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Archives and Records Staff

ODA-0001

#8788

W/2 3 ODA-003

MF115405

State Lease	Control	Base File	County
MF115405	07-104251	116567	REEVES
MF115405	07-104304	153195	REEVES

Survey	PUBLIC SCHOOL LAND	
Block	57	
Block Name		
Township		
Section/Tract	3, 5	
Land Part		
Part Description	W2, W8	
Acres	400	
Depth Below	Depth Above	Depth Other

Leasing: [Signature]

Analyst: [Signature]

Maps: [Signature]

GIS: MC

DocuShare: _____

Name	EOG RESOURCES, INC.
Lease Date	4/29/2013
Primary Term	3 yrs
Bonus (\$)	\$300,000.00
Rental (\$)	\$0.00
Lease Royalty	0.1250

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1 RAL Review Sheet	4/19/13	scanned	pt	2-1-2019
2 Lease A	6/10/13	12. Division Order		2-7-19
3 Lease B	6/10/13	scanned	pt	2-28-2019
4 Cover Letter @ Bonus @ Fees	6/10/13	Sec #32 in M-111340 For 3rd Amd. to Grisham Unit		
5 Final Letter	8/21/13	scanned	pt	7-10-2019
scanned	sm	12/30/14		
Sec #s 44-50 For info on Zenn Unit		13. Reconciliation Billing		11/12/19
in MF-110580		scanned	sm	11/14/2019
Sec #18 in M-111893 For the		14. Division Order		12-2-19
Amd. to Snowshoe State 57-3 Unit #7929		scanned	sm	12/11/2019
Sec #'s 10-24 in M-111340 for		15. Recon Billing		4/28/2024
info on the Grisham-State Unit		scanned	wm	5-7-2024
Sec #26 in M-111340 For the 2017 Plan of		16. Recon Billing		5/12/2025
Dev. for the Grisham State Unit ONA #3		scanned	sm	05/13/2025
scanned	pt	2-10-2017		
Sec #23 in M-111893 For the 2nd				
Amd of the Snowshoe State 57-10 Unit				
scanned	pt	5-25-2017		
6. Minimum Royalty Payments	8/30/17			
scanned	pt	9-11-2017		
7. Aris #10457 EOG (to)				
Resolute Nat. Res.	11-13-17			
8. Ltr. to Resolute	1/29/18			
9. Pooling Agrmt. Packet # 8788				
Sandlot State Horiz. Unit	1/29/18			
10 Surface use agreement	8/10/18			
11 Surface damage Payment	8/10/18			
scanned	pt	8-30-2018		
Sec #s 28 & 29 in M-111340 For the				
2018 & 2019 Plan of Dev. - Grisham-State				

Sec #s 69, 74, 89 & 101 in Unit
M-110580 For the 2017-2019
Plan of Dev. & 2nd Amd to the
Zenn Unit

RAL REVIEW SHEET

Transaction # 7768

Lessor: Carrie Lyn Ford

Lessee: EOG Resources

Geologist:

Lease Date: 4/29/2013

UL ☒

Gross Acres: 400

Net Acres: 200

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	[REDACTED]	116567	W/2	3	57	00	PUBLIC SCHOOL LAND	3614
REEVES	[REDACTED]	153195	W/80 ac	5	57	00	PUBLIC SCHOOL LAND	5981

TERMS OFFERED

Primary Term: 3 years

Bonus/Acre: \$1,000.00

Rental/Acre: \$0.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 3 years

Bonus/Acre: ~~\$1,000.00~~ \$1500.00 *DR*

Rental/Acre: \$0.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF111375	EOG Resources, Inc.	4/28/2010	3 years	\$800.00	\$1.00	1/4	Last Lease
Pending	Cimrex Energy	4/1/13	3YRS	\$1000.00	\$1.00	1/4	5 Miles South

Comments: Raid Up

Approved: *DR 4.19.13*

Friday, April 19, 2013

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

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

DATE: 19-Apr-13

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

Applicant: EOG Resources

County: REEVES

Prim. Term: 3 years

Bonus/Acre

~~\$1,500.00~~
\$1,000.00

Royalty: 1/4

Rental/Acre

\$0.00

Consideration

Recommended: RMA

Date: 4/24/13

Not Recommended: _____

Comments: Paid Up

Lease Form

Recommended: RMA

Date: 4/24/13

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner

Date: 4-30-13

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: 5/2/13

Recommended: WVW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 5/6/13

Approved: OL

Not Approved: _____

Jerry Patterson, Commissioner

Date: 5/8/13

Approved: Jerry E. Patterson

Not Approved: _____

File No. 115405

RAL Review Sheet

Date Filed: 4/19/13

Jerry E. Patterson, Commissioner

By GH

The State of Texas

MF11540SA



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 29th day of April, 2013, between the State of Texas, acting by and through its agent, Carrie Lyn Ford of 1802 Devonshire Court, Midland, Texas 79705 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and EOG Resources, Inc. of PO Box 2267, Midland, Texas 79702 hereinafter called Lessee. (Give Permanent Address)

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

The West-Half (W/2) of Section 3 and the West 80 acres of Section 5, Block 57, PSL Survey

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

containing 400.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: One Hundred Fifty thousand and 00/100
Dollars (\$150,000.00)

To the owner of the soil: One Hundred Fifty thousand and 00/100
Dollars (\$150,000.00)

Total bonus consideration: Three hundred thousand and 00/100
Dollars (\$300,000.00)

The total bonus consideration paid represents a bonus of One Thousand Five Hundred and NO/100
Dollars (\$1,500.00) per acre, on 200.00 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Three 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.



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

89832-004

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

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

To the owner of the soil: SEE ATTACHED EXHIBIT "A"
Dollars (\$ _____)
To the State of Texas: _____
Dollars (\$ _____)
Total Delay Rental: _____
Dollars (\$ _____)

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

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

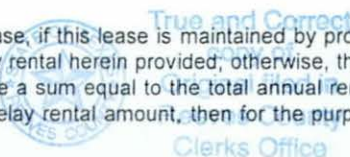
(A) **OIL.** Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall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

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

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

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

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



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

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

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

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

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

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

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

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

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

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 more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Original filed in
Reeves County
Clerks Office

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 EOG Resources, Inc.

BY: *[Signature]*

Title: Gary L. Pitts
Vice President

Date: 5-29-13

[Handwritten initials]

STATE OF TEXAS

BY: *Carrie Lyn Ford*

Individually and as agent for the State of Texas

Date: 5/17/13

Carrie Lyn Ford

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

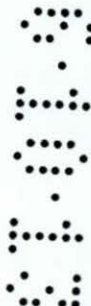
Date: _____

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____



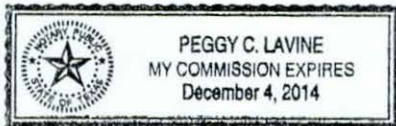
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Clerks Office

STATE OF Texas
COUNTY OF Midland

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Gary L. Pitts
known to me to be the person whose name is subscribed to the foregoing instruments as Vice President
of EOG Resources, Inc. and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 29th day of May, 2013



Peggy C. Lavine
Notary Public in and for the State of Texas

STATE OF TEXAS
COUNTY OF _____

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared _____
known to me to be the person whose name is subscribed to the foregoing instruments as _____
of _____ 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 _____ day of _____, 20____.

Notary Public in and for _____

STATE OF Texas
COUNTY OF midland

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Carrie Lyn Ford
known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

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



Katy Kuykendall
Notary Public in and for Texas

STATE OF _____
COUNTY OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared _____
known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 20____.



Notary Public in and for _____

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copy of
Original filed in
Heeves County
Clerks Office

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated April 29, 2013, between Carrie Lyn Ford, as Lessor, and EOG Resources, Inc., as Lessee.

40. Notwithstanding the terms and conditions contained in Paragraph 3 above, this is a paid up lease and the delay rentals set forth have been paid in advance, as follows:

To the owner of the soil:	Two hundred and 00/100 Dollars (\$200.00)
To the State of Texas:	Two hundred and 00/100 Dollars (\$200.00)
Total Rental:	Four hundred and 00/100 Dollars (\$400.00)



By: _____
County Clerk's Office
True and Correct
copy of
Original filed in
Reeves County
Clerks Office



Inst No. 13-03837
DIANNE O. FLOREZ
COUNTY CLERK
2013 Jun 04 at 10:50 AM
REEVES COUNTY, TEXAS
By: VE [Signature] DEPUTY

51010

File No. 115405
Lease A
Date Filed: 6/10/13
Jerry E. Patterson, Commissioner
By GH

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
the same as the same was filed for record in my office this 10th day of June, 2013,
under Clerk's File No. 13-38879 to be recorded in the
Public Public Record

Records of Reeves County, Texas

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 10th day of June, 2013.

By [Signature] Deputy, DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

The State of Texas

MF115405B



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 29th day of April, 2013, between the State of Texas, acting by and through its agent, Michael Lee Mackey of PO Box 425, Huntsville, Texas 77342 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and EOG Resources, Inc. of PO Box 2267, Midland, Texas 79702 hereinafter called Lessee. (Give Permanent Address)

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

The West-Half (W/2) of Section 3 and the West 80 acres of Section 5, Block 57, PSL Survey

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

containing 400.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: One Hundred Fifty thousand and 00/100
Dollars (\$150,000.00)

To the owner of the soil: One Hundred Fifty thousand and 00/100
Dollars (\$150,000.00)

Total bonus consideration: Three hundred thousand and 00/100
Dollars (\$300,000.00)

The total bonus consideration paid represents a bonus of One Thousand Five Hundred and NO/100
Dollars (\$1,500.00) per acre, on 200.00 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Three 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.

2013



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copy of
Original filed in
Reeves County
Clerks Office

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

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

To the owner of the soil: SEE ATTACHED EXHIBIT "A"
Dollars (\$ _____)
To the State of Texas: _____
Dollars (\$ _____)
Total Delay Rental: _____
Dollars (\$ _____)

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

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

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

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

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

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

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

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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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Clerks Office

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

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

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

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

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

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

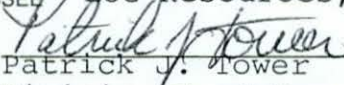
27.07.9

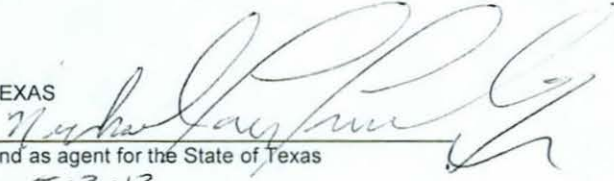


copy of
Original filed in
Reeves County
Clerks Office

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 EOG Resources, Inc.
BY: Patrick J. Tower 
Title Division Land Manager
Date: 05-16-13

STATE OF TEXAS
BY: Michael Lee Mackey 
Individually and as agent for the State of Texas
Date: 5-3-13
Michael Lee Mackey

STATE OF TEXAS
BY: _____
Individually and as agent for the State of Texas
Date: _____

STATE OF TEXAS
BY: _____
Individually and as agent for the State of Texas
Date: _____

STATE OF TEXAS
BY: _____
Individually and as agent for the State of Texas
Date: _____

27079



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

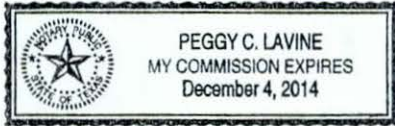
STATE OF Texas

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF Midland

BEFORE ME, the undersigned authority, on this day personally appeared Patrick J. Tower
known to me to be the person whose name is subscribed to the foregoing instruments as Division Land Manager
of EOG Resources, Inc. and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 16th day of May, 2013.



