of process in such court. **EACH PARTY HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH THIS ASSIGNMENT.**

Section 4.5. Severability. The invalidity of any one or more provisions of this Assignment shall not affect the validity of this Assignment as a whole, and in case of any such invalidity, this

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Page 6 of 10

Assignment shall be construed as if the invalid provision had not been included herein and such provision shall be replaced with a similar provision to the broadest extent permitted by applicable law to be valid.

Section 4.6 Taxes. Except as provided in this Section 4.6, Assignor shall be responsible for all ad valorem, real property, personal property, severance, production, sales, use, and similar taxes based upon or measured by the ownership or operation of the Assets, other than income or franchise taxes ("**Property Taxes**") that are attributable to any period of time prior to Effective Time. Assignee shall be responsible and file tax returns for all Property Taxes that are attributable to any period of time at or after the Effective Time. Assignee shall bear all transfer, documentary, sales, use, gross receipts, stamp, registration, recording and other similar taxes and fees arising in connection with this Assignment.

Section 4.7. Other. This Assignment may not be amended or modified without the prior written consent of the parties. This Assignment contains the entire agreement of the parties with respect to the subject matter hereof, and there are no other representations, warranties, covenants or agreements with respect to the subject matter hereof. Except as provided in Section 2.2, there are no third-party beneficiaries to this Assignment. Except as expressly provided in this Assignment, each party shall bear its own costs for the negotiation, execution or performance of this Assignment. If any separate assignment of any Asset is executed for filing with any applicable governmental authority, such separate assignment shall evidence this Assignment and assignment of the applicable Asset herein made and shall not constitute any additional assignment of such Asset, modify this Assignment, or create any representation, warranty, covenant or agreement and shall be deemed to contain all of the terms of this Assignment. The word "including" means "including without limitation".

[Signature Pages Follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed on the dates of their respective acknowledgments set forth below, to be effective, however, as of the Effective Time.

ASSIGNOR:

INVICTUS ENERGY, LLC

By: Kevin Green
Name: Kevin Green
Title: President & CEO

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THE STATE OF TEXAS

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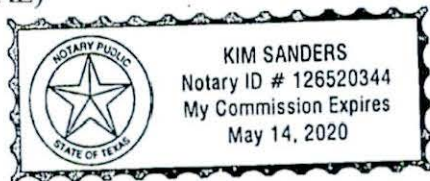
COUNTY OF Fort Bend

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This instrument was acknowledged before me on the 14th day of May, by Kevin Green, President and CEO of Invictus Energy, LLC, a limited liability company, on behalf of said limited liability company.

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(SEAL)



Kim Sanders
Notary Public in and for Fort Bend county

ASSIGNEE:

CROWN OIL PARTNERS VI, LLC

By: [Signature]
Name: Brandon Black BA
Title: Vice President

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THE STATE OF TEXAS

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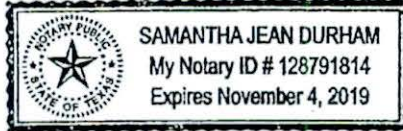
COUNTY OF Midland

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This instrument was acknowledged before me on the 15th day of May 2018, by Brandon Black, Vice-President of CROWN OIL PARTNERS VI, LLC, a DELAWARE limited liability company, on behalf of said limited liability company.

(SEAL)



Samantha Jean Durham
Notary Public in and for Texas

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ASSIGNEE:

CRUMP ENERGY PARTNERS III, LLC

By: [Signature]
Name: William E. Crump BA
Title: President

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THE STATE OF TEXAS

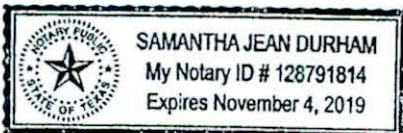
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COUNTY OF Midland

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This instrument was acknowledged before me on the 15th day of May 2018, by William E. Crump, of CRUMP ENERGY PARTNERS III, LLC, a DELAWARE limited liability company, on behalf of said limited liability company.

(SEAL)



Samantha Jean Durham
Notary Public in and for Texas

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Dianne O. Florez, County Clerk
Page 9 of 10

EXHIBIT "A"

Attached hereto and made a part of that certain ASSIGNMENT, BILL OF SALE AND CONVEYANCE dated May 15, 2018 by and between the **Invictus Energy, LLC**, as Assignor, and **Crown Oil Partners VI, LLC** and **Crump Energy Partners III, LLC** and as Assignee.

Leasehold Estate:

State Lease No. MF-115340 ✓

Lessor: State of Texas, acting by and through its agent, Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC

Lessee: EOG Resources, Inc.

Effective Date: May 3, 2013

Recording: Volume 1000, Page 709, under Instrument Number 13-03244, Official Public Records, Reeves County, Texas.

Lands: INsofar AND ONLY INsofar AS THE LEASE COVERS Section 12, Block 55, T5 T&P RR Co. Survey, Reeves County, Texas.

End of Exhibit "A"

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Inst No. 18-08398
DIANNE O. FLOREZ
COUNTY CLERK
2018 May 16 at 04:12 PM
REEVES COUNTY, TEXAS
By: MS M. Maldana DEPUTY

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 10 of 10

12.

MF 115340

File No.

Assign # 10623

Inv (tu) & Craon (to Crump

6-25-18

Date Filed:

George P. Bush, Commissioner

By

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

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 public records of my office, found in VOL. 1592
PAGE 411, THRU 420

I hereby certified on 5 31 18



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Aranda DEPUTY

2018

JOBE RANCH FAMILY LIMITED PARTNERSHIP

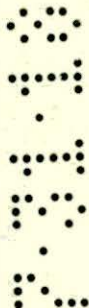
003807

Texas General Land Office

7/25/2018

Sec 2 Blk 55 T5 MF-115340 Surface damages

5,805.81



18715036

161

Chase Checking Acco Sec 2 Blk 55 T5 MF-115340 Surface damages

X 5,805.81



P.O. Box 2267, Midland, Texas 79702
Phone: (432) 686-3600 Fax: (432) 686-3773

July 6, 2018

Jobe Ranch Family Limited PTR
1150 Southview Drive
El Paso, TX 79928

RE: Surface Damage
State Bluewing CTB Water Line
Reeves County, Texas
EOG Lease 0089989-000

M-115340

Enclosed is an EOG Resources, Inc. check number 1192739987 in the amount of \$11,611.62 for payment in regards to the Surface Damages described above. See details below:

Sec. 2, Blk. 55-5: 169.72 rods \$10/rod x 3 lines =	\$5,091.60
Sec. 44, Blk. 55-4: 217.34 rods \$10/rod x 3 lines =	\$6,520.02

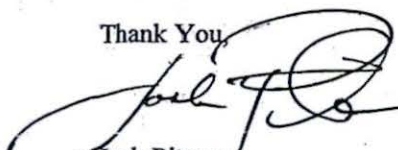
	\$11,611.62

Also as a reminder please pay the Texas General Land Office their 50% share.

Please acknowledge receipt of this payment by signing in the space provided below and return one copy of this letter to my attention in the enclosed envelope. If you have any questions, please contact me at (432) 848-9139 or via email at josh_pitman@eogresources.com.

One half of invoice due to
Texas General Land Office

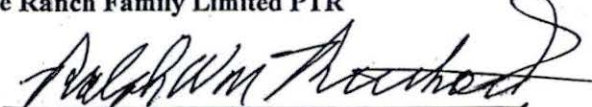
Thank You


Josh Pitman
EOG RESOURCES, INC.
Contract Surface Landman

Payment in the amount of \$11,611.62 was received this 10 day of July, 2018.

Jobe Ranch Family Limited PTR

By:


attorney for Jobe Ranch Family L.P.

Name: _____

7.15.18

File No. MF 116340
County _____
Survivor damage payment
Date Filed: 8/7/18
By George P. Bush, Commissioner
64

18J12032

18J12032

JOBE RANCH FAMILY LIMITED PARTNERSHIP
Texas General Land Office

003794

6/26/2018

Section 12 (MF-115340) May 2018 Royalties

35,102.00

Chase Checking Acct Section 12 (MF-115340) May 2018 Royalties

Counted 7/06/18
PZ
161
78713519

X 35,102.00

JOBE RANCH FAMILY LIMITED PARTNERSHIP

INVOICE 2018-06-002

INVOICE DATE – June 11, 2018

CUSTOMER

TERMS – Due upon receipt

Cimarex Energy
Attn: Mr. Walt Haenggi
600 N. Marienfeld
Midland, Texas 79701

Re: Billing for Caliche taken during May 2018 for Sentinel State 55-28 Units 5H & 6H well pad

Description

Amount

Caliche from Section 12, Block 55 T-5
5,634 cubic yards @ \$6.00 per c.y.

\$33,804.00

Amount Due this Invoice

\$33,804.00

M-115340

*One half of invoice due to
Texas General Land Office*

JOBE RANCH FAMILY LIMITED PARTNERSHIP

INVOICE 2018-06-001

INVOICE DATE – June 04, 2018

CUSTOMER

TERMS – 15th day prox.

PDC Energy
C/o Mr. Glen Morrison
3405 Caldera Blvd.
Midland, Texas 79707

**Billing for Caliche taken during May 2018 Yule Pad EJ Brady 56
Per PDC Permian, Inc. Caliche Agreement 06/23/2017**

Description

Amount

Caliche from Section 12, Block 55 T-5
7,280 cubic yards @ \$5.00 per c.y.

\$36,400.00

Total Amount Due

\$36,400.00

*One half of invoice due to
Texas General Land Office*

1150 Southview Dr. • El Paso, TX 79928
Phone (915) 298-9900 • Fax (915) 298-9990



HARD MINERAL ROYALTY REPORT FORM MA-3

BLANKET AUTHORIZATION NUMBER (BAN) _____

GLO Lease Number HM- 117016

Check Number _____

Royalty Payer Tax ID 27-1358782

Total Check Amount

- 0 -

Prepared by/Phone # Ruben Borrego / (915) 298-9900

E-Mail Address ruben@jobeco.com

Payer Name Jobe Ranch Family Limited Partnership

Owner

Jobe Ranch Family Limited Partnership

Part or Area	Section	Block	Grantee	Acres	County
Part	25	55/T-4	T & P	160	Reeves

Minerals Mined Caliche, Clay and Borrow Material

Report Period

May 2018

Mining Method Underground ☐ Open Pit ☒Solution ☐Other ☐

All weights in 2000 lb. Tons unless otherwise specified

UN-PROCESSED ORE

Mined _____ Tons

Stockpiled _____ Tons

Sold _____ cy @ \$ _____ / cy = Gross Receipts _____

Less Deductions (if allowed):

Transportation: (\$) _____ / Ton = _____

Purchaser _____
Address _____

Net Receipts _____

PROCESSED ORE

Mined _____ Tons

Stockpiled _____ Tons to Mill

Sold _____ Tons @ \$ _____ / Ton = Gross Receipts _____

Less Deductions (if allowed):

Transportation to Mill: (\$) _____ / Ton = _____

Processing Costs: (\$) _____ / Ton = _____

Purchaser _____
Address _____

Net Receipts _____

TOTAL NET RECEIPTS (Un-processed and Processed) _____

50.00%**ROYALTY DUE STATE**

Royalty Paid

- 0 -

Attach supporting documents to this form.

REMARKS:



HARD MINERAL ROYALTY REPORT FORM MA-3

BLANKET AUTHORIZATION NUMBER (BAN) _____

GLO Lease Number HM- 115989

Check Number _____

Royalty Payer Tax ID 27-1358782

Total Check Amount

- 0 -

Prepared by/Phone # Ruben Borrego / 915-298-9900

E-Mail Address ruben@jobeco.com

Payer Name Jobe Ranch Family Limited Partnership

Owner

Jobe Ranch Family Limited Partnership

Part or Area	Section	Block	Grantee	Acres	County
Part	28	55/T-5	T & P	40	Reeves

Minerals Mined Caliche, Clay and Borrow Material

Report Period

May 2018

Mining Method Underground ☐ Open Pit ☒Solution ☐Other ☐

All weights in 2000 lb. Tons unless otherwise specified

UN-PROCESSED ORE

Mined _____ Tons

Stockpiled _____ Tons

Sold _____ cy @ \$ 5.00 / cy = Gross Receipts \$ -

Less Deductions (if allowed):

Transportation: (\$) _____ / Ton =

Purchaser _____

Net Receipts

Address _____

PROCESSED ORE

Mined _____ Tons

Stockpiled _____ Tons to Mill

Sold _____ Tons @ \$ _____ / Ton = Gross Receipts

Less Deductions (if allowed):

Transportation to Mill: (\$) _____ / Ton =

Processing Costs: (\$) _____ / Ton =

Purchaser _____

Net Receipts

Address _____

TOTAL NET RECEIPTS (Un-processed and Processed)

\$

50.00%**ROYALTY DUE STATE**

Royalty Paid

- 0 -

Attach supporting documents to this form.

REMARKS:

File No. MF 115346Barbace Damage Payment CountyDate Filed: 8/8/18

George P. Bush, Commissioner

By GB

0.53.18

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA200007

Unit Number 10541
Operator Name EOG Resources, Inc.
Customer ID C000027065
Unit Name State Stonefly
County 1 Reeves RRC District 1 08
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.06249804
State Part in Unit 0.49998434
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 02/18/2020
Unitized For Oil And Gas
Unit Term
Old Unit Number Inactive Status Date

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF115340		319.300000	1,277.240000	0.24999217	O/G	0.12500000	0.03124902	No
MF120209		319.300000	1,277.240000	0.24999217	O/G	0.12500000	0.03124902	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:

02/18/2020

02/18/2020

2/24/2020

6/23/2021

02/18/2020

Pooling Committee Report

To: School Land Board

UPA200007

Date of Board Meeting: 02/18/2020

Unit Number: 10541

Effective Date: 02/18/2020

Unit Expiration Date:

Applicant: EOG Resources, Inc.

Attorney Rep:

Operator: EOG RESOURCES, INC.,

Unit Name: State Stonefly

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF115340	0.12500000	05/03/2018	5 years	1,600.000000	319.300000	0.03124902
RAL	MF120209	0.12500000	10/22/2022	3 years	320.000000	319.300000	0.03124902

Private Acres:	638.640000
State Acres:	638.600000
Total Unit Acres:	1277.240000

<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	704 acres for a 10,000 foot lateral (FTP to LTP).

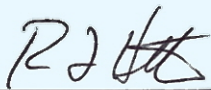
Working File Number: **UPA200007**

REMARKS:

- EOG Resources, Inc. is requesting oil and gas pooling from the Surface to 300 feet true vertical depth below the deepest depth reached by the horizontal lateral between the first take point and the last take point in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on March 13, 2020 with a proposed total depth of 11,250 feet true vertical depth. A 10,000 foot lateral is expected to be drilled.
- 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 a total of four unit wells. The first well must be spud by or before March 13, 2020 and the remaining three unit wells must be spud in accordance with the continuous development terms of State Lease M-120209.

