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Archives and Records Staff

OBA-003 removed 2/18			ML/1	5346
#8369	State Lease MF115346	<i>Control</i> 07-109826	Base File 110822	County REEVES
	Survey Block Block Name Township Section/Tract Land Part Part Descripti Acres Depth Below	55 4-S 38 ALL on 640		Depth Other
Leasing:	Name Lease Date Primary Term Bonus (\$) Rental (\$) Lease Royalty	3/6// 3 yr \$32/ \$0.0	0,000.00	o.

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3 Coverlement Baruso Fees 5/7,113	Scanned Sm 10/10/2019
4 Flagl Letter 6/4/13	16. Surface Jemase 3-4-23
5 EMILORGE APOPHENEUL Eurols 4/15/13	scanned, Pt 3-17-2023
Scanned Sm 7/8/13	17. Recon Billing 7/9/2024
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2019 Plan of Dev brisham-state	

RAL REVIEW SHEET

Transaction #

7743

Geologist:

Lessor:

J.P. Bryan

Lease Date:

3/8/2013

Ut

Lessee:

Cimarex Energy

Gross Acres:

640

Net Acres:

640

LEASE DESCRIPTION

County REEVES PIN#

07-109826

Base File No

110822

Part All

Sec.

38

Block Twp

048

55

Survey

T&PRYCO

Abst# 3173

TERMS OFFERED

TERMS RECOMMENDED

Primary Term:

3 years

\$1,000.00

Rental/Acre:

Royalty:

Bonus/Acre:

\$1.00

1/4

Primary Term

Bonus/Acre

Rental/Acre

Royalty

3 years

\$1,000.00

\$1.00

1/4

COMPARISONS

MF#	L88888	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF109881	Petro-Hunt, L.L.C.	8/1/2008	3 years	\$450.00	\$1.00	1/4	Last Lease
Pending	Chesapeake Expl	3-21-13	34.5	\$ 1000.00	\$1.00	74	3 Miles SW

Comments:

Approved:

3.20-13

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land/Office		Jerry Pa	atterson, Commissioner
TO: Jerry Patterson, Commiss	ioner	DATE:	14-Mar-13
Larry Laine, Chief Clerk			
Bill Warnick, General Co	unsel		
Louis Renaud, Deputy Co	mmissioner		
FROM: Robert Hatter, Director of	Mineral Leasing		
Tracey Throckmorton, Geo	oscience Manager		
Applicant: Cimarex Energy		County:	REEVES
Prim. Term: 3 years	Bonus/Acre	\$1,000.00	
Royalty: 1/4	Rental/Acre	\$1.00	
Consideration			
Recommended:	Date: 3	3/21/13	
Not Recommended:			
Comments:			
Lease Form			
Recommended: 1274	Date:3	121/13	
Not Recommended:			
Comments:			
Louis Renaud, Deputy Commissioner	Date:	2 - 20 - 13	
Recommended: _CcR			
Not Recommended:			
Bill Warnick, General Counsel	Date: 3/2	2/13	
Recommended: WWW		,	
Not Recommended:		1 1	
Larry Laine, Chief Clerk	Date: 3	12113	
Approved:			
Not Approved:			
Jerry Patterson, Commissioner	Date: 3	25/13	
	Date.	~5 10	
Approved:	encon		
INOU ADDIOVED.			

RAL REVIEW SHEET

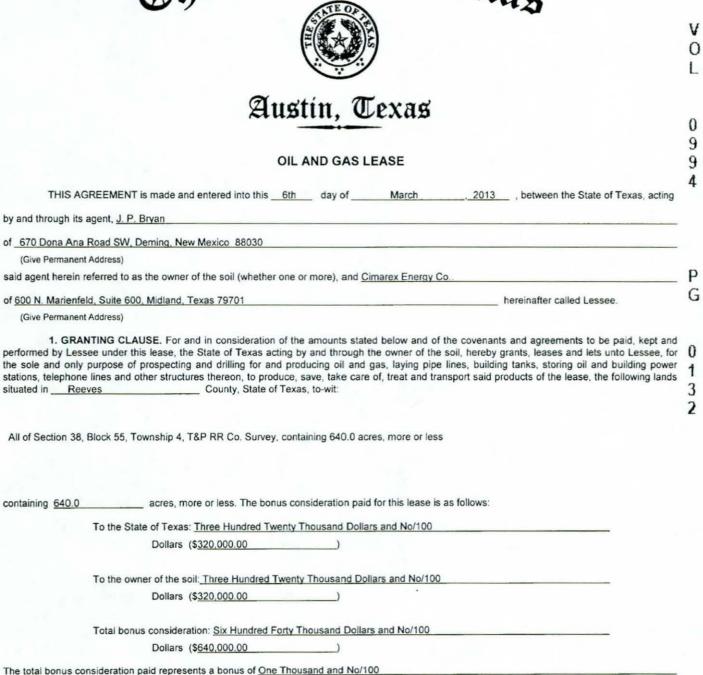
					6801	ogist:					
0880r: J.P. E	Bryan				Leas	se Date:		3/8/2013	UŁ		
. 88880: Cima	rex Energy				Gro	ss Acres		640			
EASE DESCRIPTION					Net	Acres:		640			
			D				_				
County REEVES	07-109	#	Base File No 110822	Part all	Sec. 38	Block 55	Twp 04S	Survey T&PRY(20		Abst#
XLL VLO	07-100	520	110022	all	50	33	040	TOTAL			3173
TOMO OFFEDER			TERM	IO DECOM	MENDED						
TERMS OFFERED	3 yr	7		IS RECOM				1			
Primary Term:				ary Term]			
Bonus/Acre:	\$1,000.0			s/Acre	_			1			
			Renta	al/Acre							
	\$1.0	,									
Rental/Acre: Royalty: COMPARISONS	1/4		Royal								
Royalty: Comparisons					Term	Bonus/	Ac.	Rental/Ac.	Royalty	Distan: La	
Royalty: Comparisons	1/4		Royal		Term	Bonus/	Ac.	Rental/Ac.	Royalty		ce ist Lease
Royalty: Comparisons	1/4		Royal		Term	Bonus/	Ac.	Rental/Ac.	Royalty		
Royalty: Comparisons	1/4		Royal		Term	Bonus/	Ac.	Rental/Ac.	Royalty		

File No	115346
RAL	Sheet
Date Filed	3/20/13
Jerry I	E. Patterson, Commissioner
By 0-17	

General Land Office Relinguishment Act Lease Form Revised, September 1997 13-02249
FILED FOR RECORD
REEVES COUNTY, TEXAS
Apr 03, 2013 at 10:35:00 AM

The State of Texas

MF 115346

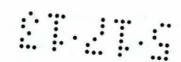


2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of three (3) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced 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.

) per acre, on 640

Dollars (\$1,000.00



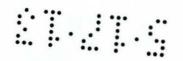


unless on or before such anniversary date Lessee shall pay or t	tender to the owner of the soil or to his credit in the Address Shown for Lessor Above
Bank, at	
or its successors (which shall continue as the depository regard Lessee shall pay or tender to the COMMISSIONER OF THE GE	dless of changes in the ownership of said land), the amount specified below; in addition, ENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on ate as a rental and shall cover the privilege of deferring the commencement of a well for all be in the following amounts:
To the owner of the soil: Three hundred twe	enty and No/100
Dollars (\$320.00)
To the State of Texas: Three hundred twen	ity and No/100
Dollars (\$320.00	
Total Delay Rental: Six hundred twenty and	i No/100
Dollars (\$640.00)
cease to exist, suspend business, liquidate, fail or be succeeded held in default for failure to make such payments or tenders or recordable instrument naming another bank as agent to receive 4. PRODUCTION ROYALTIES. Upon production of provided for in this lease to the Commissioner of the General La owner of the soil: (A) OIL. Royalty payable on oil, which is defined as all condensate, distillate, and other liquid hydrocarbons recove shall be 1/4 part of the gross production or the market.	ental paying date. If the bank designated in this paragraph (or its successor bank) should ed by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper is such payments or tenders. If oil and/or gas, Lessee agrees to pay or cause to be paid one-half (1/2) of the royalty and Office of the State of Texas, at Austin, Texas, and one-half (1/2) of such royalty to the including all hydrocarbons produced in a liquid form at the mouth of the well and also as ered from oil or gas run through a separator or other equipment, as hereinafter provided, et value thereof, at the option of the owner of the soil or the Commissioner of the General ted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid
paid in the general area where produced and when run, or 3) th any gas produced from the leased premises is sold, used or pro and gas separator of conventional type, or other equipment at lease	teral area where produced and when run, or 2) the highest market price thereof offered or the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before occessed in a plant, it will be run free of cost to the royalty owners through an adequate oil least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means gh a separator or other equipment may be waived, in writing, by the royalty owners upon
defined as oil in subparagraph (A) above, produced from any value extraction of gasoline, liquid hydrocarbons or other products option of the owner of the soil or the Commissioner of the Gengas of comparable quality in the general area where produced a provided that the maximum pressure base in measuring the galand the standard base temperature shall be sixty (60) degrees	including flared gas), which is defined as all hydrocarbons and gaseous substances not well on said land (except as provided herein with respect to gas processed in a plant for s) shall be 1/4 part of the gross production or the market value thereof, at the heral Land Office, such value to be based on the highest market price paid or offered for and when run, or the gross price paid or offered to the producer, whichever is the greater, as under this lease shall not at any time exceed 14.65 pounds per square inch absolute, Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific is most approved method of testing being used by the industry at the time of testing.
of the soil or the Commissioner of the General Land Office. A production of residue gas attributable to gas produced from this greater, of the total plant production of liquid hydrocarbons at recovered from gas processed in a plant in which Lessee (or its hydrocarbons shall be fifty percent (50%) or the highest per agreement negotiated at arm's length (or if there is no such third the industry), whichever is the greater. The respective royalties price paid or offered for any gas (or liquid hydrocarbons) of congas (or the weighted average gross selling price for the respective royalties payable under this paragraph be less than the royalties	dessed in a gasoline plant or other plant for the recovery of gasoline or other liquid the liquid hydrocarbons extracted or the market value thereof, at the option of the owner all royalties due herein shall be based on one hundred percent (100%) of the total plant is lease, and on fifty percent (50%), or that percent accruing to Lessee, whichever is the ttributable to the gas produced from this lease; provided that if liquid hydrocarbons are is parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid reent accruing to a third party processing gas through such plant under a processing diparty, the highest percent then being specified in processing agreements or contracts in so on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market imparable quality in the general area, or 2) the gross price paid or offered for such residue citive grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall alties which would have been due had the gas not been processed.
hydrocarbons) whether said gas be "casinghead," "dry," or any	c, sulphur or any other products produced or manufactured from gas (excepting liquid other gas, by fractionating, burning or any other processing shall be 1/4 part of eof, 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 produced; whichever is the

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





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- . 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.
- 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. 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 docume

- 10. (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.
- (B) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.
- (C) PENALTIES. Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.
- 11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking





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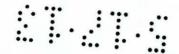
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operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil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

- 12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional wells are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.
- 13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.
- 14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four two more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.
- 15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring Draining Well as defined in paragraph 45, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the 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
- 16. RETAINED ACREAGE. Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.
- (A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes, to and egress from the lands still subject to 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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(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 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.

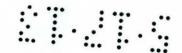
21. USE OF WATER. Lessee shall have the right to use water produced on said land necessary for operations under this lease except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood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

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

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

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





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

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

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

(1) a nominee of the owner of the soil;

(2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;

(3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;

(4) a principal stockholder or employee of the corporation which is the owner of the soil;

(5) a partner or employee in a partnership which is the owner of the soil;

(6) a fiduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil: or

(7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

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

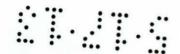
29. FILING OF ASSIGNMENTS AND RELEASES. If all or any part of this lease is assigned or released, such assignment or release must be recorded in the county where the land is situated, and the recorded instrument, or a copy of the recorded instrument certified by the County Clerk of the county in which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

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

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

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





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

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

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

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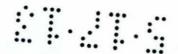
35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, 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 thoir respective successors and assigns. Each assignee of this Agreement, or an interest the

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.





. 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.

LESSEE
Cimarex Energy Co.

BY:

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

STATE OF TEXAS DIMENTAL DILLS

Sue Ann Craddock, Attorney-In-Fact for J. P. Bryan, Individually and as agent for The State of Texas

STATE OF TEXAS

COUNTY OF MIDLAND

(CORPORATION ACKNOWLEDGMENT)

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

Given under my hand and seal of office this the



Notary Public, State of Texas My Commission Expires April 20, 2015

day of MARCH 2013

Notary Public in and for TEXA

(INDIVIDUAL ACKNOWLEDGMENT)

STATE OF NEW MEXICO

COUNTY OF LUNA

BEFORE ME, the undersigned authority, on this day personally appeared Sue Ann Craddock, Attorney-in-Fact for J.P. Bryan, known to me to be the person(s) whose name is subscribed to the foregoing instruments and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity stated.

Given under my hand and seal of office this the 11th day of March 2013

OFFICIAL SEAL

Dorinda Holly

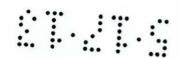
NOTARY PUBLIC

STATE OF NEW MEXICO

My Commission Expires: 9-29-14

Notary Public in and for New Mexico





Inst No. 13-02249
DIANNE O. FLOREZ
COUNTY CLERK
2013 Apr 03 at 10:35 AM
REEVES COUNTY TEXAS
By: VE DEPUTY

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Jerry E. Patterson, Commissioner Date Filed:

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. PAGE 132. THRU 140



I hereby certified on 05/10/2013

BY AURORA CALANCHI

BY AURORA CALANCHI

BY AURORA CALANCHI

BY AURORA CALANCHI

2.13.13

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



May 16, 2013

Mineral Leasing Division Texas General Land Office Attn: Drew Reid P.O. Box 12873 Austin, TX 78701-1495

Via Federal Express

RE:

Mineral Classified Leases

All of Section 38, Block 55, Township 4, T&P RR Co. Survey,

Reeves County, Texas

Dear Mr. Reid,

Please find enclosed a certified copy of the Oil and Gas Lease filed of record in Reeves County, Texas covering the above captioned lands, along with a check representing the bonus consideration for said lease. Specifically, please find the following certified copy of the lease and corresponding check as follows:

Lessor: J.P. Bryan

Recorded: Book 0994, P. 132-140

Check Number 0001498433 - \$320,000.00 (bonus consideration)

Additionally, please find enclosed a \$25.00 check to cover the filing fees for the above listed lease.