Peggy C. Lavine
Notary Public in and for the State of Texas

STATE OF TEXAS

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____
known to me to be the person whose name is subscribed to the foregoing instruments as _____
of _____ 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 _____ day of _____, 20____.

Notary Public in and for _____

STATE OF Texas

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF Walker

BEFORE ME, the undersigned authority, on this day personally appeared Michael Lee Mackey

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the 3rd day of May, 2013.



Lauri Marie Siros
Notary Public in and for _____

STATE OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 20____.

Notary Public in and for _____



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

27009

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated April 29, 2013, between Michael Lee Mackey, as Lessor, and EOG Resources, Inc., as Lessee.

40. Notwithstanding the terms and conditions contained in Paragraph 3 above, this is a paid up lease and the delay rentals set forth have been paid in advance, as follows:

To the owner of the soil:	Two hundred and 00/100 Dollars (\$200.00)
To the State of Texas:	Two hundred and 00/100 Dollars (\$200.00)
Total Rental:	Four hundred and 00/100 Dollars (\$400.00)

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
the same as the same was filed for record in my office this _____ day of _____, 2013.
My Seal and Signature are hereunto set in witness whereof my hand and official seal as County Clerk,
Reeves County, Texas, this _____ day of _____, 2013.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

copy of
this document
Original filed in
Reeves County
Texas

Inst No. 13-03836
DIANNE O. FLOREZ
COUNTY CLERK
2013 Jun 04 at 10:50 AM
REEVES COUNTY, TEXAS
By: VERA JAMESA SANCHEZ, DEPUTY

File No. 115405

Lease B

Date Filed: 6/10/13

Jerry E. Patterson, Commissioner

By GH

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Flores, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
filed for record in my office this 10 day of June, 2013 at
10:54 M., under Clerk's File No. 13-03836 to be recorded in the
Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 10 day of June, 2013.

By Dianne O. Flores Deputy,
DIANNE O. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS

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

01013

13711921

CHECK NO. 1192121418

VENDOR NO. 034232

PAGE 1 OF 1

DATE 05/28/13

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

VOUCHER NO.	INVOICE NO.	INVOICE DATE	DESCRIPTION	NET AMOUNT
232189	MAY2413B	05/24/13	0089832-004	X 150,000.00 121
			TOTAL CHECK AMOUNT	USD 150,000.00

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

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

13711925

CHECK NO. 1192118452

VENDOR NO. 034232

PAGE 1 OF 1

DATE 05/16/13

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



VOUCHER NO.	INVOICE NO.	INVOICE DATE	DESCRIPTION	NET AMOUNT
201751	MAY1513	05/15/13	89832-003	X 121 150,000.00
			TOTAL CHECK AMOUNT	USD 150,000.00

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS.

DOUG FERGUSON / LAND ACCOUNT

50992

General Land Office - State of Texas
6940 · Recording/Notary Fees

General Land Office - State of Texas

6/7/2013

25.00

X

121

13711922

DWF-Land Account

25.00

DOUG FERGUSON / LAND ACCOUNT

General Land Office - State of Texas
6940 · Recording/Notary Fees

General Land Office - State of Texas

6/7/2013

50992

25.00

50992

PAYMENT
RECORD

DWF-Land Account

25.00



DOUG FERGUSON / LAND ACCOUNT

50994

General Land Office - State of Texas
6940 · Recording/Notary Fees

General Land Office - State of Texas

6/7/2013

25.00

X

121

13711926

DWF-Land Account

25.00

DOUG FERGUSON / LAND ACCOUNT

50994

General Land Office - State of Texas
6940 · Recording/Notary Fees

General Land Office - State of Texas

6/7/2013

25.00

PAYMENT
RECORD

DWF-Land Account

25.00



DOUG FERGUSON

OIL & GAS LANDMAN

606 WEST TENNESSEE, SUITE 100
MIDLAND, TEXAS 79701

P.O. BOX 432, MIDLAND, TEXAS 79702

TEL. 432 684-4542
FAX 432 683-8450
dwf@oilproperties.com

June 7, 2013

Mr. Drew Reid
General Land Office
1700 N. Congress Ave.
Austin, TX 78701-1495

RE: Mineral Classified Lease
W/2 Section 3 and West 80 acres of Section 5, Block 57,
PSL Survey
Reeves County, Texas

Dear Drew:

Enclosed please find check # 1192121418 payable in the amount of \$150,000.00 from EOG Resources along with a Certified Copy of Oil and Gas Lease from Carrie Lyn Ford representing bonus consideration covering the surface of the captioned land. I have also enclosed my check #50992 in the amount of \$25.00 payable to the General Land Office to cover the filing fee for this lease.

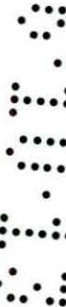
Please call if you have any questions.

Sincerely,



Doug Ferguson

DWF: klb
Enclosures



DOUG FERGUSON

OIL & GAS LANDMAN

606 WEST TENNESSEE, SUITE 100
MIDLAND, TEXAS 79701

P.O. BOX 432, MIDLAND, TEXAS 79702

TEL. 432 684-4542
FAX 432 683-8450
dwf@oilproperties.com

June 7, 2013

Mr. Drew Reid
General Land Office
1700 N. Congress Ave.
Austin, TX 78701-1495

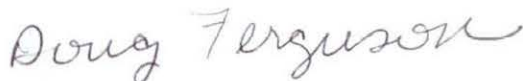
RE: Mineral Classified Lease
W/2 Section 3 and West 80 acres of Section 5, Block 57,
PSL Survey
Reeves County, Texas

Dear Drew:

Enclosed please find check # 1192118452 payable in the amount of \$150,000.00 from EOG Resources along with a Certified Copy of Oil and Gas Lease from Michael Lee Mackey representing bonus consideration covering the surface of the captioned land. I have also enclosed my check #50994 in the amount of \$25.00 payable to the General Land Office to cover the filing fee for this lease.

Please call if you have any questions.

Sincerely,



Doug Ferguson

DWF: klb
Enclosures

27.07.9

121

CASH ONLY IF ALL CheckLock™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

DOUG FERGUSON

LAND ACCOUNT
P.O. BOX 432
MIDLAND, TX 79702
(432) 684-4542

FIRSTCAPITAL BANK OF TEXAS, NA
MIDLAND, TX 79701

13709534 50546

4/16/2013

PAY TO THE
ORDER OF

General Land Office - State of Texas

\$ **100.00

One Hundred and 00/100

DOLLARS



General Land Office - State of Texas
1700 North Congress Avenue
Austin, TX 78701-1495

▲ TAMPER RESISTANT TONER AREA ▲



MEMO

⑈050546⑈

25.254

New

DOUG FERGUSON

OIL & GAS LANDMAN

606 WEST TENNESSEE, SUITE 100
MIDLAND, TEXAS 79701

P.O. BOX 432, MIDLAND, TEXAS 79702

TEL. 432 684-4542
FAX 432 683-8450
dwf@oilproperties.com

April 16, 2013

Via Federal Express

Mr. Drew Reid
General Land Office of the State of Texas
1700 N. Congress Avenue
Austin, TX 78701

Re: W/2 of Section 3 and the West 80 acres of Section 5, Block 57,
PSL Survey;
Reeves County, Texas

Dear Mr. Reid:

I have reached an agreement with the owners of the soil to purchase an Oil and Gas Lease on the captioned lands upon the expiration date of the current leases. The enclosed leases are dated 4-29-13 which is one day past the expiration date. Terms are as follows:

Bonus: \$1,000.00 per net mineral acre
Term: 3 years
Royalty: 25%

My check in the sum of \$100.00 is enclosed to cover your fee for determining if this lease is approved as to form and consideration.

Sincerely,

D Ferguson

Doug Ferguson

DWF:klb
Enclosure

C# 523
T# 7768

W/2 3
W/80 5

27.27.4

3
3
3
3
3

4
File No. 115405

Cover Letter @ Bonus @ Fees

Date Filed: 6/10/13

Jerry E. Patterson, Commissioner

By GH

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 21, 2013

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

Re: **State Lease MF 115405**

Two RAL leases covering 400 ac., Sec. 3, 5, Blk. 57, PSL
Survey, Reeves Co, TX

Dear Ms. Lavine:

The certified copies of the Relinquishment Act leases covering the referenced tract have been approved and filed in our records under Mineral File numbers as set out on Page 2. **Please refer to these numbers when making payments to the State and in all future correspondence concerning the leases. Failure to include the mineral file numbers may delay processing of any payments towards the leases.**

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 remittances are set out on Page 2 and have been applied to the State's portion of the cash bonus. In addition, we are in receipt of the filing and processing fees.