POOLING COMMITTEE RECOMMENDATION:

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



General Land Office

2/03/20

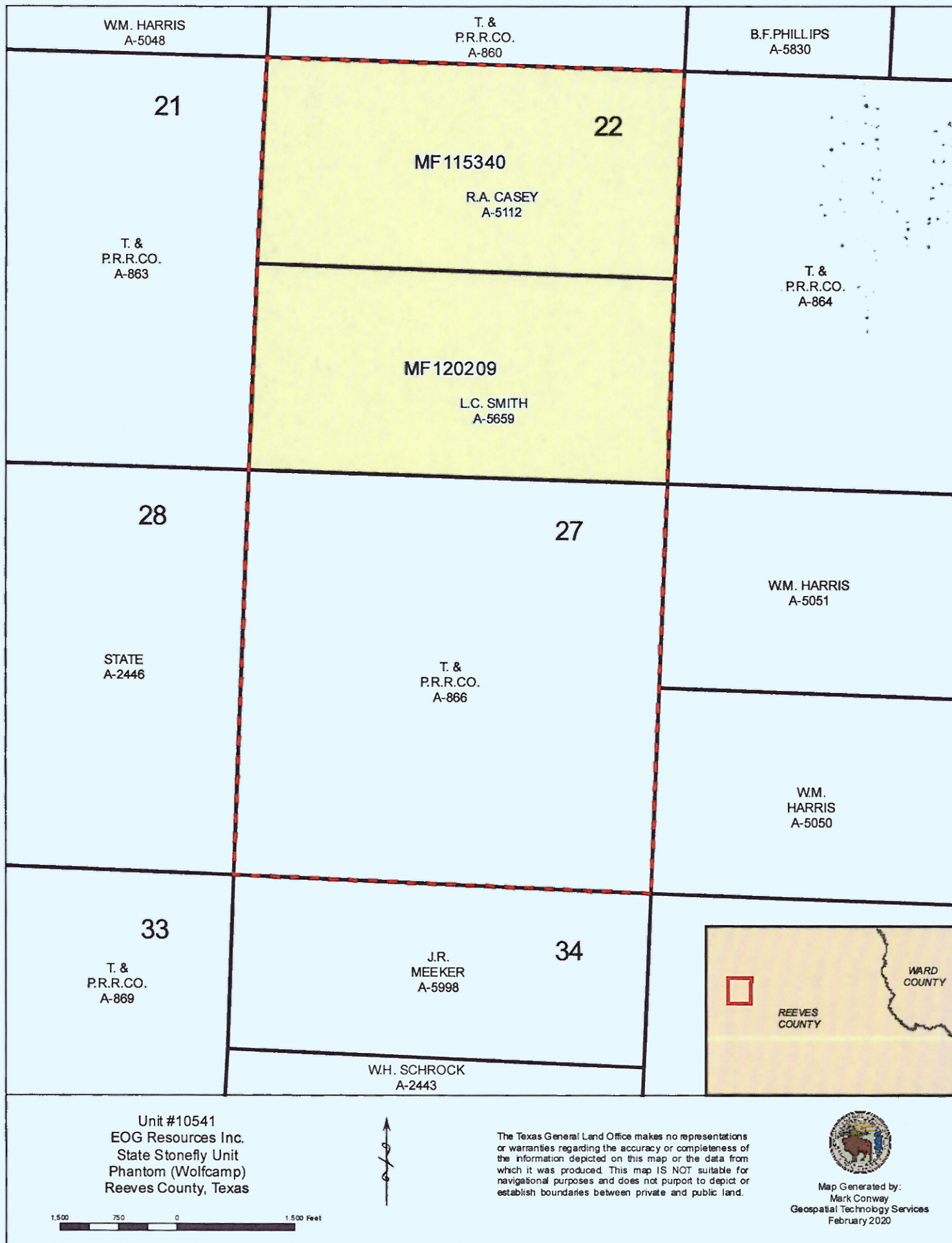
Date

Office of the Governor

Date

Office of the Governor

Date



File No. MF115340Reeves CountyBuckslip Unit 10541Date Filed: 04/08/2021

George P. Bush, Commissioner

By Jm



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (June 11, 2020)

DATE: June 4, 2020
TO: Commissioner Bush
FROM: Matthew Edling
SUBJECT: Pooling Agreements for signature

.....
SUMMARY: Attached for your approval and signature are duplicate originals of a Pooling Agreement that was approved by the School Land Board on February 18, 2020.

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 E of the Texas Natural Resources Code gives authority to the Commissioner to execute agreements that provide for operating areas as a unit for the exploration, development and production of oil or gas or both.

Document Name

Recipient

Pooling Agreement
State Stonefly Unit
GLO Unit No. 10541
Reeves County, Texas

EOG Resources, Inc.

Recommendation: Please sign and return to Matthew Edling in Energy Resources (5-9106).

Attachments: Two (2) Pooling Agreements

Through: Larry Hargrave
Legal

File No. MF115340

Reeves County

Memo to Commissioner Unit 10541

Date Filed: 04/08/2021

George P. Bush, Commissioner

By Jm

**POOLING AGREEMENT
EOG RESOURCES, INC.
STATE STONEFLY UNIT
GLO UNIT NO. 10541
REEVES 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 EOG Resources, Inc., 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 the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled ("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 from the surface of the earth to the base of the Wolfcamp Formation, said base being 11,250 feet true vertical depth below the surface of the earth as seen on the TXO Production Corporation Toyah "B" #2 Well (API # 42-389-31433) underlying the surface boundaries of the pooled unit. Notwithstanding anything contained herein to the contrary it is provided that on the completion date of the final unit well drilled under the drilling commitment provided in Addendum "A", this agreement shall be limited to and only include those depths from the surface to 300 feet true vertical depth below the deepest depth reached by the horizontal lateral of the deepest unit well measured between the first takepoint and the last takepoint and on that date the State Leases described on Exhibit "A" attached are amended such that, unless otherwise held, the State Leases as to the acreage included in this pooled unit shall terminate as to all depths below 300 feet true vertical depth below the deepest depth reached by the horizontal lateral of the deepest unit well measured between the first takepoint and the last takepoint ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all 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. Provided that, if any State Lease described in Exhibit "A" attached hereto contains provision 4(E) VARIABLE ROYALTY, and a unit well is not located on such State Lease and a reduced royalty has not otherwise been earned, then a reduced royalty may be earned by unit production, but it shall only apply to the acreage included within the unit. Acreage outside of the unitized area must earn a reduced royalty independently.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included 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 and therefore if a delay rental payment is necessary to maintain a lease over an anniversary date as to non-unit acreage, a delay rental payment must be paid to maintain the non-unit acreage, if it is not otherwise held by a lease (non-unit) well. At the end of the primary term and after the end of the primary term, 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. If a lease contains a continuous drilling clause requiring the drilling of wells on a lease, a unit well shall be considered as a well drilled for purposes of the continuous drilling clause, unless said clause expressly provides otherwise. "Area" as used in this paragraph shall be based upon surface acres. Depths, if held, shall be held in accordance with Paragraph 3 of this Agreement.

- (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 1,277.24 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this Pooling 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 February 18, 2020.

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 Reeves County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show

acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed 6/11/2020

STATE OF TEXAS

Content me
Min. Leasing deo
Legal lf
Executive [Signature]

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 February, 2020, 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 12th day of June, 2020.

[Signature]
Stephanie Crenshaw
Secretary of the School Land Board

Date Executed 3/13/2020

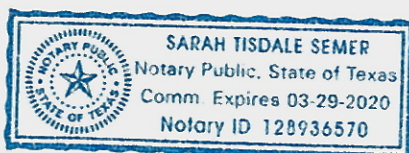
EOG RESOURCES, INC.

By: [Signature]
WENDY DALTON,
AGENT AND ATTORNEY-IN-FACT

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on March 13th, 2020, by Wendy Dalton, as Agent and Attorney-in-Fact for EOG Resources, Inc. a Delaware corporation, on behalf of said corporation.

[Signature]
Notary Public in and for the State of Texas



acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed _____

STATE OF TEXAS

Content me
Min. Leasing dp
Legal lt
Executive _____

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 February, 2020, 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 _____, 2020.

Secretary of the School Land Board

Date Executed 3/13/2020

EOG RESOURCES, INC.

By: Wendy Dalton
WENDY DALTON,
AGENT AND ATTORNEY-IN-FACT

67

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on March 13, 2020, by Wendy Dalton, as Agent and Attorney-in-Fact for EOG Resources, Inc. a Delaware corporation, on behalf of said corporation.



Sarah Tisdale Semer
Notary Public in and for the State of Texas

Addendum "A"

To that certain Pooling Agreement for the EOG Resources, Inc. – State Stonefly Unit

GLO Unit No. 10541

Reeves County, Texas

The parties hereby agree that should a conflict exist between this Addendum and the body of the agreement that this Addendum shall prevail.

The Pooled Unit shall consist of all the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as set out below, then the Unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall contract in size to allow for a maximum size of approximately 320 acres per well drilled in the Unit, as close as is reasonably practicable in the shape of a rectangle surrounding the wells.

Drilling Obligation Timeframe:

Lessee shall have commenced actual Drilling Operations in the following manner:

First well – spud on or before March 13, 2020;

Second, Third and Fourth wells – commenced in accordance with the Continuous Development provision of State Lease M-120209, being "no more than 180 days elapsing between completion or abandonment of one well and the commencement of actual drilling on the next succeeding well".

Once actual drilling operations have been commenced on a 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 and in an effort to prevent physical and economic waste, subject to the terms and provisions of the Leases, and rules and regulations of the Texas Railroad Commission or any other applicable regulatory agency, Lessee shall make every effort to drill each horizontal well with the longest productive lateral reasonably possible within the boundaries of the Unit.

In the event Lessee commences actual drilling operations on four (4) wells committed to be drilled hereunder and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C" of this Agreement.

End of Addendum "A"

EXHIBIT "A"

Attached to and made a part of that certain Pooling Agreement GLO Unit 10541:
STATE STONEFLY UNIT dated effective February 18, 2020.

I. OIL & GAS LEASES INCLUDED IN UNIT:

State MF-120209
Lease No:
EOG 0281075/001
Lease No:
Lessor: State of Texas acting by and through its agent, Rosemary
Francis Smith Walls

Lessee: EOG RESOURCES, INC.
Date: October 22, 2019
Recorded: Recorded at Document Number – 2019019732, the
Official Public Records of Reeves County, Texas

State MF-120209
Lease No:
EOG 0281075/002
Lease No:
Lessor: State of Texas acting by and through its agent, Craig A
Smith

Lessee: EOG RESOURCES, INC.
Date: October 22, 2019
Recorded: Recorded at Document Number – 2019019733, the
Official Public Records of Reeves County, Texas

EOG 0280144/000
Lease No:
Lessor: Chevron USA , Inc.

Lessee: Anadarko E&P Onshore, LLC
Date: February 1, 2014
Recorded: By Memorandum recorded at Volume 1186, Page 0487
(15-07017) , Official Public Records of Reeves County,
Texas

State MF-115340
Lease No:
EOG 0089989/000
Lease No:
Lessor: State of Texas, acting by and through its agent, Jobe
Family Limited Partnership, acting through its General
partner , Jobe Ranch Mangement, LLC

Lessee: EOG RESOURCES, INC.
Date: May 3, 2013.
Recorded: Recorded at Volume 1000 and Page 0709, the Official
Public Records of Reeves County, Texas

END OF EXHIBIT "A"

EXHIBIT "B"

Attached to and made a part of that certain Pooling Agreement GLO Unit 10541:
STATE STONEFLY UNIT dated effective February 18, 2020.

UNIT DESCRIPTION

Metes and Bounds description of a proposed 1277.24 acre unit located in Sections 22 & 27, Block 55, Township 5, T. & P. RR. Co. Survey, A-5112, A-5659 & A-866, Reeves County, Texas,

BEGINNING at the Northeast corner of said unit, from which an iron pipe in a stone mound found for the Northeast corner of Section 22, A-5112;

Thence S 01°53'00" W, a distance of 5267.07 feet, to a point on the East line of this unit;

Thence S 01°53'00" W, a distance of 5267.07 feet, being the Southeast corner of this unit;

Thence N 88°17'02" W, a distance of 5281.84 feet, being the Southwest corner of this unit;

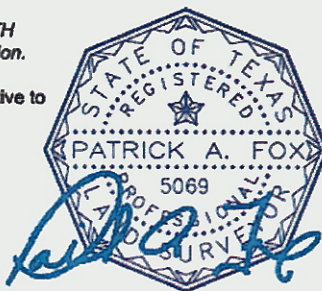
Thence N 01°53'18" E, a distance of 5267.48 feet, to a point on the West line of this unit;

Thence N 01°53'18" E, a distance of 5267.48 feet, being the Northwest corner of this unit;

Thence S 88°16'30" E, a distance of 5280.96 feet, to the Point of Beginning, containing 1,277.24 acres.

*All bearings are relative to GRID NORTH
and were determined by GPS observation.*

Bearings and distances shown are relative to
NAD-27 Grid Texas Central Zone.