Please respond with written verification of receipt of the above check, along with written verification of receipt and acceptance of the above recorded lease. If I can be of further assistance, please contact me at the number below.

Sincerely,

Cody Elliot

(432) 571-7806



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





13710918

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001498433	03/22/2013	******\$320,000.00

PAY Three Hundred Twenty Thousand Dollars and Zero Cents

TO THE ORDER OF

STATE OF TEXAS

1700 N CONGRESS AVE STE 840

AUSTIN TX 78701-1495

ATURE HAS A COLORED BACKGROUND . BORDER CONTAINS MICROPRINTING

"OOO 1498433"

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX ENERGY CO **SUITE 1800** DENVER CO 80203-4518 (303) 295-3995

PLEASE DETACH AT PERFORATION ABOVE

REQ21703142013x	Inv. Date 03/14/2013	Description	Amount 320,000.00	Discount 0.00	Net Amount 320,000.00
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CIMAREX

CIMAREX ENERGY CO SUITE 1800

DENVER CO 80203-4518 (303) 295-3995

Invoice # REQ21704032013E	Inv. Date 400 04/03/2013	Description	Amount 100.00	Discount 0.00	Net Amount 100.00
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CIMAREX ENERGY CO 1700 LINCOLN STREET SUITE 1800 DENVER CO 80203-4518 (303) 295-3995 WELLS FARGO BANK NA



13710917

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001501157	04/09/2013	**********\$25.00

PAY

Twenty Five Dollars and Zero Cents

TO THE ORDER

STATE OF TEXAS

ORUER

1700 N CONGRESS AVE STE 840

AUSTIN TX 78701-1495

RE HAS A COLORED BACKGROUND + BORDER CONTAINS MICROPRINTING

"OOO 150 1157"

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX ENERGY CO 1700 LINCOLN STREET SUITE 1800 DENVER CO 80203-4518 (303) 295-3995 *PLEASE DETACH AT PERFORATION ABOVE*

CIMAREX

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
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GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

June 4, 2013

Cody Elliott Cimarex Energy Co. 600 N. Marienfeld, Suite 600 Midland, Texas 79701

Re: State Lease MF 115346

RAL Lease dated March 6, 2013 recorded in V. 994, P. 132, covering 640 ac., Sec. 38, Blk. 55, T-4, T&P Ry Co. Survey, Reeves Co., TX, J. P. Bryan, agent for State of TX, Lessor

Dear Mr. Elliott:

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-115346. 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 \$320,000.00 has been applied to the State's portion of the cash bonus. We are also in receipt of your processing and filing fees.

Sincerely yours,

Deborah A. Cantu

Mineral Leasing, Energy Resources

Delsoeak a Cante

(512) 305-8598

deborah.cantu@glo.texas.gov

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Jerry E. I	attersor	, Commi	ssioner
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Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



April 11, 2013

Mineral Leasing Division Texas General Land Office Attn: Drew Reid P.O. Box 12873 Austin, TX 78701-1495

RE: Mineral Classified Leases

All of Section 38, Blk 55-T4, T&P RR Co. Survey

Reeves County, TX

Dear Mr. Reid.

J.P. Bryan, acting as agent for the State of Texas, as Lessor, and Cimarex Energy Co., as Lessee, ("The Parties") have reached an agreement to lease the above-captioned lands in Reeves County, TX. The agreed upon terms of the lease are as follows:

Primary Term:

three (3) years

Royalty:

one-fourth (1/4)

Bonus Consideration:

\$1,000.00 / net acre

Rentals:

Delay rentals (\$1.00) to be paid on or before the 1st anniversary of

this lease

J.P. Bryan is the "Owner of the Soil" for an undivided 100% interest in the captioned lands.

Cimarex Energy Co., as Lessee, currently has an existing Oil & Gas Lease covering this interest dated August 1, 2008 by and between State of Texas and J.P. Bryan as agent for the State of Texas, as Lessor, recorded in Book 806, Page 398, in Reeves County, Texas, covering the above described lands. In order to not have conflicting Leases, we are releasing this existing lease. A copy of the Release of this Oil and Gas Lease has been attached for your records.

Additionally, a check in the amount of \$100.00 has been included to cover the processing fee.

If the lease meets with the approval of the State of Texas, please notify me at the letterhead address or via email at celliott@cimarex.com. A certified copy of the recorded leases will be provided to the State when available, along with the bonus consideration.

If I can be of further assistance, please contact me at the number below.

Sincerely,

Cody Elliott

Landman

(432) 571-7806

Drew Reid - RE: Approval for OGL's -- Reeves Co.

From:

Debra Harris dfharris@cimarex.com

To:

Drew Reid < Drew.Reid@GLO.TEXAS.GOV>

Date:

3/22/2013 9:10 AM

Subject: RE: Approval for OGL's -- Reeves Co.

Drew,

I'm sorry this reply is so late, for some reason this e-mail went to my junk file. Yes we have a release dated before the new lease and is being recorded. I will send you a copy as soon as we get it back.

Again, thanks for all your help, Debra

From: Drew Reid [mailto:Drew.Reid@GLO.TEXAS.GOV]

Sent: Wednesday, March 20, 2013 10:49 AM

To: Debra Harris

Subject: Re: Approval for OGL's -- Reeves Co.

Dabra,

Please get me a copy of the lease for approval when you can.

Also, the J.P. Byran lease you have here for approval and those term will be approved, I have a question? Sec. 38 is still being held under Paragraph 16 of our lease form until 8-1-13 due to the 2 years development period unless Cimarex has release Sec. 38. Is there a release?

Thanks, Drew

>>> Debra Harris <<u>dfharris@cimarex.com</u>> 3/19/2013 9:07 AM >>> Drew,

I have talked with Randy Boatright concerning leases with the George W. Brackenridge Foundation, with the state's approval, we have agreed upon \$1000 per nma, 1/4 royalty, and a 3 year term in the following sections:

Sections 39, 43, 44, and 45, Block 57, PSL Survey, Reeves County, Texas

Thank you, Debra



Drew Reid - Re: Approve for OGL's -- Reeves Co.

From:

Drew Reid

To:

Harris, Debra

Subject: Re: Approval for OGL's -- Reeves Co.

Dabra,

Please get me a copy of the lease for approval when you can.

Also, the J.P. Byran lease you have here for approval and those term will be approved, I have a question? Sec. 38 is still being held under Paragraph 16 of our lease form until 8-1-13 due to the 2 years development period unless Cimarex has release Sec. 38. Is there a release?

Thanks, Drew

>>> Debra Harris <dfharris@cimarex.com> 3/19/2013 9:07 AM >>> Drew,

I have talked with Randy Boatright concerning leases with the George W. Brackenridge Foundation, with the state's approval, we have agreed upon \$1000 per nma, 1/4 royalty, and a 3 year term in the following sections:

Sections 39, 43, 44, and 45, Block 57, PSL Survey, Reeves County, Texas

Thank you, Debra



Drew Reid - RE: New Willerar Crassified Lease

From:

Debra Harris dfharris@cimarex.com>

To:

Drew Reid < Drew.Reid@GLO.TEXAS.GOV>

Date:

3/13/2013 3:27 PM

Subject:

RE: New Mineral Classified Lease

Attachments: JP Bryan Mineral Classified Lease - New.pdf

Drew,

Please find attached a copy of the Mineral Classified Lease with JP Bryan as agent. Since you have approved these terms as of today, I will go ahead and request checks for both the State and Mr. Bryan. I will send a certified copy of the lease with your check within the next 2-3 weeks.

Thanks again for all your help, Debra

From: Drew Reid [mailto:Drew.Reid@GLO.TEXAS.GOV]

Sent: Wednesday, March 13, 2013 3:15 PM

To: Debra Harris

Subject: Re: New Mineral Classified Lease

Debra,

You are not required to pay the surface owner until the lease has been approved by the State, making payment now is up to you. These term would be approved as of today but I need you to get me a copy of the lease so I can do a work up on the tract as soon as possible. Prices can change quickly. Mineral File numbers (MF-#'s) are issued after I have received the money and certified copy of the lease.

Drew

>>> Debra Harris <dfharris@cimarex.com> 3/13/2013 12:40 PM >>> Drew,

I have taken a new lease with agent, J.P. Bryan for All of Section 38, Block 55, T-4, T&P RR Co Survey, in Reeves County, Texas. It is a 3 year lease, with a 1/4 royalty, and a bonus consideration of \$1000 per nma. Do I need your approval before I issue checks to Mr. Bryan and The State of Texas, also do I need a MF number now or will that be issued later?

Thanks for your help, Debra Harris

File No	115346
Leave No	JoHan Emails
Date Filed:	4/15/13
Jerry E. Pa	atterson, Commissioner
BUEH	

CIMARE

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

(303) 295-3995

Check Number

0001599396

Invoice # Inv. Date Description Amount Discount **Net Amount** REQ217110514b 320.00 0.00 320.00 11/05/2014 RENTAL PAYMENT 2nd yr. The rentals were paid in accordance with the provisions of the Grisham-state Development Agreement 6741 and, as such, were considered timely received. 75703703



WELLS FARGO BANK NA

56-382/412

15703703

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001599396	11/06/2014	***********\$320.00

PAY

Three Hundred Twenty Dollars and Zero Cents

TO THE ORDER

STATE OF TEXAS

1700 N CONGRESS AVE STE 840

AUSTIN TX 78701-1495

"OOO1599396"

PLEASE DETACH AT PERFORATION ABOVE

CIMARE

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

(303) 295-3995

PLEASE DETACH AT PERFORATION ABOVE

f Invoice #	Inv. Date	Description	DEW OF CALL PARTY	Amount	Discount	Net Amount
REQ217110514b	11/05/2014			320.00	0.00	320.00
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Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, TX 79701

MAIN 432.571.7800



November 7, 2014

Via: U.S. Mail

Texas General Land Office Mineral Leasing Division Attn: Linda Price P.O. Box 12873 Austin, Texas 78701-1495

Re: Delay Rental Payment for MF-115346

Dear Linda:

Enclosed is our corporate check in the total amount of three hundred-twenty dollars and 00/100 cents (\$320.00) as payment to the State for its share of the total annual delay rental associated with the above-captioned Mineral Classified Oil and Gas Lease.

If there is anything further that you should require, please contact the undersigned at (432) 571-7856 or by email at htresner@cimarex.com.

Sincerely,

Cimarex Energy Co.

Hayden P. Tresner

Landman

Rental Payment - 2nd yr.

Date Filed: 11/10/2014

Soft (8)

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

(303) 295-3995

Invoice #	Oblig. Date	Description	Lessor	Net Amount
Invoice # DBL20150212-30	Oblig. Date 02/12/2015	COMMISSIONER OF THE GENERAL DELAY RENTAL - TX420067012957002 ST OF TEXAS & J.P. BRYAN Payee: COMMISSIONER OF THE GENERA LAND OFFICE STATE OF TEXAS AUSTIN, TX 78711-2873 Payee Tax ID: Prospect: TX420067012957002 ST OF TEXAS & J. P. Lease Date: 03/06/2013 Oblig Type: PAYMENT REQUIRED Due Dt: 03/06/2015 Freq: 1 Year Book 994/Page 132/Registry 13-02249 Reeves/TX RENTAL PAYMENT 3 PY P	MF115346	Net Amount 320.00
030618	Payee	Check Date: 02/16/2015	Check Amount ➡	320.00



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

WELLS FARGO BANK NA

56-382/412

15708053

Present for payment within 180 days.

Payee No.	Check No	Check Date	Check Amount
030618	0004006442	02/16/2015	************\$320.00

PAY

Three Hundred Twenty Dollars and Zero Cents

TO THE ORDER OF

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

SIGNATURE HAS A COLORED BACKGROUND . BORDER CONTAINS MICROPRINTING

1º000400644 211º

PLEASE DETACH AT PERFORATION ABOVE

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

API EASE DETACH AT PERFORATION ABOVE

(203) 205 2005

1	(303) 295-3995	Check Number	0004006442
Invoice # Oblig. Da 02/12/201		Lessor ST OF TEXAS & J.P. BRYAN	Net Amount 320.00
02/12/201	DELAY RENTAL - TX420067012957002 ST OF TEXAS & J.P. BRYAN Payee: COMMISSIONER OF THE GENERA LAND OFFICE STATE OF TEXAS AUSTIN, TX 78711-2873 Payee Tax ID: Prospect:	STOF TEXAS & J.F. BRTAIN	520.00
	TX420067012957002 ST OF TEXAS & J. P. Lease Date: 03/06/2013 Oblig Type: PAYMENT REQUIRED Due Dt: 03/06/2015 Freq: 1 Year Book 994/Page 132/Registry 13-02249 Reeves/TX		
		75	700053
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			13
30618	Check Date: 02/16/2015	Check Amount ➡	320.00

File No. MF	2 200	
nental yo	Byment-3rd yr.	County
Date Filed:	12/23/2015	
By Sop	ge P. Bush, Commiss	ioner

P.O. Box 1330 . Houston, Texas 77251-1330



July 13, 2017

VIA UPS OVERNIGHT MAIL

Mr. J. Daryl Morgan Texas General Land Office 1700 North Congress Avenue Austin, Texas 78701-1495

RE: Pooling Agreement

Yorktown State 55-4-38 Unit (1200 acres)

Reeves County, Texas

Dear Mr. Morgan:

Per your transmittal dated March 10, 2017, returned herewith are duplicate originals of the captioned pooling agreement for execution by the Commissioner of the Texas General Land Office.

Thank you for your assistance in having this document executed. Upon receipt of an executed original, same will be recorded in Reeves County, Texas and a recorded copy will then be returned to you for the completion of your files.