Sincerely yours,

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

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

<u>State Lease No.</u>	<u>Lessor as agent for State of TX</u>	<u>Dated</u>	<u>Recorded Vol/Page</u>	<u>Bonus Amount</u>
MF115405A	Carrie Lyn Ford	04/29/13	13-03837	\$150,000.00
MF115405B	Michael Lee Mackey	04/29/13	13-03836	\$150,000.00

File No. 115405

Final Letter

Date Filed: 8/21/13

Jerry E. Patterson, Commissioner

By GH

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

LEASE DATE	LESSOR	NUMBER OF MONTHS	MONTHS BEGINNING	LEASE NUMBER	SUF
04-29-2013	ST TX MF-115405A AGENT CARRIE LYN	00	04-29-2017	0089832	004

AGENCY LEASE NUMBER: MF115405A

IN PAYMENT OF: MINIMUM ROYALTY PAYMENT DIVISION : MIDLAND

RECORDED: Book 1004 Page 0278

TRACT: 1 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES
PROSPECT: ZENA 40.000
BASIN/LANDMAN: *
LEGAL (Part of): PSL SUR 5, BLK 57 ABST/ID# 5981 Grantee Blk 57 Sec 5

TRACT: 2 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES
PROSPECT: ZENA 160.000
BASIN/LANDMAN: *
PSL SUR 3, BLK 57 ABST/ID# 3614 Grantee Blk 57 Sec 3 QQ W2

FOR THE CREDIT OF: PAYMENT

CARRIE LYN FORD (BA# 293364L) \$200.00
1802 DEVONSHIRE CT.
MIDLAND TX 79705-0000

ACCT:

(DPS# 293364L) TOTAL BANK SERVICE CHARGE \$.00
TOTAL AMOUNT PAID \$200.00

PLEASE SIGN THIS RECEIPT COPY AND RETURN

CHECK NO.
202003



THE AMOUNT OF THIS CHECK IS IN PAYMENT OF MINIMUM ROYALTY PAYMENT
DUE PARTY OR PARTIES UNDER OIL & GAS
LEASE DESCRIBED FOR THE PERIOD STATED

LEASE DATE	LESSOR	NUMBER OF MONTHS	MONTHS BEGINNING	LEASE NUMBER	SUF
04-29-2013	ST TX MF-115405A AGENT CARRIE LYN	00	04-29-2017	0089832	004

ON BEHALF OF EOG RESOURCES INC
DATE 04-05-2017 CHECK NO. 202003

Two hundred and 00/100 Dollars

PAY TO THE ORDER OF CARRIE LYN FORD
1802 DEVONSHIRE CT.
MIDLAND TX 79705-0000

CITIBANK DELAWARE
62-20
311
AMOUNT
*****\$200.00
NOT VALID AFTER 180 DAYS

NON-NEGOTIABLE
BY _____

CITIBANK DELAWARE
NEW CASTLE DE 19720

RECEIPT OF ABOVE DESCRIBED CHECK IS HEREBY ACKNOWLEDGED
DATE _____ BY _____

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

LEASE DATE	LESSOR	NUMBER OF MONTHS	MONTHS BEGINNING	LEASE NUMBER	SUF
04-29-2013	ST TX MF-115405A AGENT CARRIE LYN	00	04-29-2017	0089832	004

AGENCY LEASE NUMBER: MF115405A

IN PAYMENT OF: MINIMUM ROYALTY PAYMENT DIVISION : MIDLAND

RECORDED: Book 1004 Page 0278

TRACT: 1 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES
PROSPECT: ZENA 40.000
BASIN/LANDMAN: *
LEGAL (Part of): PSL SUR 5, BLK 57 ABST/ID# 5981 Grantee Blk 57 Sec 5

TRACT: 2 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES
PROSPECT: ZENA 160.000
BASIN/LANDMAN: *
PSL SUR 3, BLK 57 ABST/ID# 3614 Grantee Blk 57 Sec 3 Q2 W2

FOR THE CREDIT OF: PAYMENT

STATE OF TEXAS (BA# 040650L) \$200.00
GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
1700 N CONGRESS AVE
AUSTIN TX 78711-2873
ACCT:

(DPS# 004796B) TOTAL BANK SERVICE CHARGE \$.00
TOTAL AMOUNT PAID \$200.00

PLEASE SIGN THIS RECEIPT COPY AND RETURN

CHECK NO.
202004



THE AMOUNT OF THIS CHECK IS IN PAYMENT OF MINIMUM ROYALTY PAYMENT
DUE PARTY OR PARTIES UNDER OIL & GAS
LEASE DESCRIBED FOR THE PERIOD STATED

LEASE DATE	LESSOR	NUMBER OF MONTHS	MONTHS BEGINNING	LEASE NUMBER	SUF
04-29-2013	ST TX MF-115405A AGENT CARRIE LYN	00	04-29-2017	0089832	004

ON BEHALF OF EOG RESOURCES INC
DATE 04-05-2017

CHECK NO. 202004

52-20
311

CITIBANK DELAWARE

AMOUNT

*****\$200.00

NOT VALID AFTER 180 DAYS

Two hundred and 00/100 Dollars

PAY TO
THE ORDER
OF

COMMISSIONER OF GENERAL
LAND OFFICE STATE OF TEXAS
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS AVENUE
AUSTIN TX 78701-0000

NON-NEGOTIABLE

BY

CITIBANK DELAWARE
NEW CASTLE DE 19720

RECEIPT OF ABOVE DESCRIBED CHECK IS HEREBY ACKNOWLEDGED
DATE _____ BY _____

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

LEASE DATE	LESSOR	NUMBER OF MONTHS	MONTHS BEGINNING	LEASE NUMBER	SUF
04-29-2013	ST TX MF-115405B AGENT MICHAEL LE	00	04-29-2017	0089832	003

AGENCY LEASE NUMBER: MF115405B

IN PAYMENT OF: MINIMUM ROYALTY PAYMENT DIVISION : MIDLAND

RECORDED: Book 1004 Page 0268

TRACT: 1 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES
PROSPECT: ZENA 40.000
BASIN/LANDMAN: *
LEGAL (Part of): PSL SUR 5, BLK 57 ABST/ID# 5981 Grantee Blk 57 Sec 5

TRACT: 2 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES
PROSPECT: ZENA 160.000
BASIN/LANDMAN: *
PSL SUR 3, BLK 57 ABST/ID# 3614 Grantee Blk 57 Sec 3 QQ W2

FOR THE CREDIT OF: PAYMENT

MICHAEL LEE MACKEY (BA# 293476L) \$200.00
P O BOX 425
HUNTSVILLE TX 77342-0000
ACCT:

(DPS# 293476L) TOTAL BANK SERVICE CHARGE \$.00
TOTAL AMOUNT PAID \$200.00

PLEASE SIGN THIS RECEIPT COPY AND RETURN

CHECK NO.
202001



THE AMOUNT OF THIS CHECK IS IN PAYMENT OF MINIMUM ROYALTY PAYMENT
DUE PARTY OR PARTIES UNDER OIL & GAS
LEASE DESCRIBED FOR THE PERIOD STATED

LEASE DATE	LESSOR	NUMBER OF MONTHS	MONTHS BEGINNING	LEASE NUMBER	SUF
04-29-2013	ST TX MF-115405B AGENT MICHAEL LE	00	04-29-2017	0089832	003

ON BEHALF OF EOG RESOURCES INC
DATE 04-05-2017

CHECK NO. 202001

62-20
311

CITIBANK DELAWARE

AMOUNT

*****\$200.00

NOT VALID AFTER 180 DAYS

Two hundred and 00/100 Dollars

PAY TO
THE ORDER
OF

MICHAEL LEE MACKEY
P O BOX 425
HUNTSVILLE TX 77342-0000

NON-NEGOTIABLE

BY _____

CITIBANK DELAWARE
NEW CASTLE DE 19720

RECEIPT OF ABOVE DESCRIBED CHECK IS HEREBY ACKNOWLEDGED
DATE _____ BY _____

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

LEASE DATE	LESSOR	NUMBER OF MONTHS	MONTHS BEGINNING	LEASE NUMBER	SUF
04-29-2013	ST TX MF-115405B AGENT MICHAEL LE	00	04-29-2017	0089832	003

AGENCY LEASE NUMBER: MF115405B

IN PAYMENT OF: MINIMUM ROYALTY PAYMENT DIVISION : MIDLAND

RECORDED: Book 1004 Page 0268

TRACT: 1 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES
PROSPECT: ZENA 40.000
BASIN/LANDMAN: *
LEGAL (Part of): PSL SUR 5, BLK 57 ABST/ID# 5981 Grantee Blk 57 Sec 5

TRACT: 2 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES
PROSPECT: ZENA 160.000
BASIN/LANDMAN: *
PSL SUR 3, BLK 57 ABST/ID# 3614 Grantee Blk 57 Sec 3 QQ W2

FOR THE CREDIT OF: PAYMENT

STATE OF TEXAS (BA# 040650L) \$200.00
GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
1700 N CONGRESS AVE
AUSTIN TX 78711-2873
ACCT:

(DPS# 004796B) TOTAL BANK SERVICE CHARGE \$.00
TOTAL AMOUNT PAID \$200.00

PLEASE SIGN THIS RECEIPT COPY AND RETURN

CHECK NO.
202002



THE AMOUNT OF THIS CHECK IS IN PAYMENT OF MINIMUM ROYALTY PAYMENT
DUE PARTY OR PARTIES UNDER OIL & GAS
LEASE DESCRIBED FOR THE PERIOD STATED

LEASE DATE	LESSOR	NUMBER OF MONTHS	MONTHS BEGINNING	LEASE NUMBER	SUF
04-29-2013	ST TX MF-115405B AGENT MICHAEL LE	00	04-29-2017	0089832	003

ON BEHALF OF EOG RESOURCES INC
DATE 04-05-2017

CHECK NO. 202002

62-20
311

CITIBANK DELAWARE

AMOUNT

*****\$200.00

NOT VALID AFTER 180 DAYS

PAY TO
THE ORDER
OF

COMMISSIONER OF GENERAL
LAND OFFICE STATE OF TEXAS
STEPHEN F AUSTIN BUILDING
1700 N CONGRESS AVENUE
AUSTIN TX 78701-0000

NON-NEGOTIABLE

BY

CITIBANK DELAWARE
NEW CASTLE DE 19720

RECEIPT OF ABOVE DESCRIBED CHECK IS HEREBY ACKNOWLEDGED
DATE _____ BY _____

6

File No. M-115405

Minimum Royalty Payments County

Date Filed: 8/30/17

George P. Bush, Commissioner

By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 13, 2017

Audrey Close, CPLTA
Resolute Natural Resources Company, LLC
1700 Lincoln Street, Ste 2800
Denver, CO 80203

#7

RE: Assignment ID 10457 – MF 115405 A&B, MF115502 and MF116096 A-D
Reeves County

Dear Ms. Close:

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

Assignment and Bill of Sale, effective June 1, 2017, from EOG Resources, Inc., Assignor to Resolute Natural Resources Southwest, LLC, Assignee. Filed for record under Vol. 1440, Pg. 0751.

Filing fees in the amount of \$175.00 were received on the referenced assignment.

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

Best regards,

Carl Bonn, CPL
Mineral Leasing – Energy Resources

Resolute

September 14, 2017

Texas General Land Office
Attn: Energy Resources
1700 N. Congress Ave.
Austin, TX 78701

Fedex Overnight

RE: Certified Assignment for your files

Please find the following certified copy for your files along with check number 1000134370 in the amount of \$175.00 for filing fees.