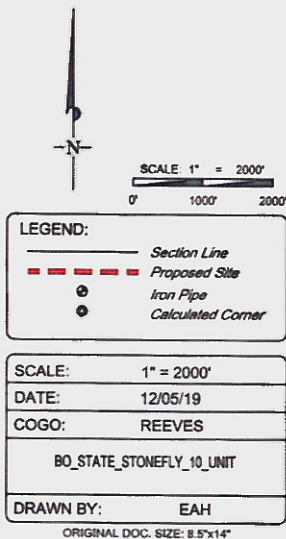
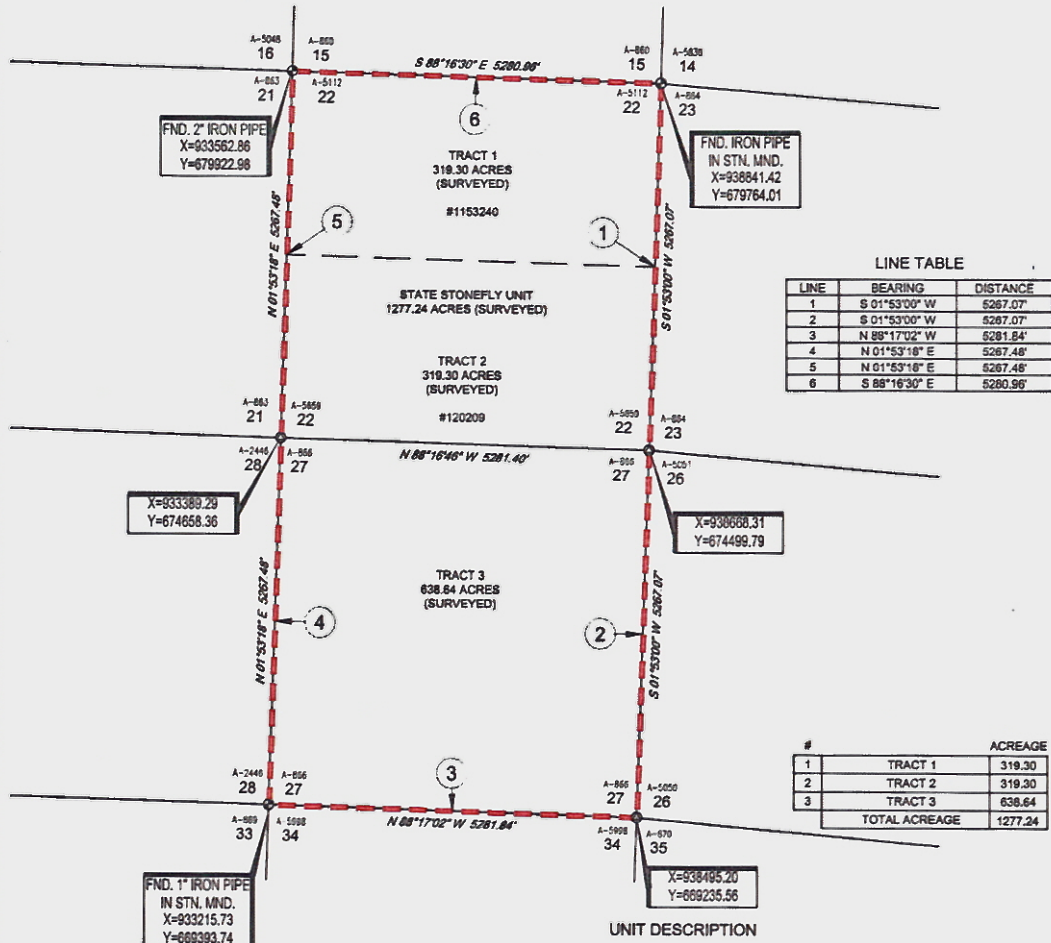


END OF EXHIBIT "B"

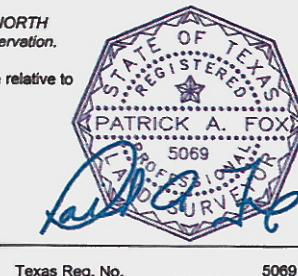
EXHIBIT "C"

Attached to and made a part of that certain Pooling Agreement GLO Unit 10541: STATE STONEFLY UNIT dated effective February 18, 2020.

STATE STONEFLY UNIT
SECTION 22 & 27, BLOCK 55, TOWNSHIP 5
T. & P. RR. CO. SURVEY, A-5112, A-5659, & A-866
REEVES COUNTY, TEXAS



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY
1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX: (817) 744-7504
TEXAS FIRM REGISTRATION NO. 19042504
2009 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1053 OR (800) 767-1053 • FAX: (432) 682-1743
TEXAS FIRM REGISTRATION NO. 10042500
WWW.TOPOGRAPHIC.COM



Texas Reg. No. 5069

THE INFORMATION IN THIS DRAWING WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. THE INFORMATION HEREON IS FOR RIGHT-OF-WAY ACQUISITION PURPOSES ONLY AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.R.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT". ALL LANDOWNER INFORMATION, PROPERTY LINES, AND DESCRIPTIONS ARE SHOWN BASED ON DATA PROVIDED BY EOG RESOURCES, INC.

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

File No. MF115340

Reeves County

Pooling Agreement - Unit 10541

Date Filed: 04/08/2021

George P. Bush, Commissioner

By Jm

JOBE, RANCH FAMILY LIMITED PARTNERSHIP

Texas General Land Office

10.26.18

003850

10/22/2018

Sec36 Blk55 Twp4 MF115338 Surface Damages

✓ 15,693.69

19702508 ✓

MF 115340

Chase Checking Acco Sec36 Blk55 Twp4 MF115338 Surface Damage

15,693.69

10.26.18



EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
(432) 686-3600

September 26, 2018

Jobe Ranch Family Limited Partnership
1150 Southview Drive
El Paso, TX 79928

RE: Surface Damages Section 2, Block 55 T-5
Reeves County, Texas
State Bluewing Location and Roads

Dear Interest Owner,

Enclosed is EOG check no. 1192767740 representing payment to you for the following proportionate shares for damages to the surface in reference to the State Bluewing A 3H and State Bluewing B 1H Location and Roads.

Well Location

181,142.19 sq. ft. * \$0.0085 = \$15,397.09

Access Road

6.26 rods * \$50 per = \$313.00

Total: \$15,710.09

As a reminder, please pay the Texas General Land Office their 50% amounts payable, which is equal to \$7,855.05 in regard to state leased lands.

Please acknowledge receipt of this payment by signing in the space provided below and return one copy of this letter in the enclosed envelope. Should you have any questions, please contact Josh Pitman, Surface Landman, at (432) 238-3797.

Sincerely,
EOG RESOURCES, INC.

A handwritten signature in black ink, appearing to read "Taylor Bellows".

Taylor Bellows
Land Tech – Midland Division

Payment in the amount of \$15,710.19 was received this _____ day of _____, 2018.

By: _____

Title: _____

JOBE RANCH FAMILY LIMITED PARTNERSHIP

File No. ME115340CountySurface Damage PmtDate Filed: 8/25/2021

George P. Bush, Commissioner

By VB

* * * * *

JOBE RANCH FAMILY LIMITED PARTNERSHIP

INVOICE 2018-10-003

INVOICE DATE – Oct. 12, 2018

CUSTOMER

TERMS – Due upon receipt

Cimarex Energy
Attn: Mr. Walt Haenggi
600 N. Marienfeld, Suite 600
Midland, Texas 79701

**Re: Billing for Caliche taken during September 2018 for Sentinel State 55-28 Unit
7H well pad**

Description	Amount
Caliche from Section 12, Block 55 T-5 600 cubic yards @ \$6.00 per c.y.	<u>\$3,600.00</u>
Amount Due this Invoice	\$3,600.00

*One half of invoice due to
Texas General Land Office*

JOBE RANCH FAMILY LIMITED PARTNERSHIP

INVOICE 2018-10-002

INVOICE DATE – October 08, 2018

CUSTOMER

TERMS – 15th day prox.

PDC Energy
C/o Mr. Glen Morrison
3405 Caldera Blvd.
Midland, Texas 79707

Billing for Caliche taken during September 2018 Yule Pad EJ Brady 56
Per PDC Permian, Inc. Caliche Agreement 06/23/2017

Description

Amount

Caliche from Section 12, Block 55 T-5
3,170 cubic yards @ \$5.00 per c.y.

\$15,850.00

Total Amount Due

\$15,850.00

*One half of invoice due to
Texas General Land Office*

JOBE RANCH FAMILY LIMITED PARTNERSHIP

INVOICE 2018-09-002

INVOICE DATE – Sept. 28, 2018

CUSTOMER

TERMS – Due upon receipt

Cimarex Energy
Attn: Mr. Walt Haenggi
600 N. Marienfeld, Suite 600
Midland, Texas 79701

**Re: Billing for Caliche taken during September 2018 for Hardscrabble State 57-34
Unit 5H-7H well pad**

Description	Amount
Caliche from Section 12, Block 55 T-5 6,000 cubic yards @ \$6.00 per c.y.	<u>\$36,000.00</u>
Amount Due this Invoice	\$36,000.00

*One half of invoice due to
Texas General Land Office*

100318

JOBE RANCH FAMILY LIMITED PARTNERSHIP

INVOICE 2018-09-001

INVOICE DATE – Sept. 27, 2018

CUSTOMER

TERMS – Due upon receipt

Cimarex Energy
Attn: Mr. Walt Haenggi
600 N. Marienfeld, Suite 600
Midland, Texas 79701

**Re: Billing for Caliche taken during September 2018 for Hardscrabble State 57-34
Unit 2H-4H well pad**

Description	Amount
Caliche from Section 12, Block 55 T-5 5,400 cubic yards @ \$6.00 per c.y.	<u>\$32,400.00</u>
Amount Due this Invoice	\$32,400.00

*One half of invoice due to
Texas General Land Office*

FAMILY LIMITED PARTNERSHIP
Texas General Land Office

Section 12 MF-115340 Sept. 2018 Royalties
Section 12 MF-115340 Sept. 2018 Royalties
Section 12 MF-115340 Sept. 2018 Royalties
Section 12 MF-115340 Sept. 2018 Royalties

10/22/2018

003847

1,800.00
7,925.00
18,000.00
16,200.00

197025098
128

X 43,925.00

Section 12 MF-115340 Sept. 2018 Royalties

Case No. MF115340

County

Surface Damage Pmt

Date Filed: 8/25/2021

George P. Bush, Commissioner

By VB



EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
(432) 686-3600

MF 115340

June 6, 2019

Jobe Ranch Family Limited Partnership
1150 Southview Drive
El Paso, Texas 79706

RE: Temporary Flat Hose Water Line Easement Agreement
State Bluewing Unit B 2H & 4H Temporary Water Line
EOG Contract No. K2100153

To Whom It May Concern,

Enclosed are two originals of the above referenced agreement, executed by Wendy Dalton, Midland Division Land Manager. Also enclosed is Check No. 1192846238 in the amount of \$1,364.75 representing payment for said pipeline.

Please acquire the necessary signatures and return one (1) copy to our offices at the attention of the undersigned. Should you have any questions or need anything further, please contact Michael Yemm, Division Supervisor, at (432) 686-3714 or via email at Michael_Yemm@eogresources.com.

Thank you.

Sincerely,
EOG RESOURCES, INC.

A handwritten signature in black ink, appearing to read "Taylor Bellows", written over a blue horizontal line.

Taylor Bellows

Land Tech – Midland Division

One half of invoice due to
Texas General Land Office

File No. MF115340

County

Surface Damage Pmt

Date Filed: 8/25/2021

George P. Bush, Commissioner

for

A 4x4 grid of black dots forming the number 0117. The first column has 4 dots, the second has 4 dots, the third has 4 dots, and the fourth has 4 dots.



EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
(432) 686-3600

MF115340

R

January 10, 2020

Jobe Ranch Family Limited Partnership
1150 Southview Drive
El Paso, Texas 79706

RE: Surface Damage Payment
State Stonefly Unit #1H Pad (0089988-000)

To Whom It May Concern,

Enclosed is Check No. 1192915867 in the amount of \$14,283.88 representing payment for surface damages caused by the State Stonefly Unit #1H Pad. Please evidence your receipt of the above check by signing and returning to the undersigned the duplicate copy of this letter.

Should you have any questions or need anything further concerning this payment, please feel free to contact Landon Jones, at (432) 247-6339 or via email at landon_jones@eogresources.com.

Kindest Regards,
EOG RESOURCES, INC.

Drew Simmons

Drew Simmons
Land Tech – Midland Division

*One half of invoice due to
Texas General Land Office*

I acknowledge the above referenced payment(s) were received this 17 day of January, 2020.

By: *[Signature]*

JOBE RANCH FAMILY LIMITED PARTNERSHIP

Surface Damage payment for State Stonefly Unit #1

7,141.94

207069891

Chase Checking Acco

7,141.94

File No. ME115340

County

Surface Damage Pmt

Date Filed: 8/25/2021

George P. Bush, Commissioner

vg

JOBE RANCH FAMILY LIMITED PARTNERSHIP
Texas General Land Office

3/20/2020

004058

Section 12 (MF-115340) February Royalties

X 18,037.50

161

MF 115340

Chase Checking Acco Section 12 (MF-115340) Royalties

18,037.50

JOBE RANCH FAMILY LIMITED PARTNERSHIP

INVOICE 2020-03-002

INVOICE DATE – March 02, 2020

CUSTOMER

TERMS – Due upon receipt

EOG Resources, Inc.
C/o Mr. Landon Jones
5509 Champions Drive
Midland, Texas 79706

**Billing for Caliche taken during February 2020 by EOG Resources for the State
Stonefly Unit 1H well pad**

Description	Amount
Caliche from Section 12, 7,215 cubic yards @ \$5.00 per cubic yard	<u>\$36,075.00</u>
Net amount due	\$36,075.00

JRFLP will pay to the Texas GLO any royalties due as a result of this invoice.

*One half of invoice due to
Texas General Land Office*

File No. MF115340

Surface Damage Pmt

Date Filed: 8/25/2021

George P. Bush, Commissioner

By VB

2021.08.25

JOBE RANCH FAMILY LIMITED PARTNERSHIP
Texas General Land Office

3/20/2020

004051

State Stonefly Unit#1H-Flow Lines

1,232.30

X

161

MP 115340

Chase Checking Acco State Stonefly Unit#1H-Flow Lines

1,232.30



EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
(432) 686-3600

February 28, 2020

Jobe Ranch Family Limited Partnership
1150 Southview Drive
El Paso, Texas 79706

RE: Surface Damage Payment
State Stonefly Unit #1H Flow Lines (0089988-000)

To Whom It May Concern,

Enclosed is Check No. 1192930994 in the amount of \$2,464.60 representing payment for surface damages caused by the State Stonefly Unit #1H flow lines. We are in understanding that the amounts payable to the State are your responsibility. Please evidence your receipt of the above check by signing and returning to the undersigned the duplicate copy of this letter.

Should you have any questions or need anything further concerning this payment, please feel free to contact Landon Jones, at (432) 247-6339 or via email at landon_jones@eogresources.com.

Kindest Regards,
EOG RESOURCES, INC.

Drew Simmons

Drew Simmons
Land Tech – Midland Division

One half of invoice due to

Texas General Land Office

I acknowledge the above referenced payment(s) were received this 7 day of March, 2020.

By: *[Signature]*

JOBE RANCH FAMILY LIMITED PARTNERSHIP

File No. MF 115340

Case

Surface Damage Pmt

Date Filed: 8/25/2021

George E. Bick, Commissioner

By 42

2021.08.25

JOBE RANCH FAMILY LIMITED PARTNERSHIP
Texas General Land Office

3/20/2020

004050

Sec22 BLK55 TWP5 Surface Damage, State Stonefl

X 12,969.27

161

MF115340

Chase Checking Acco

Sec22 BLK55 TWP5 Surface Damage, State Sto

12,969.27



EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
(432) 686-3600

February 18, 2020

Jobe Ranch Family Limited Partnership
1150 Southview Drive
El Paso, Texas 79706

RE: Surface Damage Payment
State Stonefly Unit #1H CTB (0089988-000)

To Whom It May Concern,

Enclosed is Check No. 1192927506 in the amount of \$25,938.53 representing payment for surface damages caused by the State Stonefly Unit #1H CTB. Please evidence your receipt of the above check by signing and returning to the undersigned the duplicate copy of this letter.

Should you have any questions or need anything further concerning this payment, please feel free to contact Landon Jones, at (432) 247-6339 or via email at landon_jones@eogresources.com.

Kindest Regards,
EOG RESOURCES, INC.