Sincerely,

ANADARKO E&P ONSHORE LLC

Pat Kennedy

Land Analyst Advisor

Enclosure as stated

 \otimes

File No. M-115346

Ltr. From My Worko

Date Filed: 7/4/17

George P. Bush, Mommissioner

By



TEXAS GENERAL LAND OFFICE

GEORGE P. BUSH, COMMISSIONER

July 20, 2017

Ms. Pat Kennedy Anadarko E&P Onshore LLC 1201 Lake Robbins Drive The Woodlands, Texas 77380

Re:

Pooling Agreement

Yorktown State 55-4-38 Unit

GLO Unit No. 8369 Reeves County, Texas

Dear Ms. Kennedy:

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

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

Sincerely

J. Daryl Morgan, CPL

Energy Resources Division

(512) 305-9106

Enclosure

File No. M-115346

Ltr. to Anyder Ko

Date Filed: 7/20/17

George P. Bush, Commissioner

By

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA179446

Unit Number

8369

Operator Name

Anadarko E&P Onshore LLC

Effective Date

03/07/2017

Customer ID

C000044444

Unitized For

Oil And Gas

Unit Name

Yorktown State 55-4-38 Unit

Unit Term

County 1

Reeves

RRC District 1 08

Old Unit Number Inactive Status Date

County 2

RRC District 2

RRC District 3

County 3 County 4

RRC District 4

Unit type

Permanent

State Net Revenue Interest Oil 0.06250000

State Part in Unit

0.50000000

Unit Depth

Allow All Depths

Well

From Depth

Formation

To Depth

Participation Basis Surface Acreage

If Excluions Apply: See Remarks

Lease Number Tract Lease Acres

in Unit

Total Unit Acres

Tract

Lease Royalty

NRI of Lease

in Unit

Royalty Rate

Reduction Clause

MF115346

No

640.000000

1,280.000000

0.50000000 O/G

Participation O/G

0.12500000

0.06250000 No

API Number

Remarks:		
Prepared By:	Prepared Date:	03/07/2017
GLO Base Updated By:	GLO Base Date:	03/07/2017
RAM Approval By:	RAM Approval Date:	3/13/17
GIS By:	GIS Date:	08/103/2017
Well Inventory By:	WI Date:	03/07/2017

2/22/2017 3:37:54 PM

8369

1 of 1

Pooling Committee Report

To:

School Land Board

UPA179446

Date of Board

03/07/2017

Unit Number: 8369

Meeting:

Effective Date: 03/07/2017

Unit Expiration Date:

Applicant:

Anadarko E&P Onshore LLC

Attorney Rep:

Operator:

ANADARKO E&P ONSHORE LLC,

Unit Name:

Yorktown State 55-4-38 Unit

Field Name:

PHANTOM (WOLFCAMP)

County:

Reeves

<u>Lease</u>	<u>Lease</u>	Lease	Expiration Date	<u>Lease</u>	Lease	Lease Acres	Royalty
Type	Number	Royalty		<u>Term</u>	Acres	In Unit	Participation
RAL	MF115346	0.12500000	03/06/2016	3 years	640.000000	640.000000	0.06250000

Private Acres:

640.000000

State Acres:

640.000000

Total Unit Acres:

1280.000000

Participation Basis:

Surface Acreage

Surface Acreage

State Acreage:

50.00%

State Net Revenue Interest:

6.25%

Unit Type:

Unitized for:

Permanent

Oil And

Gas

Term:

RRC Rules:

Spacing Acres:

Yes

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

lateral (FTP to LTP)

2/22/2017 3:38:15 PM UPA179446 1 of 1

Working File Number: UPA179446

REMARKS:

- Anadarko E&P Onshore LLC is requesting permanent oil and gas pooling of all depths in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on June 30, 2017 with a proposed total depth of 10,800 feet TVD. 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 three additional unit wells will be spud by or before March 7, 2020 or the unit will decrease in size to 320 acres per unit well drilled.
- State Lease MF115346 will be removed from the Grisham State Unit upon first production of the first unit well or within twelve months of the spud date of the first unit well, whichever occurs first.

POOLING COMMITTEE RECOMMENDATION:

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

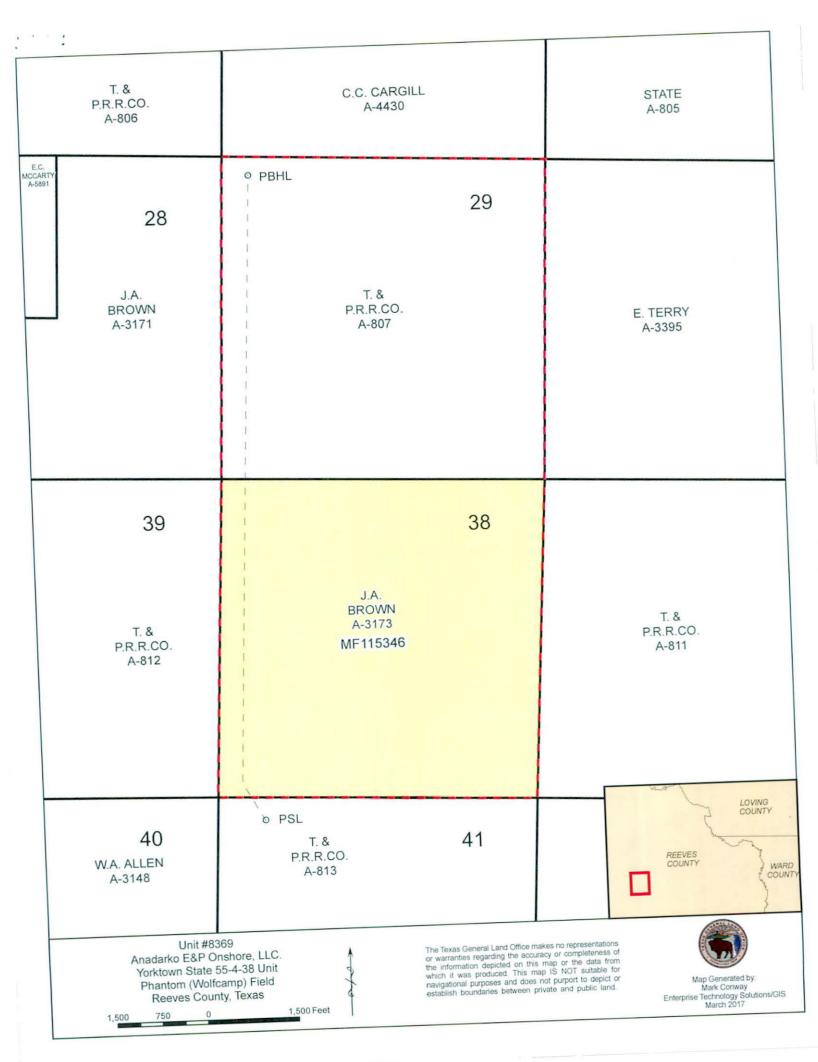
Mary Smith - Office of the Attorney General

Robert Hatter - General Land Office

Diane Morris - Office of the Governor

Date

Date



POOLING AGREEMENT ANADARKO E&P ONSHORE LLC YORKTOWN STATE 55-4-38 UNIT GLO UNIT NO. 8369 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 Anadarko E&P Onshore LLC, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2

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

MINERAL POOLED:

3.

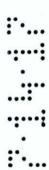
The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit subject to the provision in the State Lease for Horizontal Severance ("unitized interval").

POOLING AND EFFECT:

4

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

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



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

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

ALLOCATION OF PRODUCTION:

5.

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

•••• TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of March 7, 2017.

SPECIAL TERMS AND CONDITIONS:

8.

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

TERM:

9.

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

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.

10.

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:

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. Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired,

COUNTERPARTS:

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.

SUBJECT TO EXPLORATION AGREEMENT:

State Lease M-115346 is subject to that certain Unit Agreement for the Development and Operation of the Grisham-State Unit dated effective January 1, 2014, by and between the State of Texas and Cimarex Energy Co. recorded at Volume 1096, Page 612 of the Oil and Gas Records of Reeves County, Texas. It is hereby agreed that upon first production of a unit well on the Yorktown State 55-4-38 Unit or twelve months from the spud date of said well, whichever occurs first, then effective on that date State Lease M-115346 shall be removed from and no longer subject to the terms and conditions of the Grisham-State Unit.

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

Date Executed 7

STATE OF TEXAS

Legal Content Geology Executive

Bush, George P. Commissioner

General Land Office

Date Executed 3/23/17

ANADARKO E&P ONSHORE LLC

Its: Agent and Attorney - in-fact

WBR

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:

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:

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, 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:

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.

SUBJECT TO EXPLORATION AGREEMENT:

State Lease M-115346 is subject to that certain Unit Agreement for the Development and Operation of the Grisham-State Unit dated effective January 1, 2014, by and between the State of Texas and Cimarex Energy Co. recorded at Volume 1096, Page 612 of the Oil and Gas Records of Reeves County, Texas. It is hereby agreed that upon first production of a unit well on the Yorktown State 55-4-38 Unit or twelve months from the spud date of said well, whichever occurs first, then effective on that date State Lease M-115346 shall be removed from and no longer subject to the terms and conditions of the Grisham-State Unit.

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N	WITNESS	WHEREOF,	rue	parties	nereto	nave	executed	THIES	Agreement	upon	rue	respective	dates	Thatcacea	DETOM .

Date Executed

STATE OF TEXAS

Legal Content Geology Executive



George P. Bush, Commissioner General Land Office

4/17/2017

SWEPI LPCSS 3

Its:

Attorney-In-

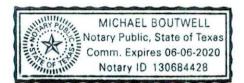
CERTIFICATE

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 7th day of March, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian. IN TESTIMONY WHEREOF, witness my hand this the day of
STATE OF TEXAS
COUNTY OF Montgomery
This instrument was asknowledged before mg on March 13, 2017, by Joseph M. Colerick as asknowledged before mg on March 13, 2017, by Joseph M. Colerick as asknowledged before mg on March 13, 2017, by Joseph M. Colerick as a asknowledged before mg on March 13, 2017, by Joseph M. Colerick
company on behalf of said company.
Patricea G. Kennedy Notary Public in and for the State of Texas Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowled	ged before me on	pal 17th	_, 2017, by _	Jeff	Turabull
as Athorney - In-Fact	for SWEPI LP, a _	Delaware	lin	nited partr	nership on behalf of said
company.					



Notary Public in and for the State of Texas

Addendum "A"

To that certain Pooling Agreement for the Yorktown State 55-4-38 Unit

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 of the lands herein described in the attached Exhibit "B" and depicted in the attached plat as Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit with horizontal 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, then 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 well or wells. In the event that Lessee choses 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 June 30, 2017;

Second, Third and Fourth wells - spud on or before March 7, 2020.

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.

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder as provided above 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", in accordance with paragraph nine (9) of this Agreement.

End of Addendum "A"

EXHIBIT "A-1"

To that certain Pooling Agreement dated effective March 7, 2017

Oil and Gas Lease(s) Included in the Unit:

1. APC LEASE NO:

1328874000

LESSOR:

CHEVRON U.S.A. INC.

LESSEE:

ANADARKO E&P ONSHORE LLC

LEASE DATE:

11/1/2013

RECORDING:

MEMORANDUM OF OIL & GAS LEASE

VOLUME 1048, PAGE 162, REEVES COUNTY, TEXAS

2. LEASE NO:

LESSOR: LESSEE:

STATE OF TEXAS, ET AL CIMAREX ENERGY CO.

LEASE DATE:

3/6/2013

RECORDING:

VOLUME 994, PAGE 132, REEVES COUNTY, TEXAS



Exhibit "A-2"

To that certain Pooling Agreement dated effective March 7, 2017

Legal Description:

Block 55, Township 4, T&P RR Co. Survey, Reeves County, Texas:

Section	Gross / Net Ac	Description
Section 38	640.00	All
Section 29	640.00	All



EXHIBIT "B"

To that certain Pooling Agreement dated effective March 7, 2017

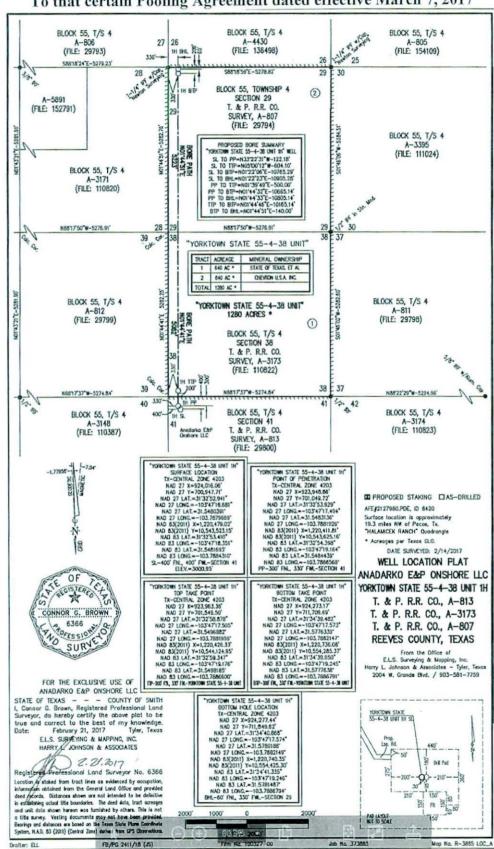
Legal Description of the tracts within the 1280-acre Yorktown State 55-4-38 Unit:

- Tract 1: 640.00 acres, more or less, being All of Section 38, Block 55, Township 4, T&P RR Co. Survey, A-3173, Reeves County, Texas;
- Tract 2: 640.00 acres, more or less, being All of Section 29, Block 55, Township 4, T&P RR Co. Survey, A-807, Reeves County, Texas.



EXHIBIT "C"

To that certain Pooling Agreement dated effective March 7, 2017



Date Filed: _ George P. Bush, Commissioner

Ву-

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

CIMAREX

(303) 295-3995

Check Number 0004007260

Invoice #	Oblig. Date	Description	Lessor	Net Amount
OBL20170215-19	02/15/2017	COMMISSIONER OF THE GENERAL DELAY RENTAL - TX420067012957002 ST OF TEXAS & J.P. BRYAN Payee: COMMISSIONER OF THE GENERAL LAND OFFICE STATE OF TEXAS AUSTIN, TX 78711-2873 Payee Tax ID: Prospect:	ST OF TEXAS & J.P. BRYAN	121
		TX420067012957002 ST OF TEXAS & J. P. Lease Date: 03/06/2013 Oblig Type: PAYMENT REQUIRED Due Dt: 03/06/2017 Freq: 1 Year Book 994/Page 132/Registry 13-02249 Reeves/TX	×	
•••••				A TOOM TO

030618

NU WITHOUT A BLUE & REU BACKGRUUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW



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

MF 115346

WELLS FARGO BANK NA

56-382/412

17708478

Present for payment within 180 days.