RSW File #	Document
TXC0879	Asgn – EOG Resources, Inc. to Resolute Natural Resources Southwest, LLC

Applies to the following Mineral Files:

Mineral File #	Amount
MF-115405B	\$25.00
MF-115405A	\$25.00
MF-115502	\$25.00
MF-116096B	\$25.00
MF-116096A	\$25.00
MF-116096C	\$25.00
MF-116096D	\$25.00

Meeker Inv

Sincerely,

Audrey Close
Audrey Close, CPLTA
Senior Lease Analyst

/ac

RESOLUTE NATURAL RESOURCES

1700 Lincoln Street
Suite 2800
Denver CO 80203

Resolute

Check Number 1000134370

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
06076-083117-CKRQ	08/31/2017	PROCESSING/FILING FEE - 7 LEASES	175.00	0.00	175.00

X

129

18700683



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

Texas General Land Office ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

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

County	Volume	Page	Execution Date/Effective Date
Reeves	1440	0751	6/20/17 / 6/1/17

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

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks: 100% in lands described

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

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. <u>115405B</u>	<u>Reeves</u>	<u>57</u>	<u>5</u>	<u>W 80 Acres</u>	<u>—</u>
2. <u>115405A</u>	<u>Reeves</u>	<u>57</u>	<u>5</u>	<u>W 80 Acres</u>	
3. <u>115502</u>	<u>Reeves</u>	<u>57</u>	<u>8</u>	<u>37.5 acre TR. - see attached descript.</u>	<u>—</u>
4. <u>116096B</u>	<u>Reeves</u>	<u>57</u>	<u>8</u>	<u>25 acre TR + 37.5 acre TR - see attached descript.</u>	<u>—</u>

A. Close
Preparer's Signature

Andrew Close
Name (please print)

aclose@resoluteenergy.com
E-Mail Address

(303) 573-4886 ext. 1250
Telephone Number

Sr. Lease Analyst
Title

8/28/17
Date

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



Resolute Energy Corp.
Company Name

1700 Lincoln St. Ste. 2800
Mailing Address

Denver, CO 80203
City/State/Zip

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

Texas General Land Office ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

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

County	Volume	Page	Execution Date/Effective Date

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

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1.				
2.				
3.				
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. 116096A	Reeves	57	8	25ac TR + 37.5ac TR	- See attached descript
2. 116096C	Reeves	57	8	25ac TR + 37.5ac TR	- " "
3. 116096D	Reeves	57	8	25ac TR + 37.5ac TR	" "
4.					

Preparer's Signature

Title

Company Name

Name (please print)

Date

Mailing Address

E-Mail Address

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

City/State/Zip

Telephone Number



Metes and Bounds Description of lands assigned:

Assigned all depths under each described tract.

Lease #: MF-115502

Insofar and only insofar as to the 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, TX. Beginning at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88 degrees 40'30" E, a distance of 1653.93 feet; Thence S 88 degrees 40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract; Thence S 01 degrees 32'04" W, a distance of 1645.27 feet, being the Southeast corner of this tract; Thence N 88 degrees 41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract; Thence N 01 degrees 33'40" E, a distance of 1645.54 feet to the Point of Beginning containing 37.50 acres.

Lease #: MF-116096B

Insofar and only insofar as to the 25.0 acre tract described below as tract 1 and the 37.5 acre tract described below as tract 2:

Tract 1: 25.00 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, TX. Beginning at the Northeast corner of said 25.00 acre tract in said Section 8, also being the calculated Northeast corner of said Section 8; Thence s 01 degrees 31'00" W, a distance of 1645.09 feet, being the Southeast corner of this tract; Thence N 88 degrees 41'26" W, a distance of 662.09 feet, being the Southwest corner of this tract; Thence N 01 degrees 32'04" E, a distance of 1645.27 feet, being the Northwest corner of this tract; Thence S 88 degrees 40'30" E, a distance of 661.57 feet, to the Point of Beginning containing 25.00 acres.

Tract 2: 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, TX. Beginning at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88 degrees 40'30" E, a distance of 2646.29 feet; Thence S 88 degree 40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract; Thence S 01 degrees 33'41" W, a distance of 1645.54 feet, being the Southeast corner of this tract; Thence N 88 degrees 41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract; Thence N 01 degrees 35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

Lease #: MF-116096A

Insofar and only insofar as to the 25.0 acre tract described below as tract 1 and the 37.5 acre tract described below as tract 2:

Tract 1: 25.00 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, TX. Beginning at the Northeast corner of said 25.00 acre tract in said Section 8, also being the calculated Northeast corner of said Section 8; Thence S 01 degrees 31'00" W, a distance of 1645.09 feet, being the Southeast corner of this tract; Thence N 88 degrees 41'26" W, a distance of 662.09 feet, being the Southwest corner of this tract; Thence N 01 degrees 32'04" E, a distance of 1645.27 feet, being the Northwest corner of this tract; Thence S 88 degrees 40'30" E, a distance of 661.57 feet, to the Point of Beginning containing 25.00 acres.

Tract 2: 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, TX. Beginning at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88 degrees 40'30" E, a distance of 2646.29 feet; Thence S 88 degree 40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract; Thence S 01 degrees 33'41" W, a distance of 1645.54 feet, being the Southeast corner of this tract; Thence N 88 degrees 41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract; Thence N 01 degrees 35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

Lease #: MF-116096C

Insofar and only insofar as to the 25.0 acre tract described below as tract 1 and the 37.5 acre tract described below as tract 2:

Tract 1: 25.00 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, TX. Beginning at the Northeast corner of said 25.00 acre tract in said Section 8, also being the calculated Northeast corner of said Section 8; Thence S 01 degrees 31'00" W, a distance of 1645.09 feet, being the Southeast corner of this tract; Thence N 88 degrees 41'26" W, a distance of 662.09 feet, being the Southwest corner of this tract; Thence N 01 degrees 32'04" E, a distance of 1645.27 feet, being the Northwest corner of this tract; Thence S 88 degrees 40'30" E, a distance of 661.57 feet, to the Point of Beginning containing 25.00 acres.

Tract 2: 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, TX. Beginning at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88 degrees 40'30" E, a distance of 2646.29 feet; Thence S 88 degree 40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract; Thence S 01 degrees 33'41" W, a distance of 1645.54 feet, being the Southeast corner of this tract; Thence N 88 degrees 41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract;

Thence N 01 degrees 35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

Lease #: MF-116096D

Insofar and only insofar as to the 25.0 acre tract described below as tract 1 and the 37.5 acre tract described below as tract 2:

Tract 1: 25.00 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, TX. Beginning at the Northeast corner of said 25.00 acre tract in said Section 8, also being the calculated Northeast corner of said Section 8; Thence s 01 degrees 31'00" W, a distance of 1645.09 feet, being the Southeast corner of this tract; Thence N 88 degrees 41'26" W, a distance of 662.09 feet, being the Southwest corner of this tract; Thence N 01 degrees 32'04" E, a distance of 1645.27 feet, being the Northwest corner of this tract; Thence S 88 degrees 40'30" E, a distance of 661.57 feet, to the Point of Beginning containing 25.00 acres.

Tract 2: 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, TX. Beginning at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88 degrees 40'30" E, a distance of 2646.29 feet; Thence S 88 degree 40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract; Thence S 01 degrees 33'41" W, a distance of 1645.54 feet, being the Southeast corner of this tract; Thence N 88 degrees 41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract; Thence N 01 degrees 35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

17-11388
FILED FOR RECORD
REEVES COUNTY, TEXAS
Jul 07, 2017 at 11:29:00 AM
MF 115405-A-B
MF 115502
MF 116096-A-D
eH 6-1-17

ASSIGNMENT AND CONVEYANCE

STATE OF TEXAS §
COUNTY OF REEVES §

THIS ASSIGNMENT AND CONVEYANCE (this "Assignment"), is made and effective as of 8:00AM EST on June 1, 2017. **EOG RESOURCES, INC.**, whose address is P.O. Box 2267, Midland, TX 79702, who shall herein after be called "Grantor," for \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound by this instrument, hereby ASSIGNS, TRANSFERS, and CONVEYS to **RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC**, whose address is 1700 Lincoln Street, Suite 2800, Denver, CO 80203, and who shall herein after be called "Grantee", the following described properties, rights and interests located in Reeves County, Texas:

In accordance with that certain Letter Agreement dated May 9, 2017, by and between EOG Resources, Inc. and Resolute Natural Resources Southwest, LLC, as amended ("Letter Agreement"), Grantor delivers to Grantee an assignment of all of its right, title and interest in and to the oil and gas leases listed on Exhibit "A" insofar and only insofar as such leases relate to the lands and depths described in Exhibit "A" ("Leases") attached hereto and made a part hereof;

The Leases do not include claims, causes in action and similar rights to payment or performance, arising, occurring or existing in favor of Grantor prior to the date of this Assignment or arising out of the ownership or operation of the Leases prior to the date of this Assignment, including without limitation all contract rights, claims, receivables, payables, revenues, recoupment rights, recovery rights, accounting adjustments, mispayments, erroneous payments, or other claims of any nature relating and accruing to any time period prior to the date of this Assignment.

TO HAVE AND TO HOLD the Leases unto Grantee, its successors and assigns, forever. Grantor does hereby warrant, in accordance with the Letter Agreement, that title to the Leases is free and clear of all liens, claims, security interests, mortgages, charges and encumbrances arising by, through or under Grantor, but not otherwise. Grantee is hereby subrogated to all covenants and warranties of title by third parties given or made to Grantor or their predecessors in title in respect of any of the Leases.

This Assignment is made subject to the Letter Agreement, which contains certain representations, warranties and agreements between the parties concerning the Leases, some of which may survive the delivery of this Assignment, as provided in the Letter Agreement, and are incorporated into this Assignment as if restated in full in this Assignment. Notwithstanding the foregoing, third parties may conclusively rely on this Assignment to vest title to the Leases in Grantee. In the event of any conflict between this Assignment and the Letter Agreement, the terms set forth in the Letter Agreement will prevail.

Grantor will sign, acknowledge, and deliver to Grantee, from time to time, all such other and additional conveyances, instruments, notices, division orders, transfer order, releases, acquittances, and other documents, and will do all such other and further acts and things as may be reasonably necessary to more fully and effectively grant, convey and assign the Leases to Grantee.

This Assignment may be signed in multiple counterparts, all of which are identical and constitute one and the same instrument.

[Remainder of this page intentionally left blank]

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

GRANTOR:

EOG RESOURCES, INC.

By: [Signature]
Name: Ezra Yacob
Title: Vice President and General Manager

CS
W

GRANTEE:

RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC

By: _____
Name: Bill Alleman
Title: Vice President – Land

STATE OF TEXAS
COUNTY OF MIDLAND

This instrument was acknowledged before me on this 19 day of May 2017 by Ezra Yacob as Vice President and General Manager of EOG Resources, Inc., a Delaware corporation, on behalf of said corporation.



Katherine Hathcock
Notary Public
My Commission Expires: 2-29-20

STATE OF COLORADO
CITY & COUNTY OF DENVER

On this the ____ day of May 2017, before me, personally appeared Bill Alleman, to me known to be the Vice President – Land of Resolute Natural Resources Southwest, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

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

Notary Public
My Commission Expires: _____

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True & Correct Copy of a
Document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 7

GRANTOR:

EOG RESOURCES, INC.