Drew Simmons

Drew Simmons
Land Tech – Midland Division

One half of invoice due to
I acknowledge the above referenced payment(s) were received this 19th day of February, 2020.
Texas General Land Office

By: *[Signature]*
JOBE RANCH FAMILY LIMITED PARTNERSHIP

ME115 340

County

Surface Damage Pmt

8/26/2021

George P. Busi, Commissioner

VR

2021.08.26



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 14, 2021

Robert Canon, Managing Member
Espuela Energy, LLC
PO Box 5988
Austin, TX 78763

Re: Assignment ID # 11085 – MF115340
Reeves County

Dear Mr. Canon:

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

Assignment, Bill of Sale and Conveyance, effective July 1, 2021, from Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC, Assignor's to GREP III-A Permian, LLC, GREP III-B Permian, LLC and Espuela Energy, LLC, Assignee's. Filed of record under document #2021 – 2021004669.

Please feel free to contact me at (512) 590-9600 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,


Carl Bonn, CPL
Mineral Leasing-Energy Resources

8 1 9 0 1

ESPUELA ENERGY, LLC

P.O. Box 5988

Austin, Texas 78763

432.553.9968

robert.canon@espuelaenergy.com

August 17, 2021

Texas General Land Office

Attn: ~~Deborah Cantu~~

P.O. Box 12873

Austin, Texas 78711-2873

Carl

RE: Assignment Notification
Section 12, Block 55, Township 5
T&P Ry Co Survey
Reeves County, Texas

Dear Deborah,

Please find enclosed a certified copy of an Assignment, Bill of Sale, and Conveyance from Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC to GREP III-A Permian, LLC, and GREP III-B Permian, LLC and Espuela Energy, LLC covering Relinquishment Act Lease **MF-115340**, insofar and only insofar as it covers all of Section 12, Block 55, Township 5, Reeves County, Texas. This assignment was filed as **Instrument Number 2021004669** on August, 4 2021, in the Official Public Records of Reeves County, Texas.

I had previously sent you a recorded copy of the same, an Assignment Summary Form and a check for the GLO Assignment Fee.

If you have any questions or need additional information, please do not hesitate to call me or send me an email. Thank you for your attention in this matter.

Best regards,



Robert Canon

Managing Member

Espuela Energy, LLC

robert.canon@espuelaenergy.com

432.553.9968

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

Texas General Land Office
ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	Volume	Page	Execution Date/Effective Date
Reeves	2021004669		July 1, 2021

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)
INTEREST BEING CONVEYED: (mark one)

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks: Insofar and only Insofar as such lease covers

Section 12, Block 55, Township 5, T&P Ry Co Survey

Reeves County, Texas

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1. Crown Oil Partners VI, LLC	GREP III-A Permian, LLC	50%	27.3060009%	0%
2. Crump Energy Partners III, LLC	GREP III-B Permian, LLC	50%	62.6939991%	0%
3.	Espuela Energy, LLC		10.00%	
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. MF-115340	Reeves	55T5	12	All	None
2.					
3.					
4.					

Preparer's Signature

Robert Canon

Name (please print)

robert.canon@espuelaenergy.com

E-Mail Address

432.553.9968

Telephone Number

Managing Member

Title

August 5, 2021

Date

I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Espuela Energy, LLC

Company Name

P.O. Box 5988

Mailing Address

Austin, Texas 78763

City/State/Zip

Visit our Web Site at www.glo.texas.gov

ESPUELA ENERGY LLC
7617 ROCKPOINT DR
AUSTIN TX 78731

21711235

113

35-1054/1130
36300

8/5/21

Date

CHECK ARMOR
TRADE PROTECTION

Pay to the
Order of

Texas General Land Office

\$ 25.00

Twenty Five & 00/100

Dollars



Photo
Safe
Deposit
Details on back

BBVA BBVA USA
Austin, TX

For assignment fee

[Signature]

0113

129



ID 11085
 M/F 115340
 Off 7-1-21
 all

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this "Assignment"), effective as of 7:00 a.m. local time where the Assets (hereinafter defined) are located on July 1st, 2021 (the "Effective Time"), is made from **Crown Oil Partners VI, LLC** and **Crump Energy Partners III, LLC** (collectively "Assignor"), whose address is P.O. Box 50820, Midland, Texas 79710, to **GREP III-A Permian, LLC** and **GREP III-B Permian, LLC**, whose address is 2911 Turtle Creek Blvd., Suite 1150, Dallas, Texas and **Espuela Energy, LLC** whose address is P. O. Box 5988, Austin, TX 78763, (collectively "Assignee").

ARTICLE I

Section 1.01 The Grant. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, Assignor docs hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN and DELIVER the Assets (as hereinafter defined) unto Assignee, its successors and assigns, in the undivided percentages set forth across from each Assignee's name:

GREP III-A Permian, LLC	27.3060009%
GREP III-B Permian, LLC	62.6939991%
Espuela Energy, LLC	10.00%

and effective for the purposes set forth herein as of the Effective Time and subject to the matters set forth herein. The term "Assets" shall mean all of Assignor's right, title and interest in and to the following:

- the oil and gas (or oil, gas and mineral) leases and the leasehold estates created thereby, described on the attached **Exhibit A, Part 1**, including any ratifications, extensions and amendments thereto, along with any and all interests in the lands covered thereby, including, without limitation, all fee oil, gas and other mineral interests, royalty interests, overriding royalty interests, non-participating royalty interests, executive rights, production payments, net profits interests, reversionary interests, operating interests and any other leasehold or mineral interests of any kind or nature (the "Leases," and the lands covered by the Leases, the "Lands");
- all rights, benefits, privileges, and interest in any pooled or unitized acreage in which the Leases or the Lands are a part thereof, including, without limitation, those derived from any unitization, pooling, operating, communitization or other agreement or instrument, whether recorded or unrecorded, or from any declaration or order of any governmental authority;
- all surface interests in the Lands and (i) all easements, rights-of-way, servitudes, surface leases, surface use agreements and other rights or agreements related to the use of the surface and subsurface, in each case to the extent used in connection with the operation of the Leases including, but not limited to, those described in **Exhibit A, Part 2** attached hereto; and (ii) those contracts, agreements, production sales and marketing contracts, farmout and farmin agreements, operating agreements, service agreements, unit agreements, gas gathering and transportation agreements and other contracts, agreements and arrangements, associated with or relating to the Leases described in **Exhibit A, Part 2** attached hereto;
- all permits, licenses, franchises, consents, approvals and other similar rights and privileges, in each case to the extent used in connection with the operation of the Leases; and



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 Dianne O. Florez, County Clerk
 Page 1 of 10



5. (i) all books, records, files, and databases, (ii) all maps and well logs and data; (iii) geophysical, seismic and similar data, including all interpretations and derivatives thereof; and (iv) muniments of title, title reports, title opinions and similar documents and materials, in each case to the extent relating to the other matters described in this definition of Assets and in the possession or control of Assignor or its affiliates.

TO HAVE AND TO HOLD the Assets, unto Assignee and to its successors and assigns, forever, subject to the terms of the Purchase and Sale Agreement (as hereinafter defined) and the other matters set forth herein.

ARTICLE II

Warranty

Section 2.01 Special Warranty of Title. This Assignment is made without representation or warranty of title, express or implied, except that Assignor specially warrants and agrees to defend Defensible Title to the Leases and the other Assets against the lawful claims and demands of all persons claiming the same, or any part thereof, but limited to claims arising by, through, or under Assignor but not otherwise.

ARTICLE III

Miscellaneous

Section 3.01 Construction. The captions in this Assignment are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Assignment. Assignor and Assignee acknowledge that they have participated jointly in the negotiation and drafting of this Assignment and as such they agree that if an ambiguity or question of intent or interpretation arises hereunder, this Assignment shall not be construed more strictly against one party than another on the grounds of authorship.

Section 3.02 Assignment. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 3.03 Counterpart Execution. This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Assignment are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Assignment, but each counterpart shall be considered an original.

Section 3.04 Recording. In addition to filing this Assignment, the parties hereto shall execute and file with the appropriate authorities, whether federal, state or local, all forms or instruments required by applicable law to effectuate the conveyance contemplated hereby. Said instruments shall be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein as fully as though the same were set forth in each such instrument. The interests conveyed by such separate assignments are the same, and not in addition to the Assets conveyed herein.



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Page 2 of 10

Section 3.05 Subject to Purchase Agreement. This Assignment is subject to all of the terms and conditions of that certain letter agreement, dated **July 1, 2021**, by and between Assignor and Espuela Energy, LLC (the "**Purchase Agreement**"), which terms and conditions are incorporated herein by reference. Capitalized terms used, but not defined herein, shall have meaning set forth in the Purchase Agreement. The Purchase Agreement contains certain representations, warranties, covenants, indemnities and agreements between Assignor and Assignee, some or all of which survive the delivery of this Assignment, as more particularly provided for in the Purchase Agreement, but third parties may conclusively rely on this Assignment to vest title to the Assets in Assignee.

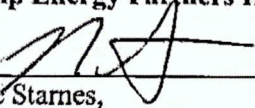
Section 3.06 Exhibits. Exhibits referred to herein are hereby incorporated and made a part of this Assignment for all purposes by such reference.

IN WITNESS WHEREOF authorized representatives of Assignor and Assignee have executed this Assignment on the dates set forth in their respective acknowledgements hereto, but this Assignment shall be effective for all purposes as of the Effective Time.

*[remainder of page intentionally blank/
signature page follows]*

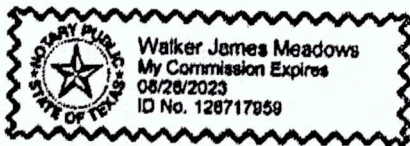


ASSIGNOR:**Crump Energy Partners III, LLC**

By: 
 Noble Starnes,
 Authorized Person of Crump Energy Partners III, LLC

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 23 day of July, 2021, by Noble Starnes, Authorized Person of Crump Energy Partners III, LLC, a Delaware limited liability company, on behalf of said company.



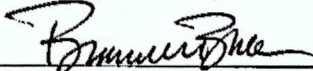
WITNESS my hand and official seal.



 Notary Public, State of Texas


ASSIGNOR:

Crown Oil Partners VI, LLC

By: 
Brandon M. Black,
Vice President of Crown Oil Partners VI, LLC

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 23 day of July, 2021 by Brandon M. Black, Vice President of Crown Oil Partners VI, LLC, a Delaware limited liability company, on behalf of said company.



WITNESS my hand and official seal.



Notary Public, State of Texas



ASSIGNEE:

GREP III-A Permian, LLC

By: Matt Miller

Its: President

GREP III-B Permian, LLC

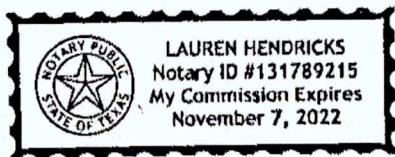
By: Matt Miller

Its: President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 2nd day of August, 2021, by Matt Miller, as President, of GREP III-A Permian, LLC and GREP III-B Permian, LLC on behalf of said limited liability companies

WITNESS my hand and official seal.



Lauren Hendricks
Notary Public, State of Texas



ASSIGNEE:**Espuela Energy, LLC**By: Robert Canon

Robert Canon

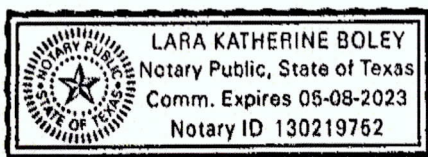
Its: Managing Member

STATE OF TEXAS

COUNTY OF TRAVIS

§
§
§

This instrument was acknowledged before me on this 4th day of August, 2021, by Robert Canon, as Managing Member, of Espuela Energy, LLC, on behalf of said limited liability company.



WITNESS my hand and official seal.

Lara Katherine Boley
Notary Public, State of Texas



Exhibit A - Part 1

Attached to that certain Assignment, Bill of Sale, and Conveyance, dated effective July 1st, 2021, by and between GREP III-A Permian, LLC, GREP III-B Permian, LLC and Espuela Energy, LLC ("Assignee"), and Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC ("Assignor").

Insofar and only insofar as the following lease covers Section 12, Block 55, T5, Reeves County, Texas:

LEASE NO. 1

DATE:	May 3 rd , 2013
RECORDED:	Volume 1000 / Page 0709, Document Number 13-03244
GLO MF#:	115340
LESSOR:	Jobe Ranch Family Limited Partnership, acting by and through its General Partner, Jobe Ranch Management, LLC
LESSEE:	EOG Resources, Inc.
DESCRIPTION:	Blk 55 - T5 Sections 2 (All) Section 12 (All) Section 18 (S/2) Section 22 (N/2) Blk 54 - T5 Section 2 (NE/4)
TERM:	5 Year Primary Term
ROYALTY:	Twenty-Five Percent (25%)



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Page 8 of 10

Exhibit A - Part 2

Attached to that certain Assignment, Bill of Sale, and Conveyance, dated effective July 1st, 2021, by and between GREP III-A Permian, LLC, GREP III-B Permian, LLC and Espuela Energy, LLC ("Assignee"), and Crown Oil Partners VI, LLC and Crump Energy Partners III, LLC ("Assignor").

CONTRACTS

Exhibit "A" Surface Use Agreement dated May 3rd, 2013 between Jobe Ranch Family LP and EOG Resources, Inc.

**** No applicable contracts ****

End of Document



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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 9 of 10

01921

2021 - 2021004669 08/04/2021 4:02PM Page 10 of 10



VG-806-2021-2021004669

Reeves County
Dianne O. Florez
Reeves County Clerk

Instrument Number: 2021004669

Real Property Recordings

ASSIGNMENT

Recorded On: August 04, 2021 04:02 PM

Number of Pages: 10

" Examined and Charged as Follows: "

Total Recording: \$58.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2021004669
Receipt Number: 20210804000042
Recorded Date/Time: August 04, 2021 04:02 PM
User: Rebecca G
Station: CLERK07

Record and Return To:

REYNOLDS CUSHMAN/ PICK UP 281-630-2874



STATE OF TEXAS
Reeves County

I hereby certify that this Instrument was filed in the File Number sequence on the date/time
printed hereon, and was duly recorded in the Official Records of Reeves County, Texas

Dianne O. Florez
Reeves County Clerk
Reeves County, TX

Dianne O. Florez



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Reeves County Texas,
Dianne O. Florez, County Clerk
Page 10 of 10

25

MF 115340

Align # 11085

Crown & Crump Co GREF & Espada

10-20-21

e Filed:

George P. Bush, Commissioner



19.07.0



CERTIFIED A TRUE AND CORRECT COPY
OF THE RECORD ON FILE IN MY OFFICE

Dianne O. Florez
Reeves County Clerk

August 5, 2021
Date

By: Rebecca R. Armada
Deputy Clerk

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA210091

Unit Number 11336
Operator Name EOG Resources, Inc.
Customer ID C000027065
Unit Name State Einhorn
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Permanent
State Net Revenue Interest Oil 0.06787359
State Part in Unit 0.54298874
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 08/17/2021
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF115340		679.940000	1,406.880000	0.48329637	O/G	0.12500000	0.06041205	No
MF117730		83.980000	1,406.880000	0.05969237	O/G	0.12500000	0.00746155	
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:

08/24/2021

08/24/2021

08/24/2021

9/9/22

08/24/2021

Pooling Committee Report

To: School Land Board

UPA210091

Date of Board Meeting: 08/17/2021

Unit Number: 11336

Effective Date: 08/17/2021

Unit Expiration Date:

Applicant: EOG Resources, Inc.