Payee No.	Check No	Check Date	Check Amount
030618	0004007260	02/16/2017	************\$320.00

TO THE ORDER

PAY

COMMISSIONER OF THE GENERAL LAND OFFICE STATE OF TEXAS

Three Hundred Twenty Dollars and Zero Cents

LOCKBOX ACCOUNT PO BOX 12873

AUSTIN TX 78711-2873

SIGNATURE HAS A COLORED BACKGROUND . BORDER CONTAINS MICROPRINTING

"0004007260"

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX ENERGY CO DENVER CO 80203-4518

PLEASE DETACH AT PERFORATION ABOVE

CIMARE

(303) 295-3995

Check Number 0004007260

Invoice #	Oblig. Date	Description	Lessor	Net Amount
OBL20170215-19	02/15/2017	COMMISSIONER OF THE GENERAL DELAY RENTAL - TX420067012957002 ST OF TEXAS & J.P. BRYAN Payee: COMMISSIONER OF THE GENERAL LAND OFFICE STATE OF TEXAS AUSTIN, TX 78711-2873 Payee Tax ID:	ST OF TEXAS & J.P. BRYAN	121
·:		Prospect: TX420067012957002 ST OF TEXAS & J. P. Lease Date: 03/06/2013 Oblig Type: PAYMENT REQUIRED Due Dt: 03/06/2017 Freq: 1 Year Book 994/Page 132/Registry 13-02249 Reeves/TX	×	STABOLLY
W				18
		*		
030618	Pavee	Check Date: 02/16/2017	Check Amount	220.00

File No. MF115346 Rentals

County

Date Filed: RWGHAM 812.

c - 256

. 140



Shut-In Affidavit

Texas General Land Office George P. Bush, Commissioner 700 North Congress Avenue Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

State Lease No. MF 115346			Operator Anadarko E&P Onshore LLC				
Lease Name J.P. Bryan			Field Name Phantom (Wolfcamp)				
Area	Tract		Part		Acres 640		
Section 38	Block 55, T-4			^{ey} T&P RR Co.	County Reeves		
State's NRI in Lease: 12.	.5%						
Unit Name (if applicable) Yorktown State 55-4-38 I	Unit		State's Unit NRI (if applicable) 6.25%				
Total Shut-In Due:		Explain h	how payment was calculated:				
			erms of the lease we owe double the total Delay Rental amount of \$640, I of \$1,280. Equal portions of \$640 are being paid to both the State and in				
CHILT IN DAVMENTS				le of producing in paying q r C, Rule 9.36, (e). Affidavit	quantities. TAC, Title 31, Part 1, required.		

Reason for Shut-In - Be Specific—(Add page as needed)

Lack of infrastructure due to limited drilling activity by Anadarko in this general vicinity. We hope to have the well on production by mid-late 2018, but that will be subject to change due to availability of materials and pipeline workforce.

Explain when and how shut-in is expected to be resolved (Add page as needed)

As soon as we get our pipeline in the ground, we hope to have enough capacity to produce this well consistently.

Add Pages as need for additional wells.

Add ruges u	s need joi uu	artional w	2113.								
			W	ELL INFORMA	TION						
0	0	Well Nan	ie:			API:	8	RRC: Dist#-Lease#			
OOIL	(GAS	Yorktown	State S	tate 55-4-38 U	nit 1H	42-3	389-35817	08			
Produced in	Pact:	Completi	on Date	٠.		1000	Shut-In Date	9.			
Yes		1/30/20		•			2/9/2018				
Ores	● No										
		Pro	vide ave	erage daily pr	oducti	on rat	te.				
Define basis	Define basis for production report (prior or current) from monthly production report or well test data.										
Basis for pro	duction repo	rt of avera	ge: 🔻	Well Test		Mont	hly Average	RRC Well Te			
GAS		(OIL				WATER				
(KSA SEC)		mcf/d			b	bls/d	100 9 100 a Manager 200 4	bbls/			
						2107 61		22137			
	\circ	Well Nam	ie:			API:		RRC: Dist#-Lease#			
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Produced in	Dacts	Completi	on Date	CV6			Shut-In Date	1			
		Completi	JII Date	•			Shut-in Date	3.			
○ Yes	O No										
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				_							
Basis for pro	duction repo	rt of avera	ge:	Well Test		Mont	hly Average	RRC Well Tes			
GAS	•)IL				WATER				
		mcf/d			b	bls/d		bbls/			
		111.51.7.51			-	0.07	-				
		Well Nam	ie:			API:		RRC: Dist#-Lease#			
OOIL	() GAS					2.20 00					
Produced in I	Pact:	Completi	on Date				Shut-In Date	7			
		completi	JII Date	•			Shut in Date				
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				erage daily pro							
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				7							
Basis for pro	duction repoi	t of avera	је: 🗀	Well Test		Mont	hly Average	RRC Well Tes			
GAS		C)IL				WATER				
		mcf/d			b	bls/d		bbls/			
	\sim	Well Nam	e:			API:		RRC: Dist#-Lease#			
OIL	○ GAS					0.24, 30,		, more som ecoson			
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Produced in I		Completion	on Date	:			Shut-In Date	2:			
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Define basis	for production	on report (orior or	current) from	mont	hly pr	oduction rep	ort or well test data			
	***************************************			7			•				
Basis for pro	duction repor	t of avera	ge:	Well Test		Mont	hly Average	RRC Well Tes			
GAS	1)IL				WATER				
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	ne Railroad Commission designated ore than1, 000 feet from the lease,	(5)	/6 / 6	
Operator Anadarko E&P Onshore LLC	Lease Name & Well # Vicksburg State 55-4-26 Unit 1H	API 42-389-36014	RRC: Dist#-Lease# 08	
RRC Field & Reservoir Name: Phantom (Wolfcamp)		RRC Field Code: 71052900		
Distance The toe is 200' from the heel of the Vicksburg State 55-4-26 Unit 1H well.	Completion Interval ~10,600'	Status Shut-In		
Operator	Lease Name & Well #	API	RRC: Dist#-Lease#	
RRC Field & Reservoir Name:		RRC Field Code:		
Distance	Completion Interval	Status		
Operator	Lease Name & Well #	API	RRC: Dist#-Lease#	
RRC Field & Reservoir Name:		RRC Field Code:		
Distance	Completion Interval	Status		
Contact for Shut-in: Riley C. Morris Operator's Representative Phone: 432-247-3468 Email: riley.morris@anadarko.com				
I certify that this statement is true. Signature: Filay C. M. Title: Sr. Landman	Print Name: Ril			
March , 20 18 Tatricia G. Ke Notary Public in and for	me, the undersigned authority this - medy y, State of Ayas	21st 21st 21st 27 PU	day of	

ANADARKO E&P ONSHORE LLC

18708447

COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE 1700 NORTH CONGRESS AVE AUSTIN, TX 78701

INSTRUCTIONS TO PAYEE:

In as much as the canceled check serves as our FAYMENT receipt, please cash the check immediately upon receipt.

INSTRUCTIONS TO DEPOSITORY:
In case of any difficulty, promptly communicate with the rental section of Land Administration of this company at 1-800-359-1692 Option 6, explaining the circumstances and further instructions will be given.

Lease Number: 1371803000

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	/ AMOUNT
COMMISSIONER OF THE TEXAS	LA81527303	Mar-05-2018	50023742	\$640.00*
GENERAL LAND OFFICE				1

SI PAYMENT FOR THE YORKTOWN STATE 55-4-38 UNIT 1H

Safeguard interest \$1964 0073801148

DETACH STUB AND RETAIN FOR YOUR RECORDS

DOCUMENT INCLUDES VISIBLE FIBRAS, CHEMICAL HACTIVE PROPERTIES AND FEATURES AFOIL HOLOGRAM

ANADARKO E&P ONSHORE LLC

LEASE NUMBER LEASE DATE 03-06-2013

Reeves TX

Shut-In Royalty BOOK: 994 PAGE: 132 REC #: 13-02249

MONTHS FOR PERIOD PAID FOR BEGINNING 04-09-2018



18708447

CHECK NO 50023742 CHECK DATE 03-05-2018

ST TX M-115346 & J P BRYAN

EXACTIVE B640dols00cts

AMOUNT ***\$640.00*

PAY TO THE ORDER OF: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE 1700 NORTH CONGRESS AVE AUSTIN, TX 78701

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

AUTHORIZED REPRESENTATIVE (S) OF THE COMPANY HEAT SCHSTTIVE RED IMAGE DISAPPEARS WITH HEAT

" 500 2374 21"



March 21, 2018

Ms. Susan Draughn Texas General Land Office 1700 North Congress Avenue, Suite 840 Austin, Texas 78701-1495

RE: Yorktown State 55-4-38 Unit 1H -ST TX MF-115346

Shut In Affidavit

Block 55-T4, T&P RR Co. Survey **REEVES COUNTY, TEXAS**

Dear Ms. Draughn:

As a follow-up to the email from my email dated March 21, 2018, enclosed is the original signed and notarized Shut-In Affidavit, pursuant to the subject Well/Lease.

This will confirm that you had already received the payment that corresponds to the Affidavit from our Woodlands, Texas office. Should you have any questions, please feel free to contact the Landman, Riley Morris at (432) 247-3468, or riley.morris@anadarko.com or the undersigned at 432-247-3646 or diana.allen@andarko.com.

Sincerely,

ANADARKO E&P ONSHORE LLC

Diana Allen Land Analyst

Enclosure

File No. MF 115340	
Shut in payment coun	itv
and Form	7
Date Filed: 3 23 18	
George P. Bush, Commissioner	

March 23, 2018

Mr. Riley C. Morris Anadarko E&P Onshore LLC 6 Desta Drive, Suite 1800 Midland, TX 79705

Re:

State Lease MF115346 – Relinquishment Act Land (RAL)

640 acres in Section 38, Block 55, T4, T&P RR Co. Survey, Reeves County, Texas

Shut-In: Yorktown State 55-4-38 Unit 1H, API 42-389-35817

Dear Mr. Morris,

This acknowledges receipt of shut-in payment in the total amount of \$640.00 for the subject shut-in well by the Texas General Land Office on March 16, 2018.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in which began on February 9, 2018 is valid until the shut-in anniversary date of March 1, 2019.

Please notify us when the well returns to production.

Yours truly,

Susan Draughn, Landman

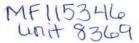
Energy Resources/ Mineral Leasing

Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov

Website: www.glo.texas.gov

File No. MF 115	346
Letter acception	
Shu	H-in
Date Filed: 323	18
George P. Bush	, Commissioner

Anadarko E&P Onshore LLC



Division Order

COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE STEPH F AUSTIN BLDG 1700 NORTH CONGRESS AVE **AUSTIN, TX 78701**

See reverse for list of Properties and Interests.

Effective Date: Next Settlement

The undersigned certifies the ownership of their decimal interest in production as described above payable by Anadarko E&P Onshore LLC (Payor).

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

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

Payor may accrue proceeds until the total amount equals \$100, or Sept. 30 whichever occurs first, or as required by applicable state statute.

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

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

Note: NADOA Model Form Division Order (Adopted 9/95)

Special Clause(s): Payee agrees that by execution of this DO and returning the signature page to Payor that the signature page will be attached to Payor's duplicate original of this instrument and treated as an original for all purposes.

THIS D.O. REFLECTS YOUR INTEREST IN THE PRODUCTION SOLD FROM THE YORKTOWN STATE 55-4-38 UNIT 1H WELL, #120557, WELL #J8651, EFFECTIVE FIRST PRODUCTION ON 2/1/2018.

> RV81527304 COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE

Signature of Witness	Owner Signature/Corporate Title	Owner Add
Signature of Witness	Owner Signature/Corporate Title	City,

dress (if different from above)

Zip Code

State

Owner Daytime Phone

Email Address



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

** All individual parties must complete and return the enclosed W9 to ensure proper payment. Additional forms may be obtained at www.irs.gov

Please return to: Anadarko E&P Onshore LLC P.O. BOX 1330 HOUSTON, TX 77251-9874 1-800-359-1692

Date Prepared: Prepared By:

February 05, 2018 BRENDA COPELAND

Suspense Flag: N

Property 120557

Property Name

YORKTOWN 55-4-38 UNIT 1H

Product All Products State/County TX/REEVES

Int Type Int Seq Interest RI

1

0.06250000

Legal Description:

THE YORKTOWN STATE 55-4-38 UNIT BEING 1,280 ACRES, MOL, COMPRISED OF THE FOLLOWING DESCRIBED TWO TRACTS:

UNIT TR. 1: 640 ACS, MOL, BEING ALL OF SEC 38, BLK 55, T-4, T&P RR COMPANY SURVEY, REEVES CO., TX. UNT TR. 2: 640 ACS, MOL, BEING ALL OF SEC 29, BLK 55, T-4, T&P RR COMPANY SURVEY, REEVES CO., TX.

DECLARATION OF POOLED UNIT FILED OF RECORD IN VOL. 1445, PG. 365 REEVES CO., TX.



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

** All individual parties must complete and return the enclosed W9 to ensure proper payment. Additional forms may be obtained at www.irs.gov



TEXAS GENERAL LAND OFFICE GEORGE P. BUSH, COMMISSIONER

March 29, 2018

Brenda Copeland Division Order Analyst Anadarko E&P Onshore LLC P.O. Box 1330 Houston, TX 77251-9874

Re: State Lease No. MF115346 Yorktown State 55-4-38 Unit 1H

Dear Mrs. Copeland:

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

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

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

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

Thank you,

Muan Hernandez

Landman, Energy Resources

512-475-0428

512-475-1543 (fax)

vivian.hernandez@glo.texas.gov

14.

File No. MF 115346
County
Division Order
Date Filed: 3-29-2018
By V.H. George P. Bush, Commissioner

USPS TRACKING#





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

9590 9402 1749 6074 7758 89

United States Postal Service

MP115346 7th FIR ENERGY VERDIS Sender: Please print your name, address, and ZIP+4® in this box



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

SENDER: COMPLETE THIS SECTION

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

Anadar Co Expostore LLC PO BOX 1330 Houston, Tx 77251-133U



9590 9402 1749 6074 7758 89

- 2. Article Number (Transfer from service label)
 - 7011 1150 0001 2420

B. Received by (Printed Name)

xray Reantor

COMPLETE THIS SECTION ON DELIVERY

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type □ Adult Signature

A. Signature

- ☐ Adult Signature Restricted Delivery ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
 - **lail Restricted Delivery**

☐ Priority Mail Express®

☐ Agent

C. Date of Delivery

☐ Yes

I No

☐ Addressee

- □ Registered Mail™ □ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™ ☐ Signature Confirmation
 - Restricted Delivery

5669 (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.com@ 0242 Postage Certified Fee 0001 Return Receipt Fee (Endorsement Required) Restricted Delivery Fee 1150 (Endorsement Required) Total Postage & Fees | \$ Sent To Anadar Ko Et Ponshore LLC 7077 Street, Apt. No.; Po Box 133 D City, State, ZIP+4 Hous fon, 7x7251-1330

U.S. Postal Service™ CERTIFIED MAIL RECEIPT

MF115346

Postmark Here

PS Form 3800, August 2006

See Reverse for Instructions

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail or Priority Mail
- Certified Mail is not available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS_® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.