By: _____
Name: Ezra Yacob
Title: Vice President and General Manager

GRANTEE:

RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC

By: 
Name: Bill Alleman
Title: Vice President – Land

V
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STATE OF TEXAS
COUNTY OF MIDLAND

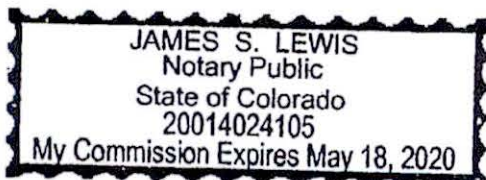
This instrument was acknowledged before me on this ____ day of _____, 2017 by Ezra Yacob as Vice President and General Manager of EOG Resources, Inc., a Delaware corporation, on behalf of said corporation.

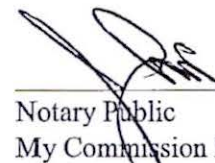
Notary Public
My Commission Expires: _____

STATE OF COLORADO
CITY & COUNTY OF DENVER

On this the 20th day of June, 2017, before me, personally appeared Bill Alleman, to me known to be the Vice President – Land of Resolute Natural Resources Southwest, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

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




Notary Public
My Commission Expires: 5/18/20

True & Correct Copy of a
Document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 3 of 7

EXHIBIT "A"

ATTACHED TO AND MADE PART OF ASSIGNMENT AND CONVEYANCE DATED EFFECTIVE AS OF JUNE 1, 2017, BETWEEN EOG RESOURCES, INC. (GRANTOR) AND RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC (GRANTEE)

Leases

EOG Lease No: 0089832-003
GLO Lease No.: ✓ MF-115405B
Lessor: State of Texas, acting by and through its agent, Michael Lee Mackey
Lessee: EOG Resources, Inc.
Date: 04/29/2013
Recording: Volume 1004, Page 0268, Official Public Records, Reeves County, Texas

Description: INSOFAR AND ONLY INSOFAR AS TO THE 80 ACRE TRACT DESCRIBED BELOW:
The West 80 acres of Section 5, Block 57, Public School Land Survey, A-5981, Reeves County, Texas

EOG Lease No: 0089832-004
GLO Lease No.: ✓ MF-115405A
Lessor: State of Texas, acting by and through its agent, Carrie Lyn Ford
Lessee: EOG Resources, Inc.
Date: 04/29/2013
Recording: Volume 1004, Page 0278, Official Public Records, Reeves County, Texas
Description: INSOFAR AND ONLY INSOFAR AS TO THE 80 ACRE TRACT DESCRIBED BELOW:
The West 80 acres of Section 5, Block 57, Public School Land Survey, A-5981, Reeves County, Texas

EOG Lease No: 0280129-000
GLO Lease No.: ✓ MF-115502
Lessor: Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas
Lessee: Cinco Land & Exploration, Inc.
Date: 07/16/2013
Recording: Volume 1028, Page 452, Official Public Records, Reeves County, Texas
Description: INSOFAR AND ONLY INSOFAR AS TO THE 37.5 ACRE TRACT DESCRIBED BELOW:
Metes and Bounds description of a 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas. BEGINNING at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88°40'30" E, a distance of 1653.93 feet;
Thence S 88°40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract;
Thence S 01°32'04" W, a distance of 1645.27 feet, being the Southeast corner of this tract;
Thence N 88°41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract;
Thence N 01°33'41" E, a distance of 1645.54 feet to the Point of Beginning containing 37.50 acres.

EOG Lease No: 0280130-001
GLO Lease No.: ✓ MF-116096B
Lessor: State of Texas, by and through its agent, Julian Wade Meeker, Co-Trustee, and James L. Meeker (successor), Co-Trustee, Under the Will of J.R. Meeker, deceased, for the lifetime benefit of L.H. Meeker

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 4 of 7

Lessee: Resolute Natural Resources Southwest, LLC
Date: 07/01/2013
Recording: Volume 1028, Page 265, Official Public Records, Reeves County, Texas
Description: INsofar AND ONLY INsofar AS TO THE 25.0 ACRE TRACT DESCRIBED BELOW AS TRACT 1 AND THE 37.5 ACRE TRACT DESCRIBED BELOW AS TRACT 2:

Tract 1: Metes and Bounds description of a 25.00 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas.

BEGINNING at the Northeast corner of said 25.00 acre tract in said Section 8, also being the calculated Northeast corner of said Section 8;
Thence S 01°31'00" W, a distance of 1645.09 feet, being the Southeast corner of this tract;
Thence N 88°41'26" W, a distance of 662.09 feet, being the Southwest corner of this tract;
Thence N 01°32'04" E, a distance of 1645.27 feet, being the Northwest corner of this tract;
Thence S 88°40'30" E, a distance of 661.57 feet, to the Point of Beginning containing 25.00 acres.

Tract 2: Metes and Bounds description of a 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas.

BEGINNING at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88°40'30" E, a distance of 2646.29 feet;
Thence S 88°40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract;
Thence S 01°33'41" W, a distance of 1645.54 feet, being the Southeast corner of this tract;
Thence N 88°41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract;
Thence N 01°35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

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EOG Lease No: 0280130-002
GLO Lease No.: ✓ MF-116096A
Lessor: State of Texas, by and through its agent, Meeker Investments, Inc., by J.J. Meeker, Manager

Lessee: Resolute Natural Resources Southwest, LLC
Date: 07/01/2013
Recording: Volume 1026, Page 347, Official Public Records, Reeves County, Texas
Description: INsofar AND ONLY INsofar AS TO THE 25.0 ACRE TRACT DESCRIBED BELOW AS TRACT 1 AND THE 37.5 ACRE TRACT DESCRIBED BELOW AS TRACT 2:

Tract 1: Metes and Bounds description of a 25.00 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas.

BEGINNING at the Northeast corner of said 25.00 acre tract in said Section 8, also being the calculated Northeast corner of said Section 8;
Thence S 01°31'00" W, a distance of 1645.09 feet, being the Southeast corner of this tract;
Thence N 88°41'26" W, a distance of 662.09 feet, being the Southwest corner of this tract;
Thence N 01°32'04" E, a distance of 1645.27 feet, being the Northwest

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Dianne Q. Florez, County Clerk
Page 5 of 7

BEGINNING at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88°40'30" E, a distance of 2646.29 feet;
Thence S 88°40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract;
Thence S 01°33'41" W, a distance of 1645.54 feet, being the Southeast corner of this tract;
Thence N 88°41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract;
Thence N 01°35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

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EOG Lease No: 0280130-003

GLO Lease No.: ✓ MF-116096C

Lessor: State of Texas, by and through its agent, Windi Grimes, Sole Trustee of the AWP 1983 Trust

Lessee: Resolute Natural Resources Southwest, LLC

Date: September 29, 2013

Recording: Volume 1032, Page 272, Official Public Records, Reeves County, Texas

Description:

INSOFAR AND ONLY INSOFAR AS TO THE 25.0 ACRE TRACT DESCRIBED BELOW AS TRACT 1 AND THE 37.5 ACRE TRACT DESCRIBED BELOW AS TRACT 2:

Tract 1: Metes and Bounds description of a 25.00 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas.

BEGINNING at the Northeast corner of said 25.00 acre tract in said Section 8, also being the calculated Northeast corner of said Section 8;
Thence S 01°31'00" W, a distance of 1645.09 feet, being the Southeast corner of this tract;

Thence N 88°41'26" W, a distance of 662.09 feet, being the Southwest corner of this tract;

Thence N 01°32'04" E, a distance of 1645.27 feet, being the Northwest corner of this tract;

Thence S 88°40'30" E, a distance of 661.57 feet, to the Point of Beginning containing 25.00 acres.

Tract 2: Metes and Bounds description of a 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas.

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Thence S 88°40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract;

Thence S 01°33'41" W, a distance of 1645.54 feet, being the Southeast corner of this tract;

Thence N 88°41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract;

Thence N 01°35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

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EOG Lease No: 0280130-004

GLO Lease No.: ✓ MF-116096D

Lessor: State of Texas, by and through its agent, Bank of America, N.A., Trustee of the Charles R. Meeker Trust, U/A dated July 6, 1992, but amended and restated on June 5, 1998, represented herein by Janet Cunningham, Trust Officer

Lessee: Resolute Natural Resources Southwest, LLC

Date: September 29, 2013

Recording: Volume 1035, Page 481, Official Public Records, Reeves County, Texas

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Reeves County Texas,
Dianne O. Florez, County Clerk
Page 6 of 7

Description:

INSOFAR AND ONLY INSOFAR AS TO THE 25.0 ACRE TRACT DESCRIBED BELOW AS TRACT 1 AND THE 37.5 ACRE TRACT DESCRIBED BELOW AS TRACT 2:

Tract 1: Metes and Bounds description of a 25.00 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas.

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Thence N 88°41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract;

Thence N 01°35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

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Reeves County Texas,
Dianne O. Florez, County Clerk
Page 7 of 7

Inst No. 17-11388
DIANNE O. FLOREZ
COUNTY CLERK
2017 Jul 07 at 11:29 AM
REEVES COUNTY, TEXAS
By: ER E. Ray, DEPUTY

7

File No. ME 115405

Assign #10457

EOG (b) Revolute

Date Filed: 11-13-67

George P. Bush, Commissioner

By [Signature]

0.727

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. 1440, PAGE 151, THRU 151.