Attorney Rep:

Operator: EOG Resources, Inc.,

Unit Name: State Einhorn

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF115340	0.12500000	05/03/2018	5 years	1,600.000000	679.940000	0.06041205
RAL	MF117730	0.12500000	01/01/2017	18 months	1,880.000000	83.980000	0.00746155

Private Acres:	642.960000
State Acres:	763.920000
Total Unit Acres:	1406.880000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	54.30%
State Net Revenue Interest:	6.79%

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

RRC Rules:	Spacing Acres:
Yes	704 acres for a 10,000 foot lateral (FTP to LTP).

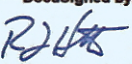
Working File Number: UPA210091

REMARKS:

- EOG Resources, Inc. is requesting oil and gas pooling from the surface to 300' TVD below the deepest depth reached by the horizontal lateral between the first take point and the last take point in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on September 21, 2021.
- With Board approval of the unit the State's unit royalty participation will be 6.79%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill a total of four unit wells. The first unit well must be spud by or before December 31, 2021 and the remaining three unit wells must be spud in accordance with the continuous development terms of the pooled leases or the unit will decrease in size to 320 acres per unit well drilled.

POOLING COMMITTEE RECOMMENDATION:

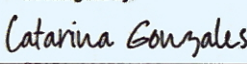
The Pooling Committee recommends Board approval of oil and gas pooling under the above-stated provisions.

DocuSigned by:

8C1630CF0F2E4D3...

General Land Office

8/10/2021

Date

DocuSigned by:

EE8EAT9C5EF64CC...

Office of the Governor

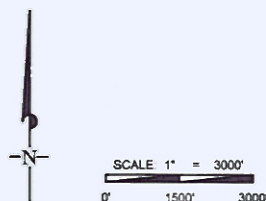
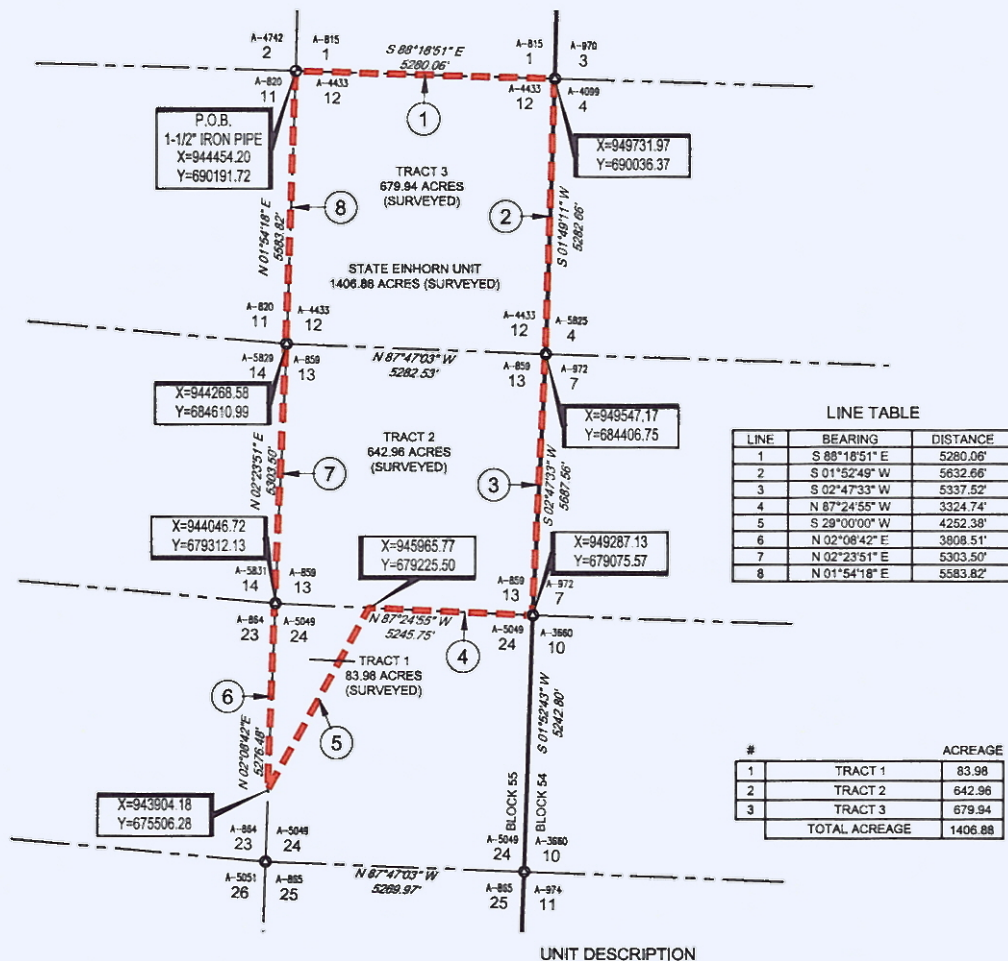
8/10/2021

Date

Office of the Governor

Date

STATE EINHORN UNIT
SECTIONS 12, 13 & 24, BLOCK 55, TOWNSHIP 5
T. & P. RR. CO. SURVEY, A-4433, A-859, & A-5049
REEVES COUNTY, TEXAS



LEGEND:

--- Section Line
--- Block Line
--- Proposed Unit
● Iron Pipe Found
● Calculated Corner

SCALE: 1" = 3000'
DATE: 07/08/2021
COGO: REEVES
BO_STATE_EINHORN_UNIT_1
DRAWN BY: IMU

ORIGINAL DOC. SIZE: 8.5"x14"

TOPOGRAPHIC
LOYALTY INNOVATION LEGACY
1400 EVERMAN PARKWAY, Ste 140 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
TEXAS FIRM REGISTRATION NO. 10042504
2903 NORTH BKG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
TEXAS FIRM REGISTRATION NO. 10042500
WWW.TOPOGRAPHIC.COM

"PRELIMINARY, THIS DOCUMENT SHALL NOT
BE RECORDED FOR ANY PURPOSE."

Texas Reg. No. 5069

THE INFORMATION IN THIS DRAWING WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. THE INFORMATION HEREON IS FOR RIGHT-OF-WAY ACQUISITION PURPOSES ONLY AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.S.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT". ALL LANDOWNER INFORMATION, PROPERTY LINES, AND DESCRIPTIONS ARE SHOWN BASED ON DATA PROVIDED BY EOG RESOURCES, INC.

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



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



Print Date: 8/2/2021

**POOLING AGREEMENT
EOG RESOURCES, INC.
STATE EINHORN UNIT
GLO UNIT NO. 11336
REEVES 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 EOG Resources, Inc., 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 the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled ("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 from the surface of the earth to 300 feet true vertical depth below the deepest depth reached by the horizontal lateral of the deepest unit well measured between the first takepoint and the last takepoint underlying the surface boundaries of the pooled unit. Notwithstanding anything contained herein to the contrary it is provided that on the completion date of the final unit well drilled under the drilling commitment provided in Addendum "A", this agreement shall be limited to and only include those depths from the surface to 300 feet true vertical depth below the deepest depth reached by the horizontal lateral of the deepest unit well measured between the first takepoint and the last takepoint and on that date the State Leases described on Exhibit "A" attached are amended such that, unless otherwise held, the State Leases as to the acreage included in this pooled unit shall terminate as to all depths below 300 feet true vertical depth below the deepest depth reached by the horizontal lateral of the deepest unit well measured between the first takepoint and the last takepoint ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all 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. Provided that, if any State Lease described in Exhibit "A" attached hereto contains provision 4(E) VARIABLE ROYALTY, and a unit well is not located on such State Lease and a reduced royalty has not otherwise been earned, then a reduced royalty may be earned by unit production, but it shall only apply to the acreage included within the unit. Acreage outside of the unitized area must earn a reduced royalty independently.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included 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 and therefore if a delay rental payment is necessary to maintain a lease over an anniversary date as to non-unit acreage, a delay rental payment must be paid to maintain the non-unit acreage, if it is not otherwise held by a lease (non-unit) well. At the end of the primary term and after the end of the primary term, 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. If a lease contains a continuous drilling clause requiring the drilling of wells on a lease, a unit well shall be considered as a well drilled for purposes of the continuous drilling clause, unless said clause expressly provides otherwise. "Area" as used in this paragraph shall be based upon surface acres. Depths, if held, shall be held in accordance with Paragraph 3 of this Agreement.

- (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 1,406.88 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this Pooling 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 August 17, 2021.



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 Reeves County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

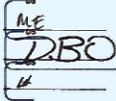
IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

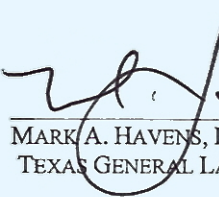
[Signature Pages Follow]

Date Executed 10/11/21

STATE OF TEXAS

Content
Min. Leasing
Legal

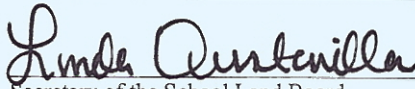



MARK A. HAVENS, DEPUTY COMMISSIONER/CHIEF CLERK
TEXAS GENERAL LAND OFFICE

CERTIFICATE

I, Linda Quintanilla, 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 17th day of August, 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 21st day of October, 2021.


Secretary of the School Land Board

Date Executed _____

EOG RESOURCES, INC.

By: _____ *[Signature]*

Printed: Matthew Smith

Its: Agent and Attorney-in-Fact

STATE OF TEXAS §

COUNTY OF Midland §

This instrument was acknowledged before me on September 16, 2021, by Matthew Smith, as
Agent and Attorney-in-Fact for EOG Resources, Inc. a Delaware corporation, on behalf of said corporation.

[Signature]

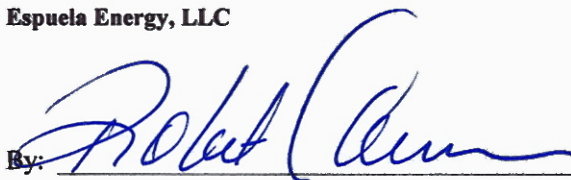
Notary Public in and for the State of Texas



12.4 .01

Date Executed 9/17/21

Espuela Energy, LLC

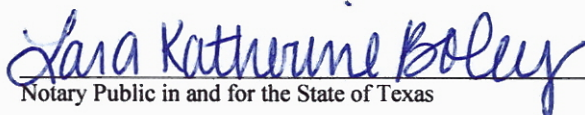
By: 

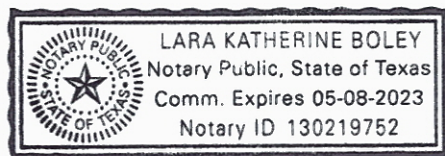
Printed: Robert Canon

Its: MANAGING MEMBER

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on September 17, 2021, by Robert Canon, as
Managing Member for Espuela Energy, LLC a Texas corporation, on behalf of said corporation.


Notary Public in and for the State of Texas



Date Executed: 09/23/2021

GREP III-A Permian, LLC

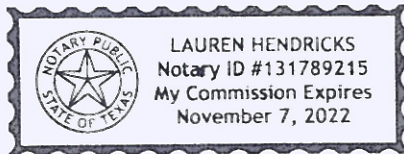
By: 

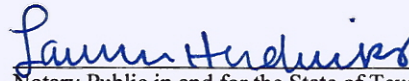
Printed: Matt Miller

Its: PRESIDENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on September 23, 2021, by Matt Miller, as President for GREP III-A Permian, LLC a Delaware limited liability corporation, on behalf of said corporation.




Notary Public in and for the State of Texas

Date Executed: 09/23/2021

GREP III-B Permian, LLC

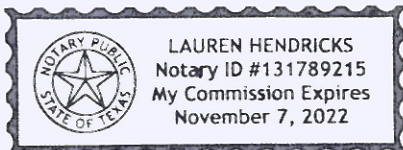
By: 

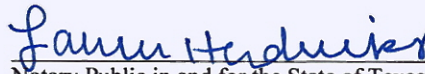
Printed: Matt Miller

Its: PRESIDENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on September 23, 2021, by Matt Miller, as President for GREP III-B Permian, LLC a Delaware limited liability corporation, on behalf of said corporation.




Notary Public in and for the State of Texas

Addendum "A"

To that certain Pooling Agreement for the State Einhorn Unit

Reeves County, Texas

GLO Unit No. 11336

The parties hereby agree that should a conflict exist between this Addendum and the body of the agreement that this Addendum shall prevail.

The pooled unit shall consist of all the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit with Productive Laterals that extend extensively into both Sections included in the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such 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 a maximum size of approximately 320 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the wells. If Lessee chooses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

Lessee shall have commenced actual Drilling Operations in the following manner:

First well — spud on or before December 31, 2021;

Second, Third and Fourth wells — commenced in accordance with the Continuous Development provision of State Lease M-115340 and State Lease M-117730, being "no more than 180 days elapsing between completion or abandonment of one well and the commencement of actual drilling on the next succeeding well".

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 and in an effort to prevent physical and economic waste, subject to the terms and provisions of the Leases, and rules and regulations of the Texas Railroad Commission or any other applicable regulatory agency, Lessee shall make every effort to drill each horizontal well with the longest productive lateral reasonably possible within the boundaries of the Unit.

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C".

End of Addendum "A"

124 01

EXHIBIT "A"

EOG Lease No: 0280232/000

Lessor: Chevron USA , Inc.

Lessee: Anadarko E&P Onshore, LLC

Date: May 1, 2015

Recorded: By Memorandum recorded at Volume 1189, Page 0098 (15-07396),
Official Public Records of Reeves County, Texas

EOG Lease No: 0280078/000

State Lease No: MF-117730

Lessor: GW Brackenridge Foundation

Lessee: EOG Resources, Inc.

Date: July 1, 2015

Recorded: Recorded at Volume 1205, Page 0383 (15-09671),
Official Public Records of Reeves County, Texas

State Lease No: MF-115340

Lessor: State of Texas, acting by and through its agent, Jobe Ranch Family

Lessee: EOG Resources, Inc.

Date: May 3, 2013.

Recorded: Recorded at Volume 1000 and Page 0709 (13-03244),
Official Public Records of Reeves County, Texas

124 01

EXHIBIT "B"

Attached to and made part of that certain Declaration of Pooled Unit:
STATE EINHORN UNIT

UNIT DESCRIPTION

Metes and Bounds description of a proposed 1406.88 acre unit located in Sections 12, 13 & 24, Block 55, Township 5, T. & P. RR. Co. Survey, A-4433, A-859 & A-5049, Reeves County, Texas.