PS Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047



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

Anadarko E&P Onshore LLC

PO Box 1330

Houston, TX 77251-1330

Billing Date:

10/8/2019

Billing Due Date: 11/7/2019

Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
20100093	MF115346	\$0.00	\$1,527.48	\$152.75	\$118.54	\$1,798.77
Total Due		\$0.00	\$1,527,48	\$152,75	\$118.54	\$1,798,77

Penalty and interest have been calculated thru 10/31/2019. Payment remitted after 10/31/2019 will result in additional penalty and interest charges.

Contact Info: David Jacquet (512) 463-5262 or david.jacquet@glo.texas.gov

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

Anadarko E&P Onshore LLC

Billing Date: 10/8/2019

Billing Due Date: 11/7/2019

Customer Number: C000044444

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
20100093	MF115346	\$0.00	\$1,527.48	\$152.75	\$118.54	\$1,798.77
Total Due		\$0.00	\$1,527.48	\$152.75	\$118.54	\$1,798.77
Amt. Paid						

Customer ID:

C000044444

Invoice Number: GLO Lease:

MF115346

GLO Review: Review Period: ANADARKO E&P ONSHORE LLC SEP 2017 Through AUG 2018

Auditor/AE: DJACQUET Billing Date: 10/1/2019 P&I Calculation Date: 10/31/2019

Category Oil

	02. 2017 111100	g. 1 ACC 2010					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	вти	Gross Value	Royalty Due	Royalty Paid			Interest Rate For Additional Royalty		Interest Rate From Additional Royalty2	Revenue Due
Fe	b-18 08-283586	231	1	\$52.93	1	\$12,219.87	\$1,527.48	\$0.00	\$1,527.48	574	5.50%	\$152.75	\$118.54	
TOTALS		231				\$12,219,87	\$1,527.48	\$0.00	\$1,527.48			\$152.75	\$118.54	

COMMENTS:

BILLING ON UNDER REPORTED VOLUMES FOR # 08-283596 UNIT 8369.

COLUMN (3) COLUMNS (5) & (6)

VOLUMES - REPRESENTS THE VOLUMES UNDER REPORTED TO THE GLO VERSUAS VOLUMES REPORTED TO THE RRC. THE PRICES -BASED OFF THE AVERAGE PRICE REPORTED TO THE GLO ON THE GLO1 REPORTS.

COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

NOTE 1:

PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERED METHOD OF PAYMENT IS BY CHECK

ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, NOTIFY THE AUDITOR AS TO THE

REMITTANCE DATE SO THE INVOICE CAN BE PROPERLY CREDITED.

ATTN:

ANNA ANKLAM

CERTIFIED MAIL:

7011 1150 001 2420 2669

File No. MF 115346

Reconci (ation Billing

Date Filed: 10/9/19

George P. Bush, Commissioner

By



LongPoint Minerals, LLC 100 St. Paul Street, Ste. 400 Denver, CO 80206

P 303.290.0990 F 303.290.9997 longpointminerals.com

22709815

May 24, 2022

Texas General Land Office Attn: Carl Bonn 1700 N. Congress, Rm 846E Austin, TX 78701

MF 111988 115 346 117738 120520

Re: Surface Use – Damages Payments Relinquishment Act Lands (RAL) Loving, Reeves & Winkler Counties, Texas

Dear Mr. Bonn:

LongPoint Minerals, LLC ("LongPoint") has granted certain easements covering the RALs lands listed in the attached schedule. The surface use and/or damage payments associated with such easements were all paid 100% to LongPoint. Until recently we were not aware that the State of Texas was entitled to one-half of all surface use and/or damage payments paid to LongPoint associated with RALs.

In this regard please find enclosed our check number 960 dated 5/19/2022 in the amount of \$213,450.39 being one-half of the total surface use and/or damage payments paid to LongPoint associated with RALs listed in the attached schedule.

Should you have any questions or need any additional information, please feel free to contact me at (303) 785-1547.

Sincerely,

Wm. Scott Haselwood

Land Advisor

6/6/ LM Scory

6-6/2 -4 Point Eners 1 Re Normed -4 Sid Unbrideled Relower (713) 437-8000 Sylva Maver ick

ownerrelations a marresources. con

6/7/22 Sent email fourpoint energy. com

LongPoint Minerals, LLC

100 St. Paul, Suite 400 Denver CO 80206 303-290-0990 Check Number: 0000000960

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
SH 5.11.22 Ck Req LPM	5/11/2022	The Texas General Land Office - Submittal to the GLO of 50% of revenue received by LPM for various easements granted on Relinquishment Acts Lands	\$213,450.39	\$0.00	\$213,450.39

22709815





Rentals and Su	urface Damages Weekly Revenue				6/8/2022
Date	Operator	Description	Lease #	Reg. #	Amount
5/25/2022	Cherry Creek Minerals, LLC	Surface Damages	MF112844	22709814	\$ 3,287.31
5/25/2022	LongPoint Minerals, LLC	Pipeline Easement	MF117738	22709815	\$ 74,558.26
5/25/2022	LongPoint Minerals, LLC	Pipeline Easement	MF120520	22709815	\$ 74,558.26
5/25/2022	LongPoint Minerals, LLC	Pipeline & Elec Easement	MF111988	22709815	\$ 11,839.80
5/25/2022	LongPoint Minerals, LLC	Pipeline Easement & ROW	MF115346	22709815	\$ 52,494.07
					\$ 216,737.70

. .

/ Y2 10141

						12					
	2 p 10 p 1				/	,-					
		D-12-10		\$213,450.39				M			l .
Lessee	Agreement Type	LP MR#	Entity	Total Bonus	ST	County	TWN	Svy	BLK	SEC	GLO MF#
Felix Water LLC	PL Easement	60044.01 60045.01	LP	\$10,000.00 5,000	TX	Loving Winkler		PSL	28	23 24	139613 139614
Texas Pacific Water Resources, LLC	Temporary Pipeline Easement Agreement	61278.01	LP	(\$1,000.00)	TX	Reeves	4	T&P RR Co	55	38	(110822)
Felix Water, LLC	Pipeline Easement	60044.01 60045.01	LP	\$77,748.30 3 6 7 4.15	TX	Loving Winkler		PSL	28	23 (N/2) 24 (N/2)	139613 139614
EOG Resources	Pipeline Easement	61278.01	LP	(\$64,710.90)	TX	Reeves	.4	T&P RR Co	55	38	(110822)
Markwest Energy West Texas Gas Company LLC	Pipeline Easement	61396.01	LP	\$16,656.00	TX	Reeves	4S	T&P RR-Co	55	28	110820
Delaware Basin Midstream, LLC DBM Oil Services, LLC DBM Water Services, LLC	Pipeline Easements	61278.01	LP	(\$10,516.84	TX	Reeves	4	T&P RR Co	55	38	(110822)
Texas-New Mexico Power Company	Electic ROW	61396.01	LP	\$2,523.60	TX	Reeves	4S	T&P RR Co	55	28 (110820
EOG Resources, Inc	ROW	61278.01	LP	(\$28,760.40	TX	Reeves	4	T&P RR Co	55	38	(110822)
WPX Energy Permian, LLC	Pipeline Easement	60044.01 60045.01	LP	\$210,484.75	TX	Loving		PSL 111138 120520	28	23 24	139613 ° 139614
Alchemist Energy, LLC	Electric ROW Agreement	61396.01	LP	\$4,500.00			4S	T&P RR Co	55	28	1108202
								-	~		•

MF(11988 x 3) MF(115346 x 4) 11,839.80 52,494.01 74,558 26 74,558.26 MF 120520×3



File No.	MF	115346	
- Su	Auce	Surge	2
			_

Date Filed:

ed: 3-14-23
George P. Bush, Commissioner



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

Anadarko E&P Onshore LLC

Attn: Anna Anklam

PO Box 1330

Houston, TX 77251-1330

Billing Date:

7/2/2024

Billing Due Date:

8/1/2024

Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00906	MF115346	\$1,459.58	\$0.00	\$166.09	\$95.49	\$1,721.16
Total Due		\$1,459.58	\$0.00	\$166.09	\$95.49	\$1,721.16

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

Anadarko E&P Onshore LLC

Billing Date: 7/2/2024

Billing Due Date: 8/1/2024

Customer Number: C000044444

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
24100906	MF115346	\$1,459.58	\$0.00	\$166.09	\$95.49	\$1,721.16
Total Due		\$1,459.58	\$0.00	\$166.09	\$95.49	\$1,721.16
Amt. Paid						

Customer ID: Invoice Number: GLO Lease:

C000044444

MF115346

GLO Review: Review Period ANADARKO E AND P ONSHORE LLC Sept 2022 - Aug 2023

Category Gas Auditor/AE: ECortez

Billing Date: 7/1/2024 P&I Calculation Date: 7/31/2024 Royalty Rate: 12.50%

terien i cilou.	Sept 2022 - Aug	2020					Royalty Rate.	12.5070						
(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	вти	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	From	Interest Rate From Additional Royalty2	Revenue Due
Mar-23	08-283586	1,058		1 \$1.221	1.055955	\$1,364.41	\$170.55	\$0.00	\$170.55	443	8.50%	\$25.00	\$15.25	\$210.80
May-23	08-283586	1,204		1 \$0.995	1.070659	\$1,282.56	\$160.32	\$0.00	\$160.32	382	8.50%	\$25.00	\$12.06	\$197.38
Jun-23	08-283586	1,049		1 \$1.549	1.072693	\$1,742.37	\$217.80	\$0.00	\$217.80	351	8.50%	\$25.00	\$14.81	\$257.61
Jul-23	08-283586	2,198		1 \$2.145	1.062325	\$5,006.93	\$625.87	\$0.00	\$625.87	320	8.50%	\$62.59	\$38.04	\$726.50
Aug-23	08-283586	1,006		1 \$2.117	1.07091	\$2,280.29	\$285.04	\$0.00	\$285.04	290	8.50%	\$28.50	\$15,33	\$328.87
TOTALS		6,514				\$11,676.56	\$1,459.58	\$0.00	\$1,459.58			\$166.09	\$95.49	\$1,721.16

COMMENTS:

BILLING ON UNDER REPORTED GAS VOLUMES TO THE GLO FOR UNIT 8369 (08-283586, 08-290235, 08-290236, 08-290239)

COLUMN (3)

UNDER REPORTED VOLUMES: REPORTED RRC VOLUMES MINUS REPORTED GLO2 VOLUMES

COLUMNS (5) & (6)

REPORTED GLO2 PRICES AND BTU FACTORS WERE USED

COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:

http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

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

NOTE 1:

PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.

PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.

WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: 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:

Sheela Neupane

Leonardo Garza

sheela_neupane@oxy.com

Cindy Bao cindy_bao@oxy.com

leonardo garza@oxy.com

()

File No. /h	=115346	
		unty
Recon	Billing	
Date Filed:	7/9/2024	1
Commiss	ioner Dawn Buckingham, M.D.	
Rv	I/	1

CHECK DATE

021045

INVOICE NUMBER	INVOICE DATE		TXGL01	03/28/25	DISCOUNT TAKEN	AMOUNT PAID
3182025	03/18/25	16410 SURFACE	AGREEMENT	SECTION 38	\$0.,00	\$17,774.12
40				Total:	\$0.00	\$17,774.12

RECEIVED

APR 03 2025

General Land Office.

THE FACE OF THIS DOCUMENT HAS A VOID FEATURE, MICRO PRINTING AND AN ARTIFICIAL WATERMARK ON THE BACK.

ALCHEMIST ENERGY, LLC 545 E. JOHN CARPENTER FWY., STE 1550 BOKF N.A., DBA Bank of Texas

021045

AMOUNT

IRVING, TX 75062

32-1432/1110

CHECK NO.

25705593

25705593

021045

*******17,774 Dollars and 12 Cents

03/28/25

DATE

******\$17,774.12

TEXAS GENERAL LAND OFFICE

P.O. BOX 12873

AUSTIN, TX 78711-2873

Scott & Reben

AUTHORIZED SIGNATURE

122

TO THE ORDER OF

#* O 2 1 O 4 5 F



(972) 200-3554







545 E. John Carpenter Freeway Suite 1550 Irving, TX 75062 2

March 21, 2025

Texas General Land Office Attn: Ashlyn Creswell PO Box 12873 Austin, Texas 78711

ALCHEMIST

Dear Ms. Creswell,

Please see the enclosed check for \$17,774.12 for your half share of the pad and road built on Section 38, Block 55, T4S in Reeves County, Texas. I have enclosed those plats and SUA agreements. Damages were paid based on the 2025 University Lands Rate and Damage schedule. This will cover the share that surface owners, TD Minerals, who own 45.125% of the surface, and Sourcing Rock LLC, who own 2.375% of the surface, will be receiving. This should cover the remaining SUA agreements in this section. Please e-mail me at the below on receipt of this payment.

Thank you,

Julie Matthews

Senior Landman Alchemist Energy 545 E. John Carpenter Fwy, Suite 1550 Irving, TX 75062 Cell: 713-825-9646 | jmatthews@alchemist.energy www.alchemist.energy

RECEIVED

APR 03 2025

General Land Office

ALCHEMIST ENERGY

ROAD EASEMENT

SECTION 38, BLOCK 55, T-4, T. & P. RR. CO. SURVEY, A-3173 REEVES COUNTY, TEXAS

A road right-of-way thirty feet in width with easement edges being fifteen feet right and left of the following described centerline in Section 38, Block 55, T-4, T. & P. RR. CO. Survey, A-3173, Reeves County, Texas:

BEGINNING on the South line of said Section 38, whence a 1/2" iron rod found for the Southeast comer of said Section 38 bears S 88"17'36" E, a distance of 2,442.80 feet;

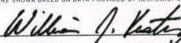
- Thence N 09°49'51" W, a distance of 611.53 feet to an angle point;
- (2) Thence N 11°27'53" W, a distance of 92.44 feet to an angle point;
- (3) Thence N 12°30'45" W, a distance of 168.61 feet to an angle point:
- (4) Thence N 39°35'51" E, a distance of 60.00 feet to an angle point;
- Thence S 88°17'32" E, a distance of 841.49 feet to a proposed pad, the END of this description; whence said 1/2" iron rod bears S 61°04'06" E, a distance of 1,967.18 feet.