I hereby certified on 8 30 17



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY [Signature] DEPUTY



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 29, 2018

Mr. James Russell Robinson
Resolute Natural Resources Southwest, LLC
1700 Lincoln Street, Suite 2800
Denver, Colorado 80203

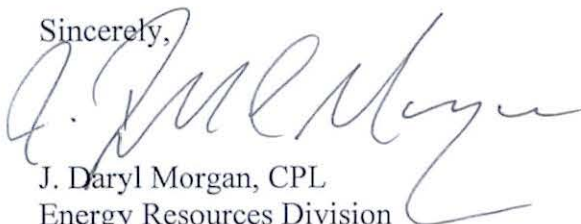
Re: Pooling Agreement
Sandlot State Horizontal Unit
GLO Unit No. 8788
Reeves County, Texas

Dear Mr. Robinson,

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

(8)

File No. M-115405

Ltr. to Resolve County

Date Filed: 1/29/18

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA170166

Unit Number 8788
Operator Name Resolute Natural Resources Southwest, LLC Effective Date 11/07/2017
Customer ID C000051892 Unitized For Oil And Gas
Unit Name Sandlot State Horizontal Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.13046396
State Part in Unit 1.00000000
Unit Depth Specified Depths Well
From Depth Surface Formation Base of Wolfcamp
To Depth Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF115405	1	79.950000	861.920000	0.09275803	O/G	0.12500000	0.01159475	No
MF118165	2	245.360000	861.920000	0.28466679	O/G	0.12500000	0.03558335	
MF118666	3	4.372758	861.920000	0.00507328	O/G	0.12500000	0.00063416	No
MF117292	4	426.145125	861.920000	0.49441378	O/G	0.12500000	0.06180172	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF115502	5	37.676000	861.920000	0.04371171	O/G	0.25000000	0.01092793	No
MF116096	6	62.794000	861.920000	0.07285363	O/G	0.12500000	0.00910670	No
MF119091	7	5.622117	861.920000	0.00652278	O/G	0.12500000	0.00081535	No

API Number

4238936476, 4238936477

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

11/07/2017

11/07/2017

11/07/2017

Pooling Committee Report

To: School Land Board

UPA170166

Date of Board Meeting: 11/07/2017

Unit Number: 8788

Effective Date: 11/07/2017

Unit Expiration Date:

Applicant: Resolute Natural Resources Southwest, LLC

Attorney Rep:

Operator: Resolute Natural Resources Southwest, LLC,

Unit Name: Sandlot State Horizontal

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF115405	0.12500000	04/29/2016	3 years	400.000000	79.950000	0.01159475
RAL	MF116096	0.12500000	07/01/2016	3 years	220.000000	62.794000	0.00910670
RAL	MF117292	0.12500000	12/01/2018	46 months	2,343.559000	426.145125	0.06180172
RAL	MF118165	0.12500000	07/02/2019	3 years	245.000000	245.360000	0.03558335
RAL	MF118666	0.12500000	11/08/2019	3 years	9.245800	4.372758	0.00063416
RAL	MF119091	0.12500000	09/06/2020	3 years	8.150000	5.622117	0.00081535
U Fee	MF115502	0.25000000	07/16/2018	5 years	100.000000	37.676000	0.01092793

Private Acres: 0.000000
State Acres: 861.920000
Total Unit Acres: 861.920000

Participation Basis: Surface Acreage
Surface Acreage
State Acreage: 100.00%
State Net Revenue Interest: 13.05%

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

RRC Rules: Yes
Spacing Acres: 704 acres for a 7,000 foot lateral (FTP to LTP).

REMARKS:

- Resolute Natural Resources Southwest, LLC is requesting permanent oil and gas pooling from the Surface to the base of the Wolfcamp formation.
- The applicant plans to spud the first unit well on August 5, 2018 with a proposed total depth of 18,050 feet MD. A 7,000 foot lateral is expected to be drilled.
- With Board approval of the unit, the State's unit royalty participation will be 13.05%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill a total of four unit wells. The first unit well will be spud by or before December 1, 2018, the second well will be spud by or before December 31, 2019, the third unit well will be spud by or before December 31, 2020, and the fourth unit well will be spud by or before July 2, 2021 or the unit will decrease in size to 215.48 acres per unit well drilled.

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



Date



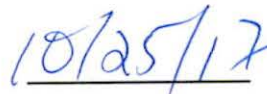
Robert Hatter - General Land Office



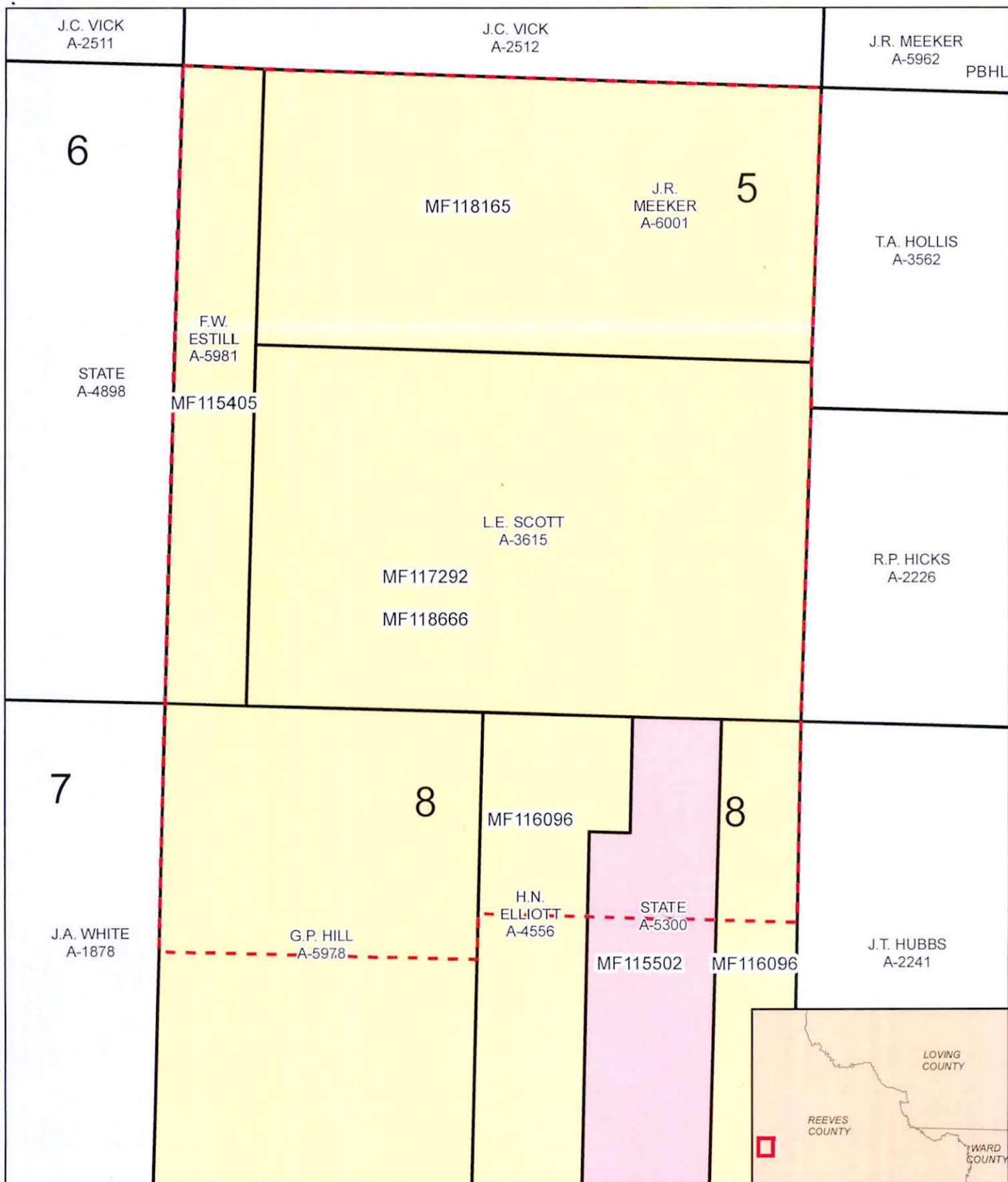
Date



Diane Morris - Office of the Governor



Date



Unit #8788
Resolute Natural Resources Southwest, LLC
Sandlot State Horizontal Unit
Phantom (Wolfcamp) Field
Reeves County, Texas

1,000 500 0 1,000 Feet



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



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

POOLING AGREEMENT
RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC
SANDLOT STATE HORIZONTAL UNIT
GLO UNIT NO. 8788
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 Resolute Natural Resources Southwest, 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 those depths underlying the surface boundaries of the pooled unit from the surface to the base of the Wolfcamp Formation ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional or horizontal well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional or horizontal well surfaced on adjacent or adjoining land or drilling or reworking of any such well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (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, in whole or in part, 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 November 7, 2017.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

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

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

SUBJECT TO EXPLORATION AGREEMENT:

14.

State Leases M-115405, M-115502 and M-116096 ("Leases"), as more particularly described in Exhibit "A" are subject to that certain Unit Agreement for the Development and Operation of the Zena Unit dated September 10, 2013, by and between the State of Texas and EOG Resources, Inc. ("EOG"), said Agreement and the amendments thereto being on file in the Archives and Records of the Texas General Land Office in Mineral File M-110580. Upon written notice from Lessee to EOG and Lessor that drilling operations have resulted in initial production of the initial test well or within 6 months of the spud date of the initial test well, whichever occurs first, then effective on that date the acreage of the Leases included in Sandlot State Horizontal Unit will be removed from the Zena Unit; and also effective on that date the Leases are amended such that the termination provisions of the respective Retained Acreage clauses in the Leases do not become effective until two years after removal from the Zena Unit, rather than two years after the end of the primary term, and the Lessee retains the right to pay one-half (1/2) of the bonus to retain the deeper depths as provided in the Leases.

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

Date Executed

1/24/18

STATE OF TEXAS

Legal
Content
Geology
Executive

[Signature]

By:

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

Date Executed

JANUARY 17TH, 2018

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC

By:

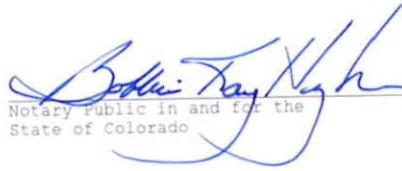
[Signature]
Bill Alleman, Senior Vice President
Land and Business Development

STATE OF COLORADO

CITY & COUNTY OF DENVER

This instrument was acknowledged before me on January 17, 2018, by Bill Alleman as Senior Vice President - Land & Business Development for Resolute Natural Resources Southwest, LLC, a limited liability company on behalf of said company.




Notary Public in and for the
State of Colorado

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 November, 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 24th day of January, 2018.


Secretary of the School Land Board

Addendum "A"

To that certain Pooling Agreement for the Sandlot State Horizontal 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 Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of 215.48 acres per well drilled in the unit, as close as is reasonably practicable in the shape of a rectangle surrounding the 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 conduct drilling operations in the following manner:

- | | | |
|-------------|---|--------------------------------------|
| First well | – | Spud on or before December 1, 2018; |
| Second well | – | Spud on or before December 31, 2019; |
| Third well | – | Spud on or before December 31, 2020; |
| Fourth well | – | Spud on or before July 2, 2021; |

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 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 eight (8) of this Agreement.