BEGINNING at the Northwest corner of said unit, from which a 1-1/2" iron pipe found for the Northwest corner of Section 12, A-4433;

Thence S 88°18'51" E, a distance of 5,280.06 feet, being the Northeast corner of this unit;

Thence S 01°52'49" W, a distance of 5,632.66 feet, to a point on the East line of this unit;

Thence S 02°47'33" W, a distance of 5,337.52 feet, being the Southeast corner of this unit;

Thence N 87°24'55" W, a distance of 3,324.74 feet, to an interior ell corner on the South line of this unit;

Thence S 29°00'00" W, a distance of 4,252.38 feet, being the Southwest corner of this unit;

Thence N 02°08'42" E, a distance of 3,808.51 feet, to a point on the West line of this unit;

Thence N 02°23'51" E, a distance of 5,303.50 feet, to a point on the West line of this unit;

Thence N 01°54'18" E, a distance of 5,583.82 feet, to the Point of Beginning, containing 1,406.88 acres.

*All bearings are relative to GRID NORTH
and were determined by GPS observation.*

Bearings and distances shown are relative to
NAD-27 Grid Texas Central Zone.

ORIGINAL DOC. SIZE: 8.5"x14"

 **TOPOGRAPHIC**
LOYALTY INNOVATION LEGACY
1400 EVERMAN PARKWAY, Ste. 140 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
TEXAS FIRM REGISTRATION NO. 10042504
2803 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
TEXAS FIRM REGISTRATION NO. 10042500
WWW.TOPOGRAPHIC.COM



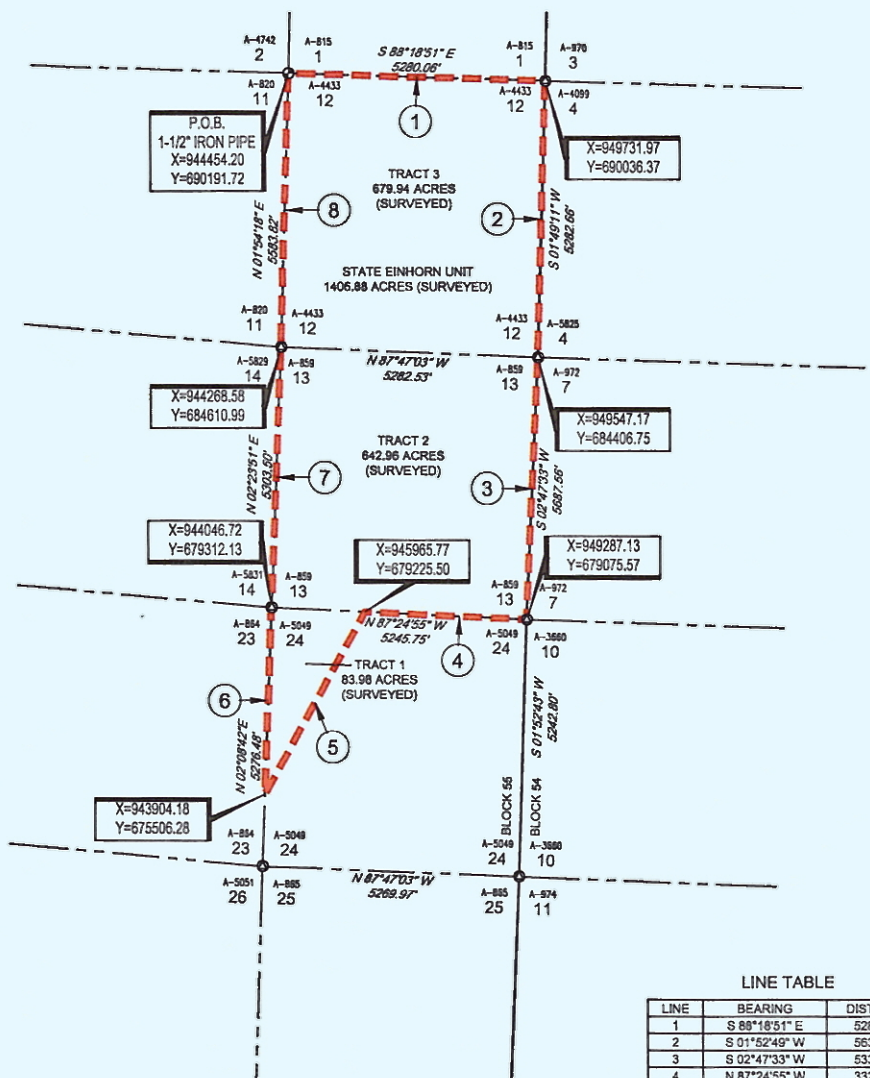
Texas Reg. No. 5069

THE INFORMATION IN THIS DRAWING WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. THE INFORMATION HEREON IS FOR RIGHT-OF-WAY ACQUISITION PURPOSES ONLY AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT". ALL LANDOWNER INFORMATION, PROPERTY LINES, AND DESCRIPTIONS ARE SHOWN BASED ON DATA PROVIDED BY EOG RESOURCES, INC.

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

EXHIBIT "C"

STATE EINHORN UNIT
SECTIONS 12, 13 & 24, BLOCK 55, TOWNSHIP 5
T. & P. RR. CO. SURVEY, A-4433, A-859, & A-5049
REEVES COUNTY, TEXAS



LINE TABLE

LINE	BEARING	DISTANCE
1	S 88°18'51" E	5280.06'
2	S 01°52'49" W	5632.66'
3	S 02°47'33" W	5337.62'
4	N 87°24'55" W	3324.74'
5	S 29°00'00" W	4252.38'
6	N 02°08'42" E	3808.51'
7	N 02°23'51" E	5303.50'
8	N 01°54'18" E	5583.82'

LEGEND:

- Section Line
- Block Line
- Proposed Unit
- Iron Pipe Found
- Calculated Corner

SCALE: 1" = 3000'

DATE: 07/08/2021

COGO: REEVES

BO STATE EINHORN UNIT EXHIBIT B-C

DRAWN BY: IMU

ORIGINAL DOC. SIZE: 8.5"x14"



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX: (817) 744-7554
TEXAS FIRM REGISTRATION NO. 10042504
2803 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1853 OR (800) 767-1853 • FAX: (432) 682-1743
TEXAS FIRM REGISTRATION NO. 10042500
WWW.TOPOGRAPHIC.COM

#	TRACT	ACREAGE
1	TRACT 1	83.98
2	TRACT 2	642.96
3	TRACT 3	679.94
	TOTAL ACREAGE	1406.88



Texas Reg. No. 5069

THE INFORMATION IN THIS DRAWING WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. THE INFORMATION HEREON IS FOR RIGHT-OF-WAY ACQUISITION PURPOSES ONLY AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT". ALL LANDOWNER INFORMATION, PROPERTY LINES, AND DESCRIPTIONS ARE SHOWN BASED ON DATA PROVIDED BY EOG RESOURCES, INC.

All Coordinates are in NAD 83 27 TX-C Zone unless otherwise noted.

File No. MF115340

Reeves County

Unit 11336 - State Einhorn Unit

Date Filed: 08/30/2022

George P. Bush, Commissioner

By JP

11336



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

EOG Resources, Inc.
Attn: Stephanie Toy
1111 Bagby Sky Lobby 2
Houston, TX 77002-2548

Billing Date: 6/10/2022
Billing Due Date: 7/10/2022
Customer Number: C000027065

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
22I00470	MF115340	\$12,262.59	\$0.00	\$1,226.26	\$395.52	\$13,884.37
Total Due		\$12,262.59	\$0.00	\$1,226.26	\$395.52	\$13,884.37

Penalty and interest have been calculated thru 6/30/2022. Payment remitted after 6/30/2022 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

EOG Resources, Inc.

Billing Date: 6/10/2022

Billing Due Date: 7/10/2022

Customer Number: C000027065

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
22I00470	MF115340	\$12,262.59	\$0.00	\$1,226.26	\$395.52	\$13,884.37
Total Due		\$12,262.59	\$0.00	\$1,226.26	\$395.52	\$13,884.37
Amt. Paid						

Customer ID: C000027065
 Invoice Number: MF115340
 GLO Lease: EOG RESOURCES, INC
 GLO Review: Sept 2020 - Aug 2021
 Review Period:

Category Gas
 Auditor/AE: ECortez
 Billing Date: 6/1/2022
 P&I Calculation Date: 6/30/2022
 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
May-21	08-286199	29,319	1.00000000	\$2.59	1.028000	\$78,065.94	\$9,758.24	\$0.00	\$9,758.24	350	4.25%	\$975.82	\$330.64	\$11,064.70
Jun-21	08-286199	2,541	1.00000000	\$2.95	1.030000	\$7,719.15	\$964.89	\$0.00	\$964.89	319	4.25%	\$96.49	\$29.21	\$1,090.59
Aug-21	08-286199	3,122	1.00000000	\$3.81	1.038000	\$12,315.72	\$1,539.46	\$0.00	\$1,539.46	258	4.25%	\$153.95	\$35.67	\$1,729.08
TOTALS		34,982				\$98,100.80	\$12,262.59	\$0.00	\$12,262.59			\$1,226.26	\$385.52	\$13,864.37

COMMENTS: BILLING ON UNDER REPORTED GAS VOLUMES TO THE GLO FOR UNIT 9514 (08-286199, 08-286201, 08-286558)

COLUMN (3) UNDER REPORTED VOLUMES REPORTED GLO2 VOLUMES MINUS REPORTED RRC 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/traq/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: accounts.services@glo.texas.gov and eric.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT

ATTN: Stephanie Toy
 EMAIL: Stephanie_Toy@eogresources.com

File No. MF 115340 ²⁷
Recon Billing County
Date Filed: 9/19/2022
George P. Bush, Commissioner
By VD



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

EOG Resources, Inc.
Attn: Stephanie Toy
1111 Bagby Sky Lobby 2
Houston, TX 77002-2548

Billing Date: 6/10/2022
Billing Due Date: 7/10/2022
Customer Number: C000027065

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
22I00472	MF115340	\$0.00	\$4,226.68	\$422.67	\$102.86	\$4,752.21
Total Due		\$0.00	\$4,226.68	\$422.67	\$102.86	\$4,752.21

Penalty and interest have been calculated thru 6/30/2022. Payment remitted after 6/30/2022 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

EOG Resources, Inc.

Billing Date: 6/10/2022

Billing Due Date: 7/10/2022

Customer Number: C000027065

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
22I00472	MF115340	\$0.00	\$4,226.68	\$422.67	\$102.86	\$4,752.21
Total Due		\$0.00	\$4,226.68	\$422.67	\$102.86	\$4,752.21
Amt. Paid						

Customer ID: C000027065
 Invoice Number: MF115340
 GLO Lease: EOG RESOURCES INC
 GLO Review: Sept 2020 - Aug 2021
 Review Period:

Category Oil
 Auditor/IAE: ECortez
 Billing Date: 6/1/2022
 P&I Calculation Date: 6/30/2022
 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
Aug-21	08-291388	479	1.00000000	\$70.59	1,000,000	\$33,813.41	\$4,226.68	\$0.00	\$4,226.68	268	4.25%	\$422.67	\$102.86	\$4,752.21
TOTALS		479				\$33,813.41	\$4,226.68	\$0.00	\$4,226.68			\$422.67	\$102.86	\$4,752.21

COMMENTS: BILLING ON UNDER REPORTED OIL VOLUMES TO THE GLO FOR UNIT 10541 (08-291388 AND 08-291401)

COLUMN (3) UNDER REPORTED VOLUMES REPORTED GLO1 VOLUMES MINUS REPORTED RRC VOLUMES
 COLUMNS (5) & (6) REPORTED GLO1 PRICES 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/tract-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: accounts.services@glo.texas.gov and eric.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT

ATTN: Stephanie Toy
 EMAIL: Stephanie_Toy@essources.com

28
File No. MF 115340
County
Recon Billing
Date Filed: 9/19/2022
George P. Bush, Commissioner
By VS



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

EOG Resources, Inc.
Attn: Stephanie Toy
1111 Bagby Sky Lobby 2
Houston, TX 77002-2548

Billing Date: 6/10/2022
Billing Due Date: 7/10/2022
Customer Number: C000027065

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
22I00471	MF115340	\$16,626.39	\$0.00	\$1,662.64	\$523.22	\$18,812.25
Total Due		\$16,626.39	\$0.00	\$1,662.64	\$523.22	\$18,812.25

Penalty and interest have been calculated thru 6/30/2022. Payment remitted after 6/30/2022 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

EOG Resources, Inc.

Billing Date: 6/10/2022

Billing Due Date: 7/10/2022

Customer Number: C000027065

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
22I00471	MF115340	\$16,626.39	\$0.00	\$1,662.64	\$523.22	\$18,812.25
Total Due		\$16,626.39	\$0.00	\$1,662.64	\$523.22	\$18,812.25
Amt. Paid						

Customer ID: C000027065
 Invoice Number: MF115340
 GLO Lease: EOG RESOURCES, INC.
 GLO Review: Sept 2020 - Aug 2021
 Review Period:

Category Gas
 Auditor/AE: ECortez
 Billing Date: 6/1/2022
 P&I Calculation Date: 6/30/2022
 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
May-21	08-288269	33,603	1.00000000	\$2.56	1,028,000	\$88,381.54	\$11,047.69	\$0.00	\$11,047.69	350	4.25%	\$1,104.77	\$374.34	\$12,526.80
Jun-21	08-288269	7,372	1.00000000	\$2.91	1,030,000	\$22,100.56	\$2,762.57	\$0.00	\$2,762.57	319	4.25%	\$276.26	\$83.63	\$3,122.46
Aug-21	08-288269	5,794	1.00000000	\$3.75	1,039,000	\$22,529.01	\$2,816.13	\$0.00	\$2,816.13	258	4.25%	\$281.61	\$65.25	\$3,162.99
TOTALS		46,769				\$133,011.11	\$16,626.39	\$0.00	\$16,626.39			\$1,662.64	\$523.22	\$18,812.25

COMMENTS BILLING ON UNDER REPORTED GAS VOLUMES TO THE GLO FOR UNIT 9550 (08-288269, 08-290013, 08-290056)

COLUMN (3) UNDER REPORTED VOLUMES: REPORTED GLO2 VOLUMES MINUS REPORTED RRC 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/tract/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: accounts_services@glo.texas.gov and eric.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

ATTN: Stephanie Toy
 EMAIL: Stephanie_Toy@eogresources.com

29
File No. AAF 115340

Recon Billing County

Date Filed: 9/19/2022

George P. Bush, Commissioner
By VP

Matthew Scott

From: Matthew Scott
Sent: Monday, October 9, 2023 1:54 PM
To: Lisa Youngblood
Cc: Robert Hatter; Brian Raygon
Subject: 08-10020 10-9-23 Commingling Exemption Notice & Gas lift Approval
Attachments: 08-10020 10-9-23 COMMINGLING EXEMPTION NOTICE & GAS LIFT APPROVAL ST EINHORN.pdf; GLO Application_State Einhorn CTB.pdf

Ms. Youngblood,

Thank you for (a) your exemption notice concerning the GLO Unit 11336 (State Einhorn) wells that are commingled at the State Einhorn CTB and (b) the request to use gas lift as an artificial lift method in the Unit 11336 wells.