This description contains 1,774.07 feet or 107.52 rods.

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.

CERTIFICATION:

THE INFORMATION IN THIS DRAWING WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-SROUND SURVEY MADE UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE SEST OF MY KNOWLEDGE MAD BELIEF. THE INFORMATION OF THE SEST OF MY KNOWLEDGE MAD BELIEF. THE INFORMATION OF THE SEST OF MY KNOWLEDGE MAD BELIEF. THE RESULT OF THE SEST OF MY KNOWLEDGE MAD BELIEF. THE RESULT OF THE SEST OF THE SEST



Texas Reg. No.

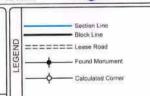


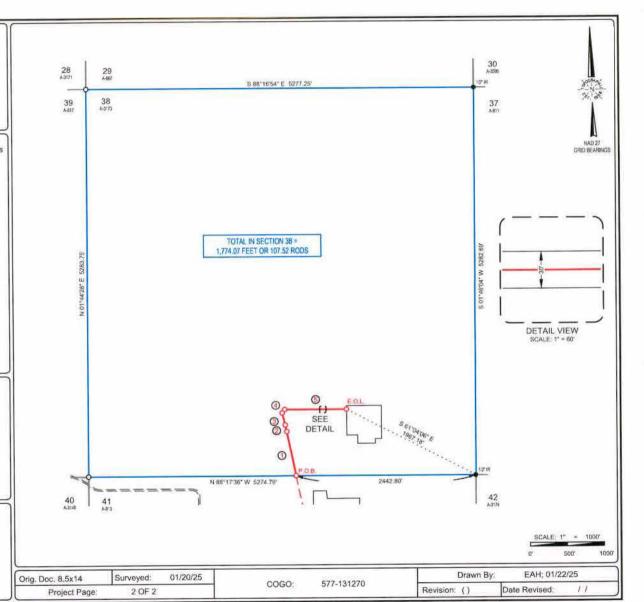
Signature Date 02/03/25

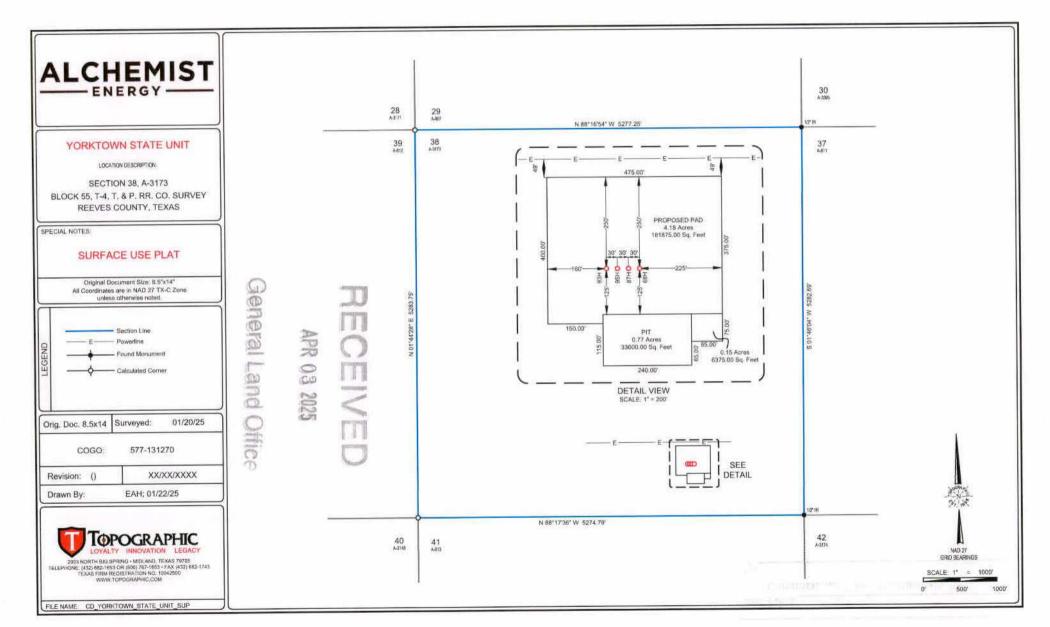


2903 NORTH BIG SPRING - MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1633 GR (800) 767-1653 - FAX (432) 682-1743
TEXAS FIRM REGISTRATION NO. 10042500
WWW.TOPOGRAPHIC.GOM

FILE NAME: EP_YORKTOWN_STATE_UNIT_ROAD_SEC38







File NoV	M-115341	(18)
		County
	SP	
Date Filed:	5/1/25	
Commis	sioner Dawn Bucking	ham, M.D.
By:	AC.	



(972) 200-3554

info@alchemist.energy

545 E. John Carpenter Freeway Suite 1550 Irving, TX 75062



February 25, 2025

Dear Ms. McCauley,

Please see the enclosed permits and plats for the following wells, located in Block 55 T4S in Reeves County, Texas.

Yorktown State Unit 68H Yorktown State Unit 87H Yorktown State Unit 93H Yorktown State Unit 95H

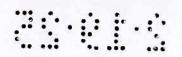
I will follow up with intent to drill letters next. Please let me know if there is anything else I can provide you with in the meantime.

Thank you,

Julie Matthews Senior Landman

Alchemist Energy 545 E. John Carpenter Fwy, Suite 1550 Irving, TX 75062 Cell: 713-825-9646 | jmatthews@alchemist.energy www.alchemist.energy





File No.	MFI1534	19.
	201162	County
tre fre	om operato	DR
Date Filed		D25
Ву: 📉	<u> </u>	

OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

9	905801	DATE PERMIT ISSUED OR AMENDE Feb 11, 2025	ED DISTRICT * 08
API NUMBER	42-389-41583	FORM W-1 RECEIVED Feb 07, 2025	COUNTY
TYPE OF OPERAT	ION	WELLBORE PROFILE(S)	ACRES
NE	W DRILL	Horizontal	1280
545 E JOHN STE 1550	ST ENERGY, LLC I CARPENTER FW 75062-0000	011	NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME		N STATE UNIT	WELL NUMBER 68H
LOCATION 1	8.8 miles NW dire	ection from PECOS	TOTAL DEPTH 13000
Section, Block and/or SECTION ∢ 38 SURVEY ∢ T&F	RR CO / BROW		BSTRACT ∢ 3173
DISTANCE TO SUR	VEY LINES 700 ft. S	1500 ft. E	DISTANCE TO NEAREST LEASE LINE ft.
DISTANCE TO LEASE LINES 700 ft. S 1500 ft. E			DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
	ATTONIO		
FIELD(s) and LIMIT		EE FIELD DISTRICT FOR REPOR	TING PURPOSES *
FIELD(s) and LIMIT FIELD NAME LEASE NAME		EE FIELD DISTRICT FOR REPOR	TING PURPOSES * ACRES DEPTH WELL# DISTRIBUTION NEAREST LEASE NEAREST WE
FIELD NAME LEASE NAME PHANTOM (WOI	* SI	EE FIELD DISTRICT FOR REPOR	ACRES DEPTH WELL# DIST NEAREST LEASE NEAREST WE
FIELD NAME LEASE NAME PHANTOM (WOI YORKTO	* SI _FCAMP)		ACRES DEPTH WELL# DIS'NEAREST LEASE NEAREST WE 1280.00 12,447 68H 08
FIELD NAME LEASE NAME PHANTOM (WOI YORKTO	* SI FCAMP) WN STATE UNIT FILE(s) FOR FIELD: This is a hydrogisolated and tes Fields with SWR	Horizontal gen sulfide field. Hydrogen Sulfisted per State Wide Rule 36 and a 10 authority to downhole comming to to commingling production.	ACRES DEPTH WELL# DISTANCE NEAREST WE 1280.00 12,447 68H 08 750 de Fields with perforations must be a Form H-9 filed with the district office.

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

DATE PERMIT ISSUED OR AMENDED Feb 11, 2025	DISTRICT * 08	
FORM W-1 RECEIVED Feb 07, 2025	COUNTY	
WELLBORE PROFILE(S) Horizontal	ACRES 1280	
NEW DRILL Horizontal OPERATOR 011198 ALCHEMIST ENERGY, LLC 545 E JOHN CARPENTER FW STE 1550 IRVING, TX 75062-0000		
N STATE UNIT	WELL NUMBER 68H	
ection from PECOS	TOTAL DEPTH 13000	
BLOCK ∢ 55 T4S ABSTR	ACT ∢ 3173	
DISTANCE TO SURVEY LINES 700 ft. S 1500 ft. E		
DISTANCE TO LEASE LINES 700 ft. S 1500 ft. E		
֡֡֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜֜	Feb 11, 2025 FORM W-I RECEIVED Feb 07, 2025 WELLBORE PROFILE(S) Horizontal 011198 C N STATE UNIT ection from PECOS BLOCK 55 T4S ABSTR	

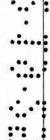
* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME LEASE NAME ACRES DEPTH NEAREST LEASE WELL# NEAREST WE

DIST

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.



RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION

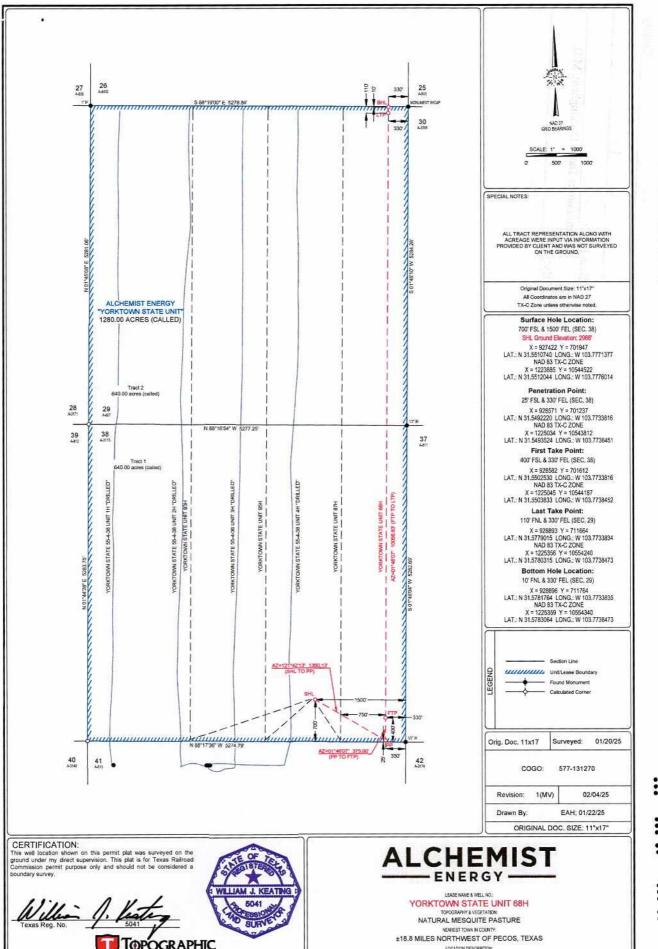
SWR #13 Formation Data

REEVES (389) County

Formation	Remarks	Geological Order	Effective Date
FORD / DELAWARE		1	02/09/2020
CASTILLE		2	02/09/2020
DELAWARE		2	02/09/2020
BELL CANYON		4	02/09/2020
DELAWARE CONSOLIDATED GAS		5	02/09/2020
CHERRY CANYON		6	02/09/2020
BONE SPRING		7	02/09/2020
PERMIAN (UNDEFINED)		8	02/09/2020
WOLFCAMP		9	02/09/2020
PENNSYLVANIAN		10	02/09/2020
MISSISSIPPIAN		11	02/09/2020
DEVONIAN		12	02/09/2020
FUSSELMAN		13	02/09/2020
ELLENBURGER		14	02/09/2020
PRECAMBRIAN (UNDIFFERENTIATED)		15	02/09/2020

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. The listing order of the Formation information reflects the general stratigraphic order and relative geologic age. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information. http://www.rrc.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info





Signature Da 02/05/25

FILE NAME

LO YORKTOWN STATE UNIT 684 REV1

SHL/PP/FTP: SECTION 38, BLOCK 55, T-4, T. & P. RR. CO. SURVEY, A-3173 LTP/BHL: SECTION 29, BLOCK 55, T-4, T. & P. RR. CO. SURVEY, A-807 REEVES COUNTY, TEXAS

		20.
File No	MF1153L	Ho
F	Roones	County
Drillin	a Permit API42	2.389.41583
Date Filed	g Permit AP142 1: 05/21/20 missioner Dawn Buck	2.5
By: X	missioner Dawn Buck	ingnam, nazv

OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER	905803	DATE PERMIT ISSUED OR AMENDED Feb 11, 2025	DISTRICT	*	08	
API NUMBER		FORM W-1 RECEIVED	COUNTY		=	¥)t
	42-389-41588	Feb 07, 2025		RE	EVES	
TYPE OF OPERATI	ION	WELLBORE PROFILE(S)	ACRES			
NE\	W DRILL	Horizontal			1280	
OPERATOR		011198			TICE	50 MG
ALCHEMIS	ST ENERGY, LLC		This permit	and any al payment fo	llowable assign or fee(s) submi	ned may be
545 E JOHN	CARPENTER FW		Co	mmission	is not honored	i.
STE 1550	75062-0000		Dist		e Telephone N 884-5581	NO:
LEASE NAME	75062-0000		WELL NUM	02000000000000000000000000000000000000	304-3301	
	YORKTOWN	STATE UNIT	WEED NOW	IDLK	87H	
LOCATION			TOTAL DEF	PTH		
1	8.8 miles NW dire	ction from PECOS			13000	
Section, Block and/or	Survey			-7		
SECTION ₹ 38			RACT ∢ 3173	3		
SURVEY ∢ T&P	RR CO / BROWN	1, J A				
	VEVIINES		DISTANCE	TO NEA	REST LEASE	LINE
DISTANCE TO SUR		4500 # E			r.	
	700 ft. S	1530 ft. E			ft.	arterior Designation of the same
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FIELD(s) and LIMITA FIELD NAME LEASE NAME PHANTOM (WOL	700 ft. S SE LINES 700 ft. S ATIONS: * SE FCAMP) WN STATE UNIT FILE(s) FOR FIELD: H	1530 ft. E E FIELD DISTRICT FOR REPORTING	ACRES NEAREST LEA	See F S * DEPTH ASE 12,44	WELL # NEAREST 7 87 739	OW DIS TWE TH OS
FIELD(s) and LIMITA FIELD NAME LEASE NAME PHANTOM (WOL	700 ft. S SE LINES 700 ft. S ATIONS: * SE FCAMP) WN STATE UNIT FILE(s) FOR FIELD: F This is a hydrogen isolated and test fields with SWR:	1530 ft. E E FIELD DISTRICT FOR REPORTING	ACRES NEAREST LEA 1280.00	See F DEPTH ASE 12,44	WELL # NEAREST 7 87 739	DIST WE
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FIELD(s) and LIMIT. FIELD NAME LEASE NAME PHANTOM (WOL YORKTO	700 ft. S SE LINES 700 ft. S ATIONS: * SE LFCAMP) WN STATE UNIT This is a hydroge isolated and test Fields with SWR individually price	1530 ft. E E FIELD DISTRICT FOR REPORTING dorizontal en sulfide field. Hydrogen Sulfide I ged per State Wide Rule 36 and a For 10 authority to downhole commingle for to commingling production.	ACRES NEAREST LEA 1280.00	See F DEPTH ASE 12,44	WELL # NEAREST 7 87 739	DIST WE
FIELD(s) and LIMIT. FIELD NAME LEASE NAME PHANTOM (WOL YORKTO	700 ft. S SE LINES 700 ft. S ATIONS: * SE FCAMP) WN STATE UNIT This is a hydroge isolated and test Fields with SWR individually price Lateral: TH1 Penetration Point Lease Lines:	1530 ft. E E FIELD DISTRICT FOR REPORTING Horizontal en sulfide field. Hydrogen Sulfide In the second of the se	ACRES NEAREST LEA 1280.00	See F DEPTH ASE 12,44	WELL # NEAREST 7 87 739	DIST WE
FIELD(s) and LIMIT. FIELD NAME LEASE NAME PHANTOM (WOL YORKTO	700 ft. S SE LINES 700 ft. S ATIONS: * SE LFCAMP) WN STATE UNIT This is a hydrogenisolated and tests Fields with SWR individually price Lateral: TH1 Penetration Point Lease Lines: Terminus Location BH County: REEV	## 1530 ft. E E FIELD DISTRICT FOR REPORTING ## Sulfide field. Hydrogen Sulfide Incided per State Wide Rule 36 and a Found of authority to downhole commingle for to commingling production. E Location 25.0 F S L 1080.0 F E L 1080.0 F E L 1080.0 F E L	ACRES NEAREST LEA 1280.00 Fields with prm H-9 filed must be isola	See F DEPTH ASE 12,44	WELL # NEAREST 7 87 739	DIST WE
FIELD(s) and LIMIT. FIELD NAME LEASE NAME PHANTOM (WOL YORKTO	700 ft. S SE LINES 700 ft. S ATIONS: * SE LFCAMP) WN STATE UNIT This is a hydroge isolated and test Fields with SWR individually price individually price in the second of the second	## In the image of the common	ACRES NEAREST LEA 1280.00	See F DEPTH ASE 12,44	WELL # NEAREST 7 87 739	DIST WE
FIELD(s) and LIMIT. FIELD NAME LEASE NAME PHANTOM (WOL YORKTO	700 ft. S SE LINES 700 ft. S ATIONS: * SE LFCAMP) WN STATE UNIT This is a hydroge isolated and test Fields with SWR individually price Lateral: TH1 Penetration Point Lease Lines: Terminus Location BH County: REEV Section: 29	1530 ft. E E FIELD DISTRICT FOR REPORTING dorizontal en sulfide field. Hydrogen Sulfide In the sed per State Wide Rule 36 and a Found of authority to downhole commingle for to commingling production. E Location 25.0 F S L 1080.0 F E L Test Shock: 55 T4S Abstraction	ACRES NEAREST LEA 1280.00 Fields with prm H-9 filed must be isola	See F DEPTH ASE 12,44	WELL # NEAREST 7 87 739	DIST WE
FIELD(s) and LIMIT. FIELD NAME LEASE NAME PHANTOM (WOL YORKTO	700 ft. S SE LINES 700 ft. S ATIONS: * SE LFCAMP) WN STATE UNIT This is a hydroge isolated and test Fields with SWR individually price individually price in the second of the second	### Total Control of the Control of	ACRES NEAREST LEA 1280.00 Fields with prm H-9 filed must be isola	See F DEPTH ASE 12,44	WELL # NEAREST 7 87 739	DIST WE

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 905803	DATE PERMIT ISSUED OR AMENDED Feb 11, 2025	DISTRICT * 08
API NUMBER 42-389-41588	FORM W-1 RECEIVED Feb 07, 2025	COUNTY
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 1280
OPERATOR ALCHEMIST ENERGY, LLC 545 E JOHN CARPENTER FW STE 1550 IRVING, TX 75062-0000	NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581	
LEASE NAME YORKTOW	WELL NUMBER 87H	
LOCATION 18.8 miles NW dir	TOTAL DEPTH 13000	
Section, Block and/or Survey SECTION 38 SURVEY T&P RR CO / BROW	A CONTRACTOR OF THE SECOND CONTRACTOR OF SECOND CON	ACT ∢ 3173
DISTANCE TO SURVEY LINES 700 ft. S	DISTANCE TO NEAREST LEASE LINE ft.	
DISTANCE TO LEASE LINES 700 ft. S	DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below	
FIFI D(s) and LIMITATIONS:		this control of the c

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME LEASE NAME ACRES DEPTH

WELL # NEAREST WE

DIST

NEAREST LEASE

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.



RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION

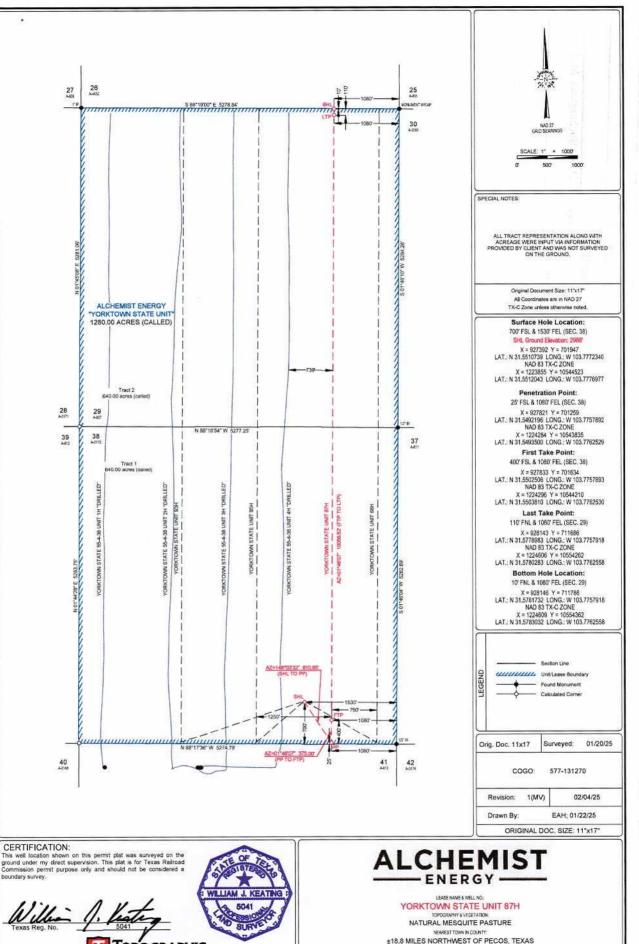
SWR #13 Formation Data

REEVES (389) County

Formation	Remarks	Geological Order	Effective Date
FORD / DELAWARE		1	02/09/2020
CASTILLE		2	02/09/2020
DELAWARE		2	02/09/2020
BELL CANYON		4	02/09/2020
DELAWARE CONSOLIDATED GAS		5	02/09/2020
CHERRY CANYON		6	02/09/2020
BONE SPRING		7	02/09/2020
PERMIAN (UNDEFINED)		8	02/09/2020
WOLFCAMP		9	02/09/2020
PENNSYLVANIAN		10	02/09/2020
MISSISSIPPIAN		11	02/09/2020
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FUSSELMAN		13	02/09/2020
ELLENBURGER		14	02/09/2020
PRECAMBRIAN (UNDIFFERENTIATED)		15	02/09/2020

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Signature Date 02/05/25

FILE NAME

LO YORKTOWN STATE UNIT 87H REV

LICATION DESCRIPTION:
SHL/PP/FTP: SECTION 38, BLOCK 55, T-4, T, & P, RR, CO, SURVEY, A-3173
LTP/BHL: SECTION 29, BLOCK 55, T-4, T, & P, RR, CO, SURVEY, A-807

REEVES COUNTY, TEXAS

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File No. MF115346
ROWS County
Drilling Permit API42.389.41588 Date Filed: 05/21/2025
Date Filed: 05 2 2025 Commissioner Dawn Buckingham, M.D.
Ву:

OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 905	5804	DATE PERMIT ISSUED OR AME Feb 11, 2025	ENDED	DISTRICT	*	08		
API NUMBER	2-389-41590	FORM W-1 RECEIVED Feb 07, 2025		COUNTY	RE	EVES		
TYPE OF OPERATION NEW [Same and the	WELLBORE PROFILE(S) Horizontal		ACRES		1280		
OPERATOR					NO	OTICE		
			011198		and any a ayment f mmission rict Office	allowable for fee(s) n is not h	submitted to onored. none No:	
LEASE NAME	YORKTOWN	STATE UNIT		WELL NUM		931		
LOCATION	N !! N N A / - !	-ti france DECCC		TOTAL DEP	тн	40	000	
	S CENTRAL PROPERTY	ction from PECOS				13	000	
Section, Block and/or Sur SECTION	8	вLOCK ∢ 55 Т4S I, J A	ABSTRA	аст ∢ 3173	13			
	Y LINES			DISTANCE '	TO NEA		EASE LIN	3
DISTANCE TO SURVEY	700 ft. S	1590 ft. E				ft.		
	700 ft. S	1590 ft. E 1590 ft. E		DISTANCE T		REST W	ELL ON L) Below	EASE
DISTANCE TO LEASE L	700 ft. S ZINES 700 ft. S ONS:			PURPOSES	See F	REST W) Below	
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FIELD(s) and LIMITATION FIELD NAME LEASE NAME PHANTOM (WOLFO	700 ft. S INES 700 ft. S ONS: * SEI	1590 ft. E		PURPOSES ACRES	See F S * DEPTH	REST WILLIAM	ELL# AREST WE	
FIELD(s) and LIMITATION FIELD NAME LEASE NAME PHANTOM (WOLFO	700 ft. S ZINES 700 ft. S ONS: * SEI CAMP) N STATE UNIT	1590 ft. E		PURPOSES ACRES NEAREST LEA	See F S * DEPTH SE	W NE	ELL# AREST WE	DIST
FIELD(s) and LIMITATION FIELD NAME LEASE NAME PHANTOM (WOLFO YORKTOWN WELLBORE PROFILE FE 11 12 13 14 15 16 16 16 16 17 18 18 18 18 18 18 18 18 18	700 ft. S INES 700 ft. S ONS: * SEI CAMP) N STATE UNIT E(s) FOR FIELD: H his is a hydroge solated and test ields with SWR 1	orizontal on sulfide field. Hydrogen S ed per State Wide Rule 36 a 0 authority to downhole com r to commingling production	ulfide Fi nd a Form mingle mu	PURPOSES ACRES NEAREST LEA 1280.00	See F DEPTH SE 12,44	W NE	ELL# AREST WE 93H	DIST

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 905804	DATE PERMIT ISSUED OR AME Feb 11, 2025	NDED	DISTRICT * 08	
API NUMBER 42-389-41590	FORM W-1 RECEIVED Feb 07, 2025		COUNTY	
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal		ACRES 1280	
OPERATOR ALCHEMIST ENERGY, LLC 545 E JOHN CARPENTER FW STE 1550 IRVING, TX 75062-0000		11198	NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581	
EASE NAME YORKTOWN STATE UNIT			WELL NUMBER 93H	
LOCATION 18.8 miles NW direction from PECOS			TOTAL DEPTH 13000	
Section, Block and/or Survey SECTION 38 SURVEY T&P RR CO / BROW	BLOCK ∢ 55 T4S / N, J A	ABSTRA	ACT ∢ 3173	
DISTANCE TO SURVEY LINES 700 ft. S	1590 ft. E		DISTANCE TO NEAREST LEASE LINE ft.	
DISTANCE TO LEASE LINES 700 ft. S 1590 ft. E			DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below	
FIELD(s) and LIMITATIONS:			la de la companya de	

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME LEASE NAME ACRES **DEPTH** NEAREST LEASE

WELL# NEAREST WE

DIST

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RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION

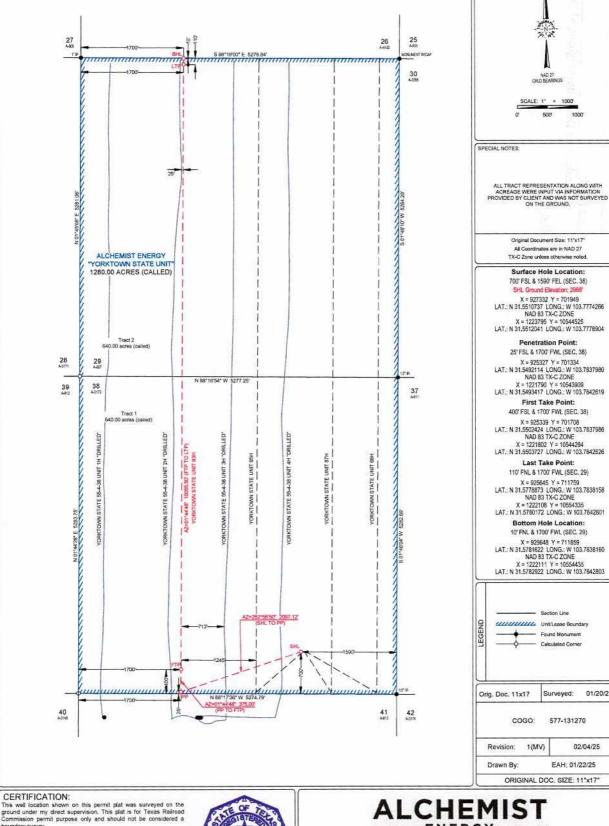
SWR #13 Formation Data

REEVES (389) County

Formation	Remarks	Geological Order	Effective Date
FORD / DELAWARE		1	02/09/2020
CASTILLE		2	02/09/2020
DELAWARE		2	02/09/2020
BELL CANYON		4	02/09/2020
DELAWARE CONSOLIDATED GAS		5	02/09/2020
CHERRY CANYON		6	02/09/2020
BONE SPRING		7	02/09/2020
PERMIAN (UNDEFINED)		8	02/09/2020
WOLFCAMP		9	02/09/2020
PENNSYLVANIAN		10	02/09/2020
MISSISSIPPIAN		11	02/09/2020
DEVONIAN		12	02/09/2020
FUSSELMAN		13	02/09/2020
ELLENBURGER		14	02/09/2020
PRECAMBRIAN (UNDIFFERENTIATED)		15	02/09/2020