End of Addendum "A"

Exhibit "A"
Oil and Gas Leases/Lands Subject to "Sandlot State" Pooled Unit

Mineral File Number: MF-118165A
Dated: July 2, 2016
Primary Term: 3 Years
Expiration Date: July 2, 2019
Recorded: Volume 1300, Page 703
Lessor: Meeker Investments, Inc. / St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the North 245 acres of the East 560 acres of Section 5, Block 57, Public School Land Survey Reeves Co., TX containing 245 acres, more or less

Royalty Rate: $\frac{1}{4}$

Mineral File Number: MF-118165D
Dated: July 2, 2016
Primary Term: 3 Years
Expiration Date: July 2, 2019
Recorded: Volume 1300, Page 718
Lessor: JWM Minerals, LLC / St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the North 245 acres of the East 560 acres of Section 5, Block 57, Public School Land Survey Reeves Co., TX containing 245 acres, more or less

Royalty Rate: $\frac{1}{4}$

Mineral File Number: MF-118165F
Dated: July 2, 2016
Primary Term: 3 Years
Expiration Date: July 2, 2019
Recorded: Volume 1300, Page 731
Lessor: Crestview Resources, LLC / St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the North 245 acres of the East 560 acres of Section 5, Block 57, Public School Land Survey Reeves Co., TX containing 245 acres, more or less

Royalty Rate: 25%

Mineral File Number: MF-118165G
Dated: July 2, 2016
Primary Term: 3 Years
Expiration date: July 2, 2019
Recorded: Volume 1300, Page 744
Lessor: Dan H. Meeker Children's Irrevocable Trust / St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the North 245 acres of the East 560 acres of Section 5, Block 57, Public School Land Survey Reeves Co., TX containing 245 acres, more or less

Royalty Rate: 25%

Mineral File Number: MF-118165E
Dated: July 2, 2016
Primary Term: 3 Years
Expiration Date: July 2, 2019
Recorded: Volume 1300, Page 757
Lessor: Callaghan 320 Trust / St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the North 245 acres of the East 560 acres of Section 5, Block 57, Public School Land Survey Reeves Co., TX containing 245 acres, more or less

Royalty Rate: 25%

Mineral File Number: MF-118165B
Dated: July 2, 2016
Primary Term: 3 Years
Expiration Date: July 2, 2019
Recorded: Volume 1309, Page 630
Lessor: Charles R. Meeker Trust u/a Bank of America, N.A., Trustee / St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the North 245 acres of the East 560 acres of Section 5, Block 57, Public School Land Survey Reeves Co., TX containing 245 acres, more or less

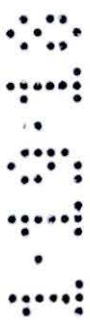
Royalty Rate: $\frac{1}{4}$

Mineral File Number: MF-118165C
Dated: July 2, 2016
Primary Term: 3 Years
Expiration Date: July 2, 2019
Recorded: Volume 1309, Page 620
Lessor: AWP 1983 Trust by Windi Grimes, Sole Trustee / St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the North 245 acres of the East 560 acres of Section 5, Block 57, Public School Land Survey Reeves Co., TX containing 245 acres, more or less

Royalty Rate: $\frac{1}{4}$

Mineral File Number: MF-117292A
Dated: February 1, 2015
Primary Term: 46 Months
Expiration Date: December 1, 2018
Recorded: Volume 1215, Page 682
Lessor: James Robert Hill / St. of TX
Lessee: Energen Resources Corporation

Lands in Sandlot Unit: Insofar as lease covers; The South 315 acres of the East 560 acres of Section 5 and the North 120 acres



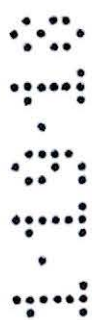
Royalty Rate: of the NW/4 of Section 8, Block 57, Public School
Land Survey, Reeves Co., TX containing 435 acres,
more or less
 $\frac{1}{4}$

Mineral File Number: MF-117292C
Dated: April 1, 2015
Primary Term: 44 Months
Expiration Date: December 1, 2018
Recorded: Volume 1215, Page 538
Lessor: Alldale Minerals, LP / St. of TX
Lessee: Energen Resources Corporation
Lands in Sandlot Unit: Insofar as lease covers; The South 315 acres of the
East 560 acres of Section 5 and the North 120 acres
of the NW/4 of Section 8, Block 57, Public School
Land Survey, Reeves Co., TX containing 435 acres,
more or less
Royalty Rate: 25%

Mineral File Number: MF-117292B
Dated: June 10, 2015
Primary Term: 41 Months & 20 days
Expiration Date: November 30, 2018
Recorded: Volume 1215, Page 592
Lessor: Word B Wilson Investments, LP / St. of TX
Lessee: Energen Resources Corporation
Lands in Sandlot Unit: Insofar as lease covers; The South 315 acres of the
East 560 acres of Section 5 and the North 120 acres
of the NW/4 of Section 8, Block 57, Public School
Land Survey, Reeves Co., TX containing 435 acres,
more or less
Royalty Rate: 25%

Mineral File Number: MF-119091
Dated: October 5, 2017
Primary Term: 3 Years
Expiration Date: October 5, 2020
Recorded: Volume 1485, Page 376
Lessor: Oak Valley Mineral and Land, LP/St of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the South 315 acres of the East 560 acres of
Section 5 & the North 120 of the NW/4 of Section
8, Block 57, Public School Land Survey,
Reeves Co., TX containing 435 acres, more or less
Royalty Rate: $\frac{1}{4}$

Mineral File Number: MF-118666
Dated: August 23, 2017
Primary Term: 3 Years
Expiration Date: August 23, 2020



Recorded: Volume 1485, Page 346
Lessor: MidTex Royalty II, LP/St of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the South 315 acres of the East 560 acres of Section 5 & the North 120 of the NW/4 of Section 8, Block 57, PSL Survey, containing 435 acres, mol & South 40 acres of NW/4 & SW/4 Sec. 8-Block 57 All in Reeves Co., TX containing 200 acres, mol
Lands "outside" Sandlot:
Royalty Rate: $\frac{1}{4}$

Mineral File Number: MF-119091
Dated: September 6, 2017
Primary Term: 3 Years
Expiration Date: September 6, 2020
Recorded: Volume 1485, Page 362
Lessor: MBR Oil & Gas #1, Ltd./St of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the South 315 acres of the East 560 acres of Section 5 & the North 120 of the NW/4 of Section 8, Block 57, Public School Land Survey, Reeves Co., TX containing 435 acres, more or less
Royalty Rate: $\frac{1}{4}$

Mineral File Number: MF-118666
Dated: November 8, 2016
Primary Term: 3 Years
Expiration Date: November 8, 2019
Recorded: Volume 1392, Page 709
Lessor: Kennedy Minerals, Ltd / St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the South 315 acres of the East 560 acres of Section 5 and the North 120 acres of the NW/4 of Section 8, Block 57, Public School Land Survey, Reeves Co., TX containing 435 acres, more or less
Royalty Rate: 25%

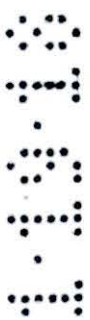
Mineral File Number: MF-118666
Dated: November 21, 2016
Primary Term: 3 Years
Expiration Date: November 21, 2019
Recorded: Volume 1411, Page 367
Lessor: Fred W. Shield and Company / St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the South 315 acres of the East 560 acres of Section 5 and the North 120 acres of the NW/4 of Section 8, Block 57, Public School Land Survey, Reeves Co., TX containing 435 acres, more or less
Royalty Rate: 25%



Mineral File Number: MF-118666
Dated: November 21, 2016
Primary Term: 3 Years
Expiration Date: November 21, 2019
Recorded: Volume 1392, Page 695
Lessor: The DeCompiegne Property Company No. 20, Ltd /
St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the South 315 acres of the East 560 acres of
Section 5 and the North 120 acres of the NW/4 of
Section 8, Block 57, Public School Land Survey,
Reeves Co., TX containing 435 acres, more or less
Royalty Rate: 25%

Mineral File Number: MF-118666
Dated: November 8, 2016
Primary Term: 3 Years
Expiration Date: November 8, 2019
Recorded: Volume 1392, Page 682
Lessor: Bruno and Marshall Investments /
St. of TX
Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Being the South 315 acres of the East 560 acres of
Section 5 and the North 120 acres of the NW/4 of
Section 8, Block 57, Public School Land Survey,
Reeves Co., TX containing 435 acres, more or less
Royalty Rate: 25%

Mineral File Number: MF-117292E
Dated: February 8, 2016
Primary Term: 3 Years
Expiration Date: February 8, 2019
Recorded: Volume 1250, Page 452
Lessor: Triangle Royalty LP and JK Royalty LP / St. of TX
Lessee: Summit West Resources, LP
Lands in Sandlot Unit: Being the South 315 acres of the East 560 acres of
Section 5 and the North 120 acres of the NW/4 of
Section 8, Block 57, Public School Land Survey,
Reeves Co., TX containing 435 acres, more or less
Lands "outside" Sandlot & South 40 acres of NW/4 & SW/4 Sec. 8-Block
57, All in Reeves Co., TX containing 200 acres mol
Royalty Rate: 25%



Mineral File Number: MF117292F
Dated: February 8, 2016
Primary Term: 3 Years
Expiration Date: February 8, 2019
Recorded: Volume 1250, Page 625
Lessor: CG Interests LLC / St. of TX
Lessee: Summit West Resources, LP
Lands in Sandlot Unit: Being the South 315 acres of the East 560 acres of Section 5 and North 120 acres of NW/4 of Section 8, Block 57, Public School Land Survey, Reeves Co., TX containing 435 acres, more or less
Lands "outside" Sandlot & South 40 acres of NW/4 & SW/4 Sec. 8-Block 57, All in Reeves Co., TX containing 200 acres mol
Royalty Rate: 25%

Mineral File Number: MF-117292D
Dated: January 6, 2017
Primary Term: 3 Years
Expiration Date: January 6, 2020
Recorded: Volume 1373, Page 670
Lessor: Legado Investments, LLC / St. of TX
Lessee: Summit West Resources, LP
Lands Covered: Being the South 315 acres of the East 560 acres of Section 5 and the North 120 acres of NW/4 of Section 8, Block 57, Public School Land Survey, Reeves Co., TX containing 435 acres, more or less
Lands "outside" Sandlot & South 40 acres of NW/4 & SW/4 Sec. 8-Block 57, Reeves Co., TX containing 200 acres mol
Royalty Rate: 25%

Mineral File Number: MF-115405A
Dated: April 29, 2013
Primary Term: 3 Years
Expiration Date: April 29, 2016 (**Held by EOG Zena Unit**)
Recorded: Volume 1004, Page 278,
Lessor: Carrie Lyn Ford / St. of TX
Lessee: EOG Resources, Inc.
Lands in Sandlot Unit: Insofar as lease covers; W/2W/2W/2 or West 80 acres in Section 5, Block 57, Public School Land Survey, Reeves Co., TX containing 80 acres, mol
Royalty Rate: 1/4

Mineral File Number: MF-115405B
Dated: April 29, 2013
Primary Term: 3 Years
Expiration Date: April 29, 2016 (**Held by EOG Zena Unit**)
Recorded: Volume 1004, Page 268
Lessor: Michael Lee Mackey / St. of TX



Lessee: EOG Resources, Inc.
Lands in Sandlot Unit: Insofar as lease covers; W/2W/2W/2 or West 80 acres in Section 5, Block 57, Public School Land Survey, Reeves Co., TX containing 80 acres, mol 1/4
Royalty Rate: 1/4