The GLO acknowledges your surface commingling exemption notification in the attachment "GLO Application_State Einhorn CTB.pdf" and agrees, pursuant to the exemption in 31 TAC §9.35(a)(4)(C), that EOG Resources, Inc. is deemed to have permission to surface commingle production of the Unit 11336 wells in the scope of commingling permit 08-10020.

The State's net revenue interest in the Unit 11336 (State Einhorn) wells that are commingled at the State Einhorn CTB in the scope of commingling permit 08-10020 are all equal (NRI = 0.06787360).

Gas Lift

In addition, as Lessee and operator of GLO Unit 11336, it was requested that the GLO approve of the use of gas lift as a form of artificial lift to produce the unit wells.

The GLO approves of the use of gas lift to produce the Unit 11336 well(s) from the portion of state mineral leases MF115340 and MF117730 that are included in the scope of RRC P-17A 08-10020.

Thank you,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Lisa Youngblood <Lisa_Youngblood@eogresources.com>
Sent: Monday, October 9, 2023 7:10 AM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] GLO Application - State Einhorn CTB

Hi Mr. Scott,

I have completed the State Einhorn CTB gas lift commingle application. In this application we are requesting permission to utilize gas lift, using off-lease gas and surface commingling under the exemption 31 TAC §9.35(a)(4)(C). Provided in the document attached are the following items; GLO application page, GLO lease list, most updated P-17A, a facility process flow diagram and an exemption letter.

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

Thank you,

Lisa Youngblood
Regulatory Specialist



5509 Champions Drive | Midland, TX 79706
Building 1, Room 3003
Direct Line (432) 247-6331
Cell Phone (432) 241-1259
Lisa_youngblood@eogresources.com

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Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 8 Permit Number: 10020 Effective Month/Year: 11/2021

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: _____
State Einhorn Unit 11336
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: EOG Resources, Inc. 5509 Champions Drive, Midland, TX 79705

Responsible Official Name, Title: Lisa Youngblood, Regulatory Specialist Signature: Lisa Youngblood

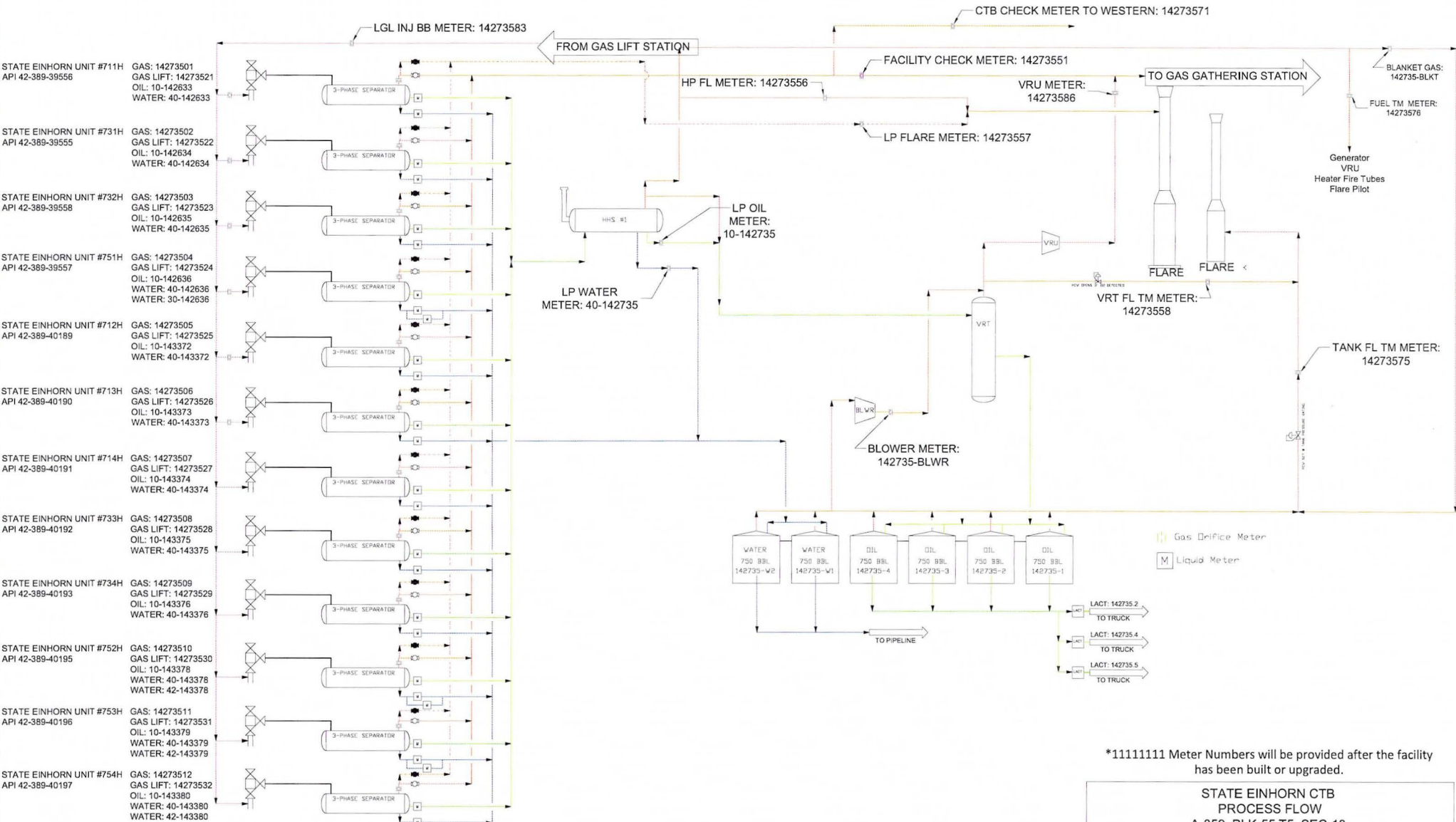
Date: 10/9/2023 Phone: 432-247-6331 Email Address: lisa_youngblood@eogresources.com

GLO Approval by: Matthew T. Scott Signature: Matthew T. Scott Date: 10/9/2023

GLO Notes: Surface commingling exemption per 9.35(a)(4)(C), due to same NRI, and gas lift in the GLO Unit 10020 (State Einhorn) wells in the scope of 08-10020.

RRC Form P-17 Permit Operator Name	RRC Form P-17/17A Number	Application Date on P-17	RRC District
EOG Resources, Inc.	10020	11/21	District 8

GLO LEASE LIST		SEE NOTE 3					SEE NOTE 1		SEE NOTE 2		
		RRC Well Number	RRC Lease Number or Identifier	Wellbore 10 Digit API No.	RRC Form P-17 Action Status	RRC Lease Type (Oil/Gas)	State Mineral Lease No.	Production Sharing Agreement (PSA) Number	GLO Unit Name Per Unit Agreement	GLO Unit Number or PSA i-Nut Number	State Mineral Lease or Unit Decimal NRI
RRC Designated Field Name & (Reservoir)	RRC Lease Name										
Phantom (Wolfcamp)	STATE EINHORN UNIT	711H	292072	4238939556	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	712H	294124	4238940189	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	713H	294112	4238940190	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	714H	294167	4238940191	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	731H	292074	4238939555	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	732H	292121	4238939558	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	733H	294168	4238940192	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	734H	294169	4238940193	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	751H	292068	4238939557	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	752H	294125	4238940195	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	753H	294127	4238940196	Approved	Gas			State Einhorn	11336	0.06787360
Phantom (Wolfcamp)	STATE EINHORN UNIT	754H	294170	4238940197	Approved	Gas			State Einhorn	11336	0.06787360
		SEE NOTE 4	SEE NOTE 3				SEE NOTE 1	SEE NOTE 1		SEE NOTE 1	SEE NOTE 2



*11111111 Meter Numbers will be provided after the facility has been built or upgraded.

STATE EINHORN CTB PROCESS FLOW A-859, BLK-55 T5, SEC-13 LAT / LONG: 31.49354925, -103.71768845		
EOG RESOURCES MIDLAND DIVISION	BY: DKT	rev. 00 08/07/2023



5509 Champions Dr, Midland, TX 79705
Phone: (432) 247-6331

Via email: matthew.scott@glo.texas.gov

Date: October 9, 2023

Re: State Einhorn CTB

Dear Mr. Scott:

Pursuant to 31 TAC §9.35(a)(4)(C), EOG Resources, Inc. ("EOG") hereby gives notice that it is deemed to have permission to commingle production from the following leases into its State Einhorn CTB located in Section 13, Block 55 T5, T&P RR CO, Abstract # 859, Reeves County, Texas:

- GLO Unit 11336: State Einhorn, Dated August 17, 2021, covering 1406.88 acres including Section 24, 13, and 12, Block 55 T5, recorded in the Official Public Records of Reeves County, TX.

The State of Texas has a net revenue interest in the lease identified above and its net revenue interests is within the tolerance of 0.001. The single commingled property has a GLO NRI of 0.06787360.

For questions regarding this application, please contact me at 432-247-6331 or lisa_youngblood@eogresources.com

Kind regards,

EOG Resources, Inc.

By: *Lisa Youngblood*
Lisa Youngblood
Regulatory Specialist



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

Form P-17A

Rev. 03/2019

APPLICATION FOR COMMINGLE PERMIT PURSUANT TO STATEWIDE RULES 26 AND OR 27

☐ New
☒ Amended Existing Permit
No. 10020
Effective Month/Year of Requested
Exception: 11 / 2021
District 08
County Reeves

SECTION 1. OPERATOR INFORMATION

Operator Name: EOG Resources, Inc. Operator P-5 No.: 253162
Operator Address: P.O. Box 2267 Midland, TX. 79702-2267

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

Gatherer Name: EOG Resources Marketing, LLC Gatherer P-5 No.: 253120
Gatherer Address: P.O. Box 4362 Houston, TX. 77210-4362

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

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

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

SECTION 4. COMMINGLING PURSUANT TO §3.26(b) or §3.27(e) - (CHECK ALL THAT APPLY)

- a) ☒ The production stream from each tract and each Commission-designated reservoir is measured separately before combining it with a stream from another tract or Commission-designated reservoir.
Production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☒ PD Meter (oil & condensate) ☐ G-10 (gas) ☐ Other _____
b) ☐ The tracts and Commission-designated reservoirs have identical royalty interest and working interest ownership in identical percentages.
Production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☐ G-10 (gas) ☐ Other _____

SECTION 5. ☐ Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Notice may be required; see instructions)

SECTION 6. ☐ Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

SECTION 7. ☐ For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 8. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
08	292072	☒ Existing ☐ Add ☐ Delete	State Einhorn Unit; Phantom (Wolfcamp)	711H
08	292074	☒ Existing ☐ Add ☐ Delete	State Einhorn Unit; Phantom (Wolfcamp)	731H
08	292121	☒ Existing ☐ Add ☐ Delete	State Einhorn Unit; Phantom (Wolfcamp)	732H
08	292068	☒ Existing ☐ Add ☐ Delete	State Einhorn Unit; Phantom (Wolfcamp)	751H

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

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

Signature Kristina Agee Title Regulatory Specialist Date 8/7/2023

Operator E-mail Address: kristina.agee@eogresources.com Operator Phone No. 432-686-6996
(Optional - If provided, e-mail address will become part of this public record.)

RRC USE ONLY

Commingling Permit No. 10020 Approval date: 8/21/23 Approved by: [Signature]

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM P-17A ATTACHMENT

**ATTACHMENT FOR
COMMINGLE PERMIT PURSUANT
TO STATEWIDE RULES 26 AND OR 27**

SECTION 8. (CONT'D) IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

[illegible]



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 8 Permit Number: 10020 Effective Month/Year: 11/2021

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: _____
State Einhorn Unit 11336
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: EOG Resources, Inc. 5509 Champions Drive, Midland, TX 79705

Responsible Official Name, Title: Lisa Youngblood, Regulatory Specialist Signature: Lisa Youngblood

Date: 10/9/2023 Phone: 432-247-6331 Email Address: lisa_youngblood@eogresources.com

GLO Approval by: _____ Signature: _____ Date: _____

GLO Notes:

30

File No. MF 115340

County

Comm Exemp 3' Gas Lift Apprv 10/9/23

Date Filed: 10/25/23

Commissioner Dawn Buckingham, M.D.

By: AK

Matthew Scott

From: Matthew Scott
Sent: Wednesday, November 29, 2023 3:44 PM
To: Lisa Youngblood
Cc: Robert Hatter; Brian Raygon
Subject: RE: GLO Application - State Stonefly CTB
Attachments: 08-9790 11-29-23 COMMINGLING EXEMPTION NOTICE & GAS LIFT APPROVAL ST STONEFLY 10541.pdf; GLO Application_State Stonefly CTB_REV1.pdf

Ms. Youngblood,

Thank you for (a) your exemption notice concerning the GLO Unit 10541 (State Stonefly) wells that are commingled at the State Stonefly CTB and (b) the request to use gas lift as an artificial lift method in the Unit 10541 wells.

The GLO acknowledges your surface commingling exemption notification in the attachment "GLO Application_State Stonefly CTB_REV1.pdf" and agrees, pursuant to the exemption in 31 TAC §9.35(a)(4)(C), that EOG Resources, Inc. is deemed to have permission to surface commingle production of the Unit 10541 wells in the scope of commingling permit 08-9790.

The State's net revenue interest in the Unit 10541 (State Stonefly) wells that are commingled at the State Stonefly CTB in the scope of commingling permit 08-9790 are all equal (NRI = 0.06249804).

Gas Lift

In addition, as Lessee and operator of GLO Unit 10541, it was requested that the GLO approve of the use of gas lift as a form of artificial lift to produce the unit wells.

The GLO approves of the use of gas lift to produce the Unit 10541 well(s) from the portion of state mineral leases MF115340 and MF120209 that are included in the scope of RRC P-17A 08-9790.

Thank you,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Lisa Youngblood <Lisa_Youngblood@eogresources.com>
Sent: Tuesday, November 21, 2023 10:32 AM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] RE: GLO Application - State Stonefly CTB

Hi Mr. Scott,

I have confirmed this correction with the Landman and he agreed after double checking. Please see revised State Stonefly CTB GLO Application.

Thank you and I hope you have a great Thanksgiving!

Lisa Youngblood

Regulatory Specialist



5509 Champions Drive | Midland, TX 79706

Building 1, Room 3003

Direct Line (432) 247-6331

Cell Phone (432) 241-1259

Lisa_youngblood@eogresources.com

From: Matthew Scott <Matthew.Scott@glo.texas.gov>

Sent: Thursday, November 16, 2023 3:56 PM

To: Lisa Youngblood <Lisa_Youngblood@eogresources.com>

Subject: RE: GLO Application - State Stonefly CTB

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Ms. Youngblood,

Upon review of the application documents, it was determined that the Unit 10541 NRI on the GLO Lease List is in error.