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Signature Date

02/05/25

FILE NAME

LO_YORKTOWN_STATE_UNIT_93H_REV

ENERGY

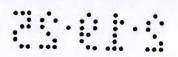
01/20/25

YORKTOWN STATE UNIT 93H

TOPOGRAPHY & VEGETATION
NATURAL MESQUITE PASTURE

±18.8 MILES NORTHWEST OF PECOS, TEXAS LOCATION DESCRIPTION

SHL/PP/FTP: SECTION 38, BLOCK 55, T-4, T. & P. RR. CO, SURVEY, A-3173 LTP/BHL: SECTION 29, BLOCK 55, T-4, T. & P. RR. CO, SURVEY, A-807 REEVES COUNTY, TEXAS



		22
File No	MFI153	46
	Rooves	County
Drilling	Permit AP142	.389.41590
Date Filed	Permit AP142 : 05/21/20	25
Com	missioner Dawn Bucki	ngham, M.D.
BA: VI	<u> </u>	

OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 905805	DATE PERMIT ISSUED OR AMENDED Feb 11, 2025	DISTRICT * 08		
API NUMBER	FORM W-1 RECEIVED	COUNTY		
42-389-41592	Feb 07, 2025	REEVES		
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES		
NEW DRILL	Horizontal	1280		
OPERATOR ALCHEMIST ENERGY, LL 545 E JOHN CARPENTER FW STE 1550 IRVING, TX 75062-0000	NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581			
LEASE NAME	/N STATE UNIT	WELL NUMBER 95H		
LOCATION	WIND FATE ONLY	TOTAL DEPTH		
	rection from PECOS	13000		
Section, Block and/or Survey SECTION 38 SURVEY T&P RR CO / BROV		ACT ∢ 3173		
DISTANCE TO SURVEY LINES 700 ft. S	1560 ft. E	DISTANCE TO NEAREST LEASE LINE ft.		
DISTANCE TO LEASE LINES 700 ft. S	DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below			
FIELD(s) and LIMITATIONS: * FIELD NAME LEASE NAME	SEE FIELD DISTRICT FOR REPORTING	ACRES DEPTH WELL# DIST		

PHANTOM (WOLFCAMP) YORKTOWN STATE UNIT		1280.00 12,447 95H 08 392		
WELLBORE PROFILE(s) FOR FIELD:	Horizontal			
isolated and t Fields with SW	ogen sulfide field. Hydrogen Sulfide F ested per State Wide Rule 36 and a For R 10 authority to downhole commingle m rior to commingling production.	m H-9 filed with the district office.		
Lateral: TH1 Penetration Po Lease Lines:	int Location 25.0 F S L	•		
Terminus Locat BH County: R Section: 29 Survey: T&P	2330.0 F E L ion EEVES Block: 55 T4S Abst	ract: 807		
Survey Lines	2330.0 F E L			

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 905805	DATE PERMIT ISSUED OR AMEN Feb 11, 2025	NDED	DISTRICT * 08			
API NUMBER 42-389-41592	FORM W-1 RECEIVED Feb 07, 2025		COUNTY			
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal		ACRES 1280			
OPERATOR ALCHEMIST ENERGY, LLC 545 E JOHN CARPENTER FW STE 1550 IRVING, TX 75062-0000	NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581					
LEASE NAME	N STATE UNIT		WELL NUMBER 95H			
LOCATION 18.8 miles NW dir	rection from PECOS		TOTAL DEPTH 13000			
Section, Block and/or Survey SECTION	BLOCK ∢ 55 T4S / N, J A	ABSTRA	ACT ∢ 3173			
DISTANCE TO SURVEY LINES 700 ft. S	1560 ft. E		DISTANCE TO NEAREST LEASE LINE ft.			
DISTANCE TO LEASE LINES 700 ft. S		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below				
EIELD(-) LIMITATIONS.						

FIELD(s) and LIMITATIONS:

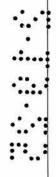
* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME LEASE NAME ACRES DEPTH NEAREST LEASE WELL# NEAREST WE

DIST

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This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.



RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION

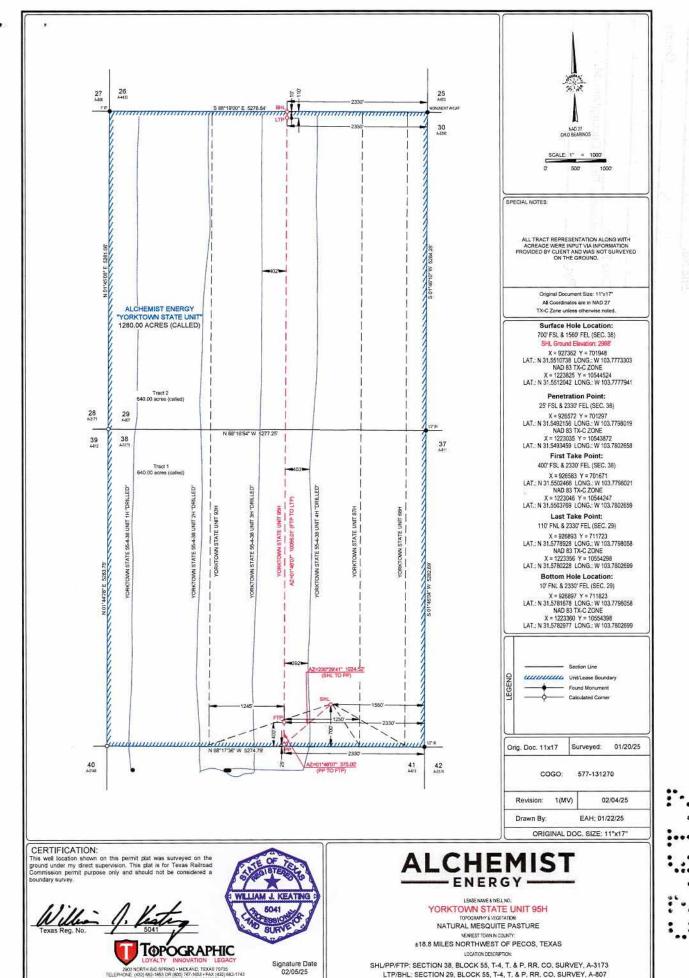
SWR #13 Formation Data

REEVES (389) County

Formation	Remarks	Geological Order	Effective Date
FORD / DELAWARE		1	02/09/2020
CASTILLE		2	02/09/2020
DELAWARE		2	02/09/2020
BELL CANYON	,	4	02/09/2020
DELAWARE CONSOLIDATED GAS		5	02/09/2020
CHERRY CANYON		6	02/09/2020
BONE SPRING		7	02/09/2020
PERMIAN (UNDEFINED)		8	02/09/2020
WOLFCAMP		9	02/09/2020
PENNSYLVANIAN		10	02/09/2020
MISSISSIPPIAN		11	02/09/2020
DEVONIAN		12	02/09/2020
FUSSELMAN		13	02/09/2020
ELLENBURGER		14	02/09/2020
PRECAMBRIAN (UNDIFFERENTIATED)		15	02/09/2020

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. The listing order of the Formation information reflects the general stratigraphic order and relative geologic age. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information. http://www.rrc.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info





02/05/25

FILE NAME:

LO YORKTOWN STATE UNIT 95H REVI

REEVES COUNTY, TEXAS

		23.
File No	MF11534	0
	Rooves	County
Drillin	nfermit API42.	389.41592
Date File	ofermit AP142. d: 05/21/2021 nmissioner Dawn Buckir	5
Cor	nmissioner Dawn Buckir	igham, M.D.



(972) 200-3554

info@alchemist.energy

545 E. John Carpenter Freeway Suite 1550 Irving, TX 75062



February 27, 2025

Texas General Land Office Attn: Joy McCauley PO Box 12873 Austin, Texas 78711

Dear Ms. McCauley,

Please let this letter serve as Alchemist Energy LLC's formal intent to spud notice for the following wells located in Sections 38 and 29, Block 55, T4S in Reeves County, Texas. We plan to spud the initial well on this pad on Friday, March 14, 2025.

Yorktown State Unit #68H Yorktown State Unit #87H Yorktown State Unit #93H Yorktown State Unit #95H

Please let me know if there is anything else I can provide you with in the meantime.

Thank you,

Julie Matthews
Senior Landman
Alchemist Energy
545 E. John Carpenter Fwy, Suite 1550
Irving, TX 75062
Cell: 713-825-9646 | jmatthews@alchemist.energy
www.alchemist.energy

File No. MF115346

Rolles County

Notice of Spud Unit 8369

Date Filed: 05 21 2025

Commissioner Dawn Buckingham, M.D.

By: TM



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

Anadarko E&P Onshore LLC

Attn: Anna Anklam

PO Box 1330

Houston, TX 77251-1330

Billing Date:

5/21/2025

Billing Due Date: 6/20/2025

Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25100804	MF115346	\$2,395.26	\$0.00	\$242.02	\$254.44	\$2,891.72
Total Due		\$2,395.26	\$0.00	\$242.02	\$254.44	\$2,891.72

Penalty and interest have been calculated thru 5/31/2025. Payment remitted after 5/31/2025 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

Anadarko E&P Onshore LLC

Billing Date: 5/21/2025

Billing Due Date: 6/20/2025

Customer Number: C000044444

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

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Amt. Paid						

Customer ID: Invoice Number: C000044444

Sept 2023 - Aug 2024

Data Filed:

GLO Review: Review Period:

GLO Lease: Jan G TVMF115346 Class (1916) ANADARKO E&P ONSHORE LLC

Category Gas Auditor/AE: Enc M Billing Date: 5/19/2025

P&I Calculation Date: 5/31/2025 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	interest Rate From Additional Royalty2	Revenue Due
Sep-23	08-283586	1862		1 \$1,779	1) (//	\$3,312.04	\$414.01	\$0.00	\$414.01	563	8,50%	\$41.40	\$48.59	\$504.00
Oct-23	08-283586	2055		1 \$1,318		\$2,709.40	\$338,67	\$0.00	\$338,67	533	8.50%	\$33.87	\$37.38	\$409.92
Nov-23	08-283586	1472		1 \$1,223		\$1,800.51	\$225.06	\$0.00	\$225.06	502	9.50%	\$25.00	\$25.95	\$276.01
Dec-23	08-283586	2551		1 \$1.534	WE 484/19	\$3,913.04	\$489,13	\$0.00	\$489.13	471	9,50%	\$48,91	\$52.45	\$590.49
Jan-24	08-283586	2399		1 \$2.072		\$4,971.89	\$621,49	\$0.00	\$621.49	442	9,50%	\$62.15	\$61,95	\$745.59
Feb-24	08-283586	2020		\$1.215		\$2,455.17	\$306,90	\$0.00	\$306.90	411	9.50%	\$30,69	\$28.12	\$365.71
TOTALS		12,359				\$19,162.05	\$2,395.26	\$0.00	\$2,395.26			\$242.02	\$254.44	\$2,891.72

COMMENTS:

BILLING IS FOR UNDERREPORTED VOLUMES FOR RRC ID:

08-283586

08-290235

08-290236 08-290239

COLUMN (3)

UNDERERPORTED VOLUMES REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC

COLUMNS (5) & (6)

AVERAGE PRICE IS CALCUALTED AND USED IN THE CALCULATION

COLUMNS (12),(13),(14)

PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:

http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.martinez@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 martinez@glo.texas.gov NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

Cindy Bao

Leonardo Garza

EMAIL:

Cindy_Bao@oxy.com

Leonardo_Garza@oxy.com

File No.MF (15 346

County

Recon Billing

County

Date Filed: 6 11 20 25

Commissioner Dawn Buckingham, M.D.

By: Vi



Texas General Land Office Reconciliation Billing

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

Commissioner Dawn Buckingham, M.D.

Anadarko E&P Onshore LLC

Attn: Anna Anklam

PO Box 1330

Houston, TX 77251-1330

Billing Date:

5/21/2025

Billing Due Date: 6/20/2025

Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25100810	MF115346	\$0.00	\$438.47	\$50.00	\$21.91	\$510.38
Total Due		\$0.00	\$438.47	\$50.00	\$21.91	\$510.38

Penalty and interest have been calculated thru 5/31/2025. Payment remitted after 5/31/2025 will result in additional penalty and interest charges.

NOTICE

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Reconciliation Billing

Anadarko E&P Onshore LLC

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Texas General Land Office

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Austin, TX 78711-2873

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Customer ID:

C000044444

Invoice Number:

Date Filed:

GLO Lease: MF115346 GLO Review:

ANADARKO E&P ONSHORE LLC Review Period: Sept 2023 - Aug 2024

Category Oil Auditor/AE: Eric M

Billing Date: 5/19/2025 P&I Calculation Date: 5/31/2025

Royalty Rate: 12.50%

	Cobserve . 103	Market Commence of the San					recyulty ridio.	12.0070						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oll Volume	Tract Participation Rate	Price	вти	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of	Interest Rate For Additional	From Additional	From Additional	Revenue Due
Jul-24	08-283586	19		\$80,285		1 \$1,525.42	\$190,68	\$0.00	\$190.68	268	9.50%	\$25.00	\$10.37	\$226.05
Aug-24	08-283586	26		\$76.243		\$1,982.31	\$247.79	\$0.00	\$247.79	238	9 50%	\$25.00	\$11.54	\$284.33
TOTALS		45				\$3,607.73	\$438.47	\$0.00	\$438.47			\$50.00	\$21.91	\$510.38

COMMENTS:

BILLING IS FOR UNDERREPORTED VOLUMES FOR RRC ID:

08-283586

08-290235

08-290236 08-290239

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Leonardo Garza

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Leonardo_Garza@oxy.com

Ella Na MF	115 346
File No. 77 1	Count,
Recon	Billing
Date Filed:	6/17/2025
Commissi	oner Dawn Buckingham, M.D.