Per GLO records the NRI = 0.06249804 for the unit. Please confirm with your Landman staff and Production Revenue Accounting staff what NRI EOG has on record and then revise the GLO Lease List as REV1.

Thanks,

Matthew

Matthew T. Scott, P.E.

Petroleum Engineer

(512) 463-5296

Energy Resources Division

Texas General Land Office

Commissioner Dawn Buckingham, M.D.

From: Lisa Youngblood <Lisa_Youngblood@eogresources.com>

Sent: Thursday, November 9, 2023 4:33 PM

To: Matthew Scott <Matthew.Scott@glo.texas.gov>

Subject: [EXTERNAL] GLO Application - State Stonefly CTB

Hi Mr. Scott,

I have completed the State Stonefly CTB gas lift commingle application. In this application we are requesting permission to utilize gas lift, using off-lease gas and surface commingling under the exemption 31 TAC §9.35(a)(4)(A). Provided in the document attached are the following items; GLO application page, GLO lease list, most updated P-17A, a facility process flow diagram and an exemption letter.

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

Thank you,

Lisa Youngblood
Regulatory Specialist



5509 Champions Drive | Midland, TX 79706

Building 1, Room 3003

Direct Line (432) 247-6331

Cell Phone (432) 241-1259

Lisa_youngblood@eogresources.com

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Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 8 Permit Number: 9790 Effective Month/Year: 06/2021

☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.

☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.

☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.

☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.

☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.

☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.

☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: State Stonefly Unit - 10541

☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: EOG Resources, Inc. 5509 Champions Drive, Midland, TX 79705

Responsible Official Name, Lisa Youngblood, Regulatory Specialist Signature: Lisa Youngblood

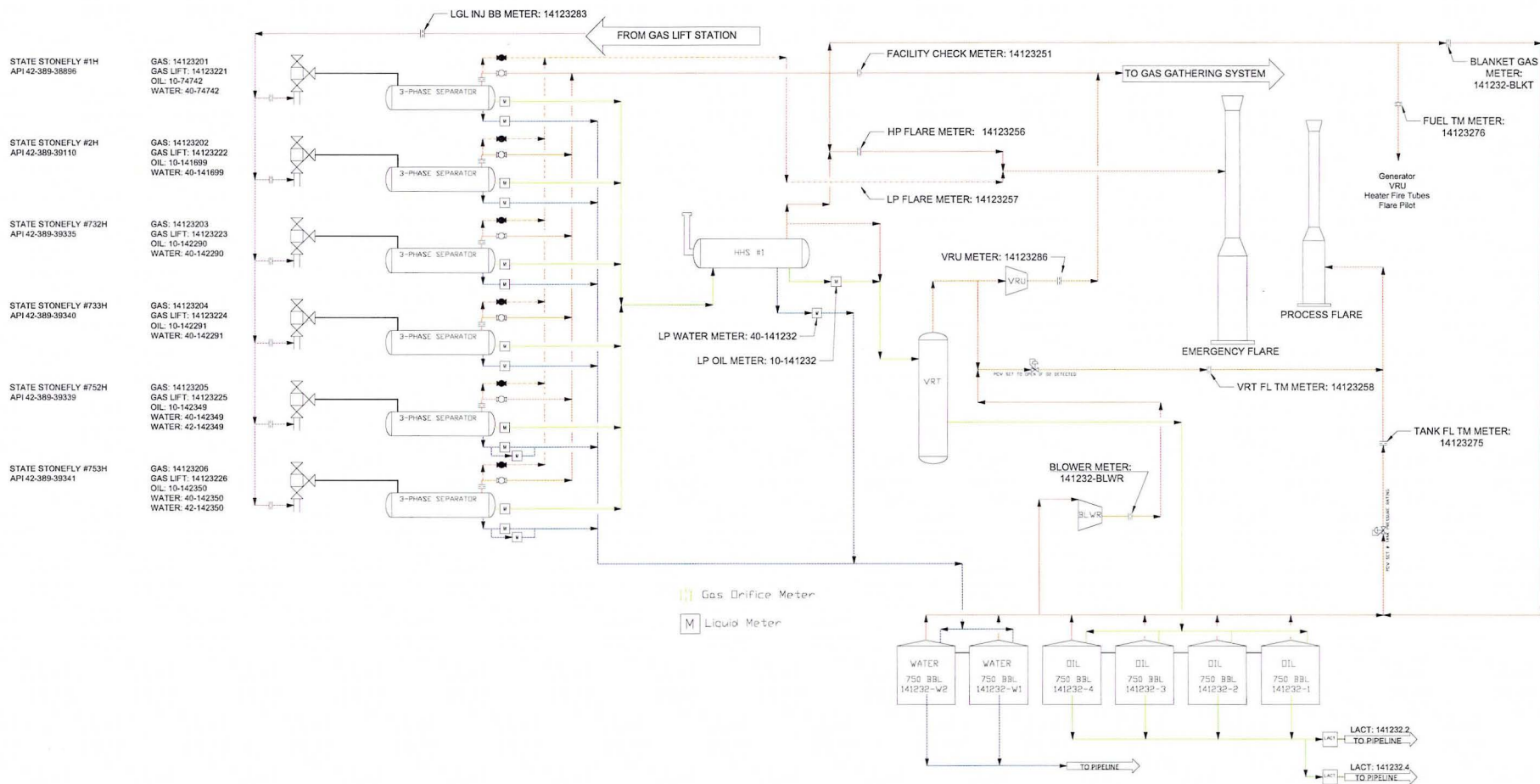
Title: Date: 11/09/2023 Phone: 432-247-6331 Email Address: lisa_youngblood@eogresources.com

GLO Approval by: Matthew T. Scott Signature: Matthew T. Scott Date: 11/29/2023

GLO Notes: Surface commingling exemption per 9.35(a)(4)(C), due to same NRI, and gas lift in the GLO Unit 10541 (State Stonefly) wells.

RRC Form P-17 Permit Operator Name	RRC Form P-17/17A Number	Application Date on P-17	RRC District
EOG Resources, Inc.	9790	06/2021	District 8

GLO LEASE LIST				SEE NOTE 3			SEE NOTE 1		SEE NOTE 2		
RRC Designated Field Name & (Reservoir)	RRC Lease Name	RRC Well Number	RRC Lease Number or Identifier	Wellbore 10 Digit API No.	RRC Form P-17 Action Status	RRC Lease Type (Oil/Gas)	State Mineral Lease No.	Production Sharing Agreement (PSA) Number	GLO Unit Name Per Unit Agreement	GLO Unit Number or PSA i-Nut Number	State Mineral Lease or Unit Decimal NRI
Phantom (Wolfcamp)	STATE STONEFLY UNIT	1H	291401	4238938896		Gas			State Stonefly	10541	0.06249804
Phantom (Wolfcamp)	STATE STONEFLY UNIT	2H	291388	4238939110		Gas			State Stonefly	10541	0.06249804
Phantom (Wolfcamp)	STATE STONEFLY UNIT	732H	292376	4238939335		Gas			State Stonefly	10541	0.06249804
Phantom (Wolfcamp)	STATE STONEFLY UNIT	733H	292411	4238939340		Gas			State Stonefly	10541	0.06249804
Phantom (Wolfcamp)	STATE STONEFLY UNIT	752H	294285	4238939339		Gas			State Stonefly	10541	0.06249804
Phantom (Wolfcamp)	STATE STONEFLY UNIT	753H	294282	4238939341		Gas			State Stonefly	10541	0.06249804
		SEE NOTE 4	SEE NOTE 3				SEE NOTE 1	SEE NOTE 1	SEE NOTE 1 SEE NOTE 2		



*11111111 Meter Numbers will be provided after the facility has been built or upgraded.

STATE STONEFLY CTB PROCESS FLOW A-5112, BLK-55 T5, SEC-22 LAT/LONG: 31.48827243, -103.74380728		
EOG RESOURCES MIDLAND DIVISION	BY: DKT	rev. 00 08/30/2023



5509 Champions Dr, Midland, TX 79705
Phone: (432) 247-6331

Via email: matthew.scott@glo.texas.gov

Date: November 9, 2023

Re: State Stonefly Unit CTB

Dear Mr. Scott:

Pursuant to 31 TAC §9.35(a)(4)(C), EOG Resources, Inc. ("EOG") hereby gives notice that it is deemed to have permission to commingle production from the following leases into its State Stonefly Unit CTB located in Section 22, Block 55 T5, PSL, T&P RR CO, Casey, R A, Reeves County, Texas:

- GLO Unit 10541: State Stonefly, Dated June February 18, 2020, covering 1277.24 acres including Section 22 and 27, Block 55 T5, recorded in the Official Public Records of Reeves County, TX.

The State of Texas has a net revenue interest in the lease identified above and its net revenue within the tolerance of 0.001. The single commingled property has a GLO NRI of 0.06249804.

For questions regarding this application, please contact me at 432-247-6331 or lisa_youngblood@eogresources.com

Kind regards,

EOG Resources, Inc.

By: *Lisa Youngblood*
Lisa Youngblood
Regulatory Specialist



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

Form P-17A

Rev. 03/2019

APPLICATION FOR COMMINGLE PERMIT PURSUANT TO STATEWIDE RULES 26 AND OR 27

☐ New
☒ Amended Existing Permit
No. 9790
Effective Month/Year of Requested
Exception: 6 / 2021
District 08
County Reeves

SECTION 1. OPERATOR INFORMATION

Operator Name: EOG Resources, Inc. Operator P-5 No.: 253162
Operator Address: P.O. Box 2267 Midland, TX. 79702-2267

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

Gatherer Name: EOG Resources Marketing, LLC Gatherer P-5 No.: 253120
Gatherer Address: P.O. Box 4362 Houston, TX. 77210-4362

Gatherer E-mail Address:

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

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

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

SECTION 4. COMMINGLING PURSUANT TO §3.26(b) or §3.27(e) - (CHECK ALL THAT APPLY)

- a) ☒ The production stream from each tract and each Commission-designated reservoir is measured separately before combining it with a stream from another tract or Commission-designated reservoir.
Production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☒ PD Meter (oil & condensate) ☐ G-10 (gas) ☐ Other _____
b) ☐ The tracts and Commission-designated reservoirs have identical royalty interest and working interest ownership in identical percentages.
Production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☐ G-10 (gas) ☐ Other _____

SECTION 5. ☐ Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Notice may be required; see instructions)

SECTION 6. ☐ Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

SECTION 7. ☐ For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 8. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
08	291401	☒ Existing ☐ Add ☐ Delete	State Stonefly Unit; Phantom (Wolfcamp)	1H
08	291388	☒ Existing ☐ Add ☐ Delete	State Stonefly Unit; Phantom (Wolfcamp)	2H
08	292376	☐ Existing ☒ Add ☐ Delete	State Stonefly Unit; Phantom (Wolfcamp)	732H
08	292411	☐ Existing ☒ Add ☐ Delete	State Stonefly Unit; Phantom (Wolfcamp)	733H

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

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

Signature Kristina Agee Title Regulatory Specialist Date 4/3/2023

Operator E-mail Address: kristina.agee@eogresources.com Operator Phone No. 432-686-6996
(Optional - If provided, e-mail address will become part of this public record.)

RRC USE ONLY

Commingling Permit No. 9790

Approval date: 4/17/23

Approved by: [Signature]

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION**FORM P-17A ATTACHMENT**

**ATTACHMENT FOR
COMMINGLE PERMIT PURSUANT
TO STATEWIDE RULES 26 AND OR 27**

SECTION 8. (CONT'D) IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

[illegible]



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 8 Permit Number: 9790 Effective Month/Year: 06/2021

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows: State Stonefly Unit - 10541
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: EOG Resources, Inc. 5509 Champions Drive, Midland, TX 79705

Responsible Official Name, Lisa Youngblood, Regulatory Specialist Signature: Lisa Youngblood

Title: Date: 11/09/2023 Phone: 432-247-6331 Email Address: lisa_youngblood@eogresources.com

GLO Approval by: _____ Signature: _____ Date: _____

GLO Notes:

File No. MF 115 340

County

Comm EXMPTN 3 Gas Lift Appr/ 11/29/23

Date Filed: 12/11/23

Commissioner Dawn Buckingham, M.D.

By: AS



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

EOG Resources, Inc.
Attn: Kaitlyn Marr
1111 Bagby Sky Lobby 2
Houston, TX 77002-2548

Billing Date: 7/2/2024
Billing Due Date: 8/1/2024
Customer Number: C000027065

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00901	MF115340	\$0.00	\$3,790.46	\$379.05	\$239.21	\$4,408.72
Total Due		\$0.00	\$3,790.46	\$379.05	\$239.21	\$4,408.72

Penalty and interest have been calculated thru 7/31/2024. Payment remitted after 7/31/2024 will result in additional penalty and interest charges.

NOTICE

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

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

Detach and return with payment

Reconciliation Billing
EOG Resources, Inc.

Billing Date: 7/2/2024
Billing Due Date: 8/1/2024

Customer Number: C000027065

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
24I00901	MF115340	\$0.00	\$3,790.46	\$379.05	\$239.21	\$4,408.72
Total Due		\$0.00	\$3,790.46	\$379.05	\$239.21	\$4,408.72
Amt. Paid						

Customer ID: C000027065
 Invoice Number:
 GLO Lease: MF115340
 GLO Review: EOG RESOURCES INC.
 Review Period: Sept 2022 - Aug 2023

Category Oil
 Auditor/AE: ECortez
 Billing Date: 7/1/2024
 P&I Calculation Date: 7/31/2024
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Jul-23	08-292068	381	1	\$79.509	1	\$30,323.72	\$3,790.46	\$0.00	\$3,790.46	330	8.50%	\$379.05	\$239.21	\$4,408.72
TOTALS		381				\$30,323.72	\$3,790.46	\$0.00	\$3,790.46			\$379.05	\$239.21	\$4,408.72

COMMENTS: BILLING ON UNDER REPORTED OIL VOLUMES TO THE GLO FOR UNIT 11336 (08-292068, 08-292072, 08-292074, 08-292121, 08-294112, 08-294124, 08-294125, 08-294127, 08-294167, 08-294168, 08-294169, 08-294170)

COLUMN (3) UNDER REPORTED VOLUMES: REPORTED RRC VOLUMES MINUS REPORTED GLO1 VOLUMES
 COLUMNS (5) & (6) REPORTED GLO1 PRICE WAS 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/trac/forms/penalty-interest-assessment-rules.pdf>

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

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

EMAIL: Kaitlyn Marr KAITLYN_MARR@EOGRESOURCES.COM
 Stephanie Toy Stephanie_Toy@eogresources.com

File No. MF 115340

County

Recon Billings

Date Filed: 7/9/2024

Commissioner Dawn Buckingham, M.D.

By: (Signature)