Mineral File Number: M-115502
Dated: July 16, 2013
Primary Term: 5 Years
Expiration Date: July 16, 2018 (**Held by EOG Zena Unit**)
Recorded: Volume 1028, Page 452
Lessor: Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas
Lessee: Cinco Land & Exploration, Inc.
Lands in Sandlot Unit: Insofar as lease covers; a 37.50 acre tract located in Section 8, Block 57, Public School Land Survey described in metes and bounds as follows;
BEGINNING at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88°40'30" E, a distance of 1653.93 feet;

Thence S 88°40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract;
Thence S 01°32'04" W, a distance of 1645.27 feet, being the Southeast corner of this tract;
Thence N 88°41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract;
Thence N 01°33'41" E, a distance of 1645.54 feet to the Point of Beginning containing 37.50 acres Reeves Co., TX

Royalty Rate: 1/4

Mineral File Number: MF-116096B
Dated: July 1, 2013
Primary Term: 3 Years
Expiration Date: July 1, 2016 (**Held by EOG Zena Unit**)
Recorded: Volume 1028, Page 265
Lessor: Julian Wade Meeker, Co-Trustee and James L. Meeker (successor), Co-Trustee Under the Will of J.R. Meeker, deceased, for the lifetime benefit of L.H. Meeker / St. of TX

Lessee: Resolute Natural Resources Southwest, LLC
Lands in Sandlot Unit: Insofar as lease covers; a 25.0 acre tract described below as tract 1 and a 37.50 acre tract described below as tract 2 located in Section 8, Block 57, Public School Land Survey

Tract 1: Metes and Bounds description of a 25.00 acre tract located in Section 8, Block 57, Public



School Land Survey, A-4556, Reeves County, Texas.

BEGINNING at the Northeast corner of said 25.00 acre tract in said Section 8, also being the calculated Northeast corner of said Section 8;

Thence S 01°31'00" W, a distance of 1645.09 feet, being the Southeast corner of this tract;

Thence N 88°41'26" W, a distance of 662.09 feet, being the Southwest corner of this tract;

Thence N 01°32'04" E, a distance of 1645.27 feet, being the Northwest corner of this tract;

Thence S 88°40'30" E, a distance of 661.57 feet, to the Point of Beginning containing 25.00 acres.

Tract 2: Metes and Bounds description of a 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas.

BEGINNING at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88°40'30" E, a distance of 2646.29 feet;

Thence S 88°40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract;

Thence S 01°33'41" W, a distance of 1645.54 feet, being the Southeast corner of this tract;

Thence N 88°41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract;

Thence N 01°35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

Royalty Rate:

$\frac{1}{4}$

Mineral File Number:

MF-116096A

Dated:

July 1, 2013

Primary Term:

3 Years

Expiration Date:

July 1, 2016 **(Held by EOG Zena Unit)**

Recorded:

Volume 1026, Page 347

Lessor:

Meeker Investments, Inc., by J.J. Meeker, Manager
/ St. of TX

Lessee:

Resolute Natural Resources Southwest, LLC

Lands in Sandlot Unit:

Insofar as lease covers; a 25.0 acre tract described below as tract 1 and a 37.50 acre tract described below as tract 2 located in Section 8, Block 57, Public School Land Survey

Tract 1: Metes and Bounds description of a 25.00 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas.

BEGINNING at the Northeast corner of said 25.00 acre tract in said Section 8, also being the calculated Northeast corner of said Section 8;

Thence S 01°31'00" W, a distance of 1645.09 feet,
being the Southeast corner of this tract;
Thence N 88°41'26" W, a distance of 662.09 feet,
being the Southwest corner of this tract;
Thence N 01°32'04" E, a distance of 1645.27 feet,
being the Northwest corner of this tract;
Thence S 88°40'30" E, a distance of 661.57 feet, to
the Point of Beginning containing 25.00 acres.

Tract 2: Metes and Bounds description of a 37.50
acre tract located in Section 8, Block 57, Public
School Land Survey, A-4556, Reeves County,
Texas.

BEGINNING at the Northwest corner of said 37.50
acre tract in said Section 8, from whence the
calculated Northeast corner of said Section 8, bears
S 88°40'30" E, a distance of 2646.29 feet;
Thence S 88°40'30" E, a distance of 992.36 feet,
being the Northeast corner of this tract;
Thence S 01°33'41" W, a distance of 1645.54 feet,
being the Southeast corner of this tract;
Thence N 88°41'26" W, a distance of 993.13 feet,
being the Southwest corner of this tract;
Thence N 01°35'17" E, a distance of 1645.81 feet to
the Point of Beginning containing 37.50 acres.

Royalty Rate:

$\frac{1}{4}$

Mineral File Number:

MF-116096C

Dated:

September 29, 2013

Primary Term:

3 Years

Expiration Date:

September 29, 2016 (**Held by EOG Zena Unit**)

Recorded:

Volume 1032, Page 272

Lessor:

Windi Grimes, Sole Trustee of the AWP 1983 Trust
/ St. of TX

Lessee:

Resolute Natural Resources Southwest, LLC

Lands in Sandlot Unit:

Insofar as lease covers; a 25.0 acre tract described
below as tract 1 and a 37.50 acre tract described
below as tract 2 located in Section 8, Block 57,
Public School Land Survey

Tract 1: Metes and Bounds description of a 25.00
acre tract located in Section 8, Block 57, Public
School Land Survey, A-4556, Reeves County,
Texas.

BEGINNING at the Northeast corner of said 25.00
acre tract in said Section 8, also being the calculated
Northeast corner of said Section 8;

Thence S 01°31'00" W, a distance of 1645.09 feet,
being the Southeast corner of this tract;
Thence N 88°41'26" W, a distance of 662.09 feet,
being the Southwest corner of this tract;



Thence N 01°32'04" E, a distance of 1645.27 feet,
being the Northwest corner of this tract;
Thence S 88°40'30" E, a distance of 661.57 feet, to
the Point of Beginning containing 25.00 acres.

Tract 2: Metes and Bounds description of a 37.50
acre tract located in Section 8, Block 57, Public
School Land Survey, A-4556, Reeves County,
Texas.

BEGINNING at the Northwest corner of said 37.50
acre tract in said Section 8, from whence the
calculated Northeast corner of said Section 8, bears
S 88°40'30" E, a distance of 2646.29 feet;

Thence S 88°40'30" E, a distance of 992.36 feet,
being the Northeast corner of this tract;

Thence S 01°33'41" W, a distance of 1645.54 feet,
being the Southeast corner of this tract;

Thence N 88°41'26" W, a distance of 993.13 feet,
being the Southwest corner of this tract;

Thence N 01°35'17" E, a distance of 1645.81 feet to
the Point of Beginning containing 37.50 acres.

Royalty Rate:

$\frac{1}{4}$

Mineral File Number:

MF-116096D

Dated:

September 29, 2013

Primary Term:

3 Years

Expiration Date:

September 29, 2016 (**Held by EOG Zena Unit**)

Recorded:

Volume 1035, Page 481

Lessor:

Bank of America, N.A., Trustee of the Charles R.
Meeker Trust, U/A dated July 6, 1992, but amended
and restated on June 5, 1998, represented herein by
Janet Cunningham, Trust Officer / St. of TX

Lessee:

Resolute Natural Resources Southwest, LLC

Lands in Sandlot Unit:

Insofar as lease covers; a 25.0 acre tract described
below as tract 1 and a 37.50 acre tract described
below as tract 2 located in Section 8, Block 57,
Public School Land Survey

Tract 1: Metes and Bounds description of a 25.00
acre tract located in Section 8, Block 57, Public
School Land Survey, A-4556, Reeves County,
Texas.

BEGINNING at the Northeast corner of said 25.00
acre tract in said Section 8, also being the calculated
Northeast corner of said Section 8;

Thence S 01°31'00" W, a distance of 1645.09 feet,
being the Southeast corner of this tract;

Thence N 88°41'26" W, a distance of 662.09 feet,
being the Southwest corner of this tract;

Thence N 01°32'04" E, a distance of 1645.27 feet,
being the Northwest corner of this tract;

01.01.1

Thence S 88°40'30" E, a distance of 661.57 feet, to the Point of Beginning containing 25.00 acres.

Tract 2: Metes and Bounds description of a 37.50 acre tract located in Section 8, Block 57, Public School Land Survey, A-4556, Reeves County, Texas.

BEGINNING at the Northwest corner of said 37.50 acre tract in said Section 8, from whence the calculated Northeast corner of said Section 8, bears S 88°40'30" E, a distance of 2646.29 feet;

Thence S 88°40'30" E, a distance of 992.36 feet, being the Northeast corner of this tract;

Thence S 01°33'41" W, a distance of 1645.54 feet, being the Southeast corner of this tract;

Thence N 88°41'26" W, a distance of 993.13 feet, being the Southwest corner of this tract;

Thence N 01°35'17" E, a distance of 1645.81 feet to the Point of Beginning containing 37.50 acres.

Royalty Rate:

$\frac{1}{4}$

2020

01.01.1

Exhibit B
Sandlot State Horizontal Unit

861.92 Acre Unit in Sections 5 & 8, Block 57, Public School Land Survey, Reeves County, Texas.

Tract 1

Metes and Bounds Description for a 79.95 Acre Tract, being Abs. 5981, in Section 5, Block 57, Public School Land Survey, Reeves County, Texas.

Boundary being more fully described as follows:

Beginning at (N: 10573151.1', E: 1193507.1') a point in the north line of said Section 5, this Block, and the south line of Section 7, Block C-21, Public School Land Survey, for the northeast corner of this tract, whence a 1" Galvanized Iron Pipe found for the northeast corner of said Section 5 bears South 88°52'14" East, a distance of 4619.7 feet;

Thence North 88°52'14" West, with the south line of said Section 7 and the north line of said Section 5, a distance of 660.0 feet to a point for the southwest corner of said Section 7 and the northwest corner of said Section 5 for the northwest corner of this tract;

Thence South 01°39'05" West, with the west line of said Section 5 and the east line of Section 6, this Block, a distance of 5267.5 feet to a point for the southeast corner of said Section 6 and the southwest corner of said Section 5 for the southwest corner of this tract;

Thence South 88°33'21" East, with the south line of said Section 5 and the north line of Section 8, this Block, a distance of 661.3 feet to a point for the southeast corner of this tract;

Thence North 01°38'10" East, a distance of 5271.1 feet to the Point of Beginning.

Containing 79.95 surface acres of land. Bearings, distances and coordinates are relative to the Texas Coordinate System, NAD 83, Central Zone.

Tract 2

Metes and Bounds Description for a 245.36 Acre Tract, being Abs. 6001, in Section 5, Block 57, Public School Land Survey, Reeves County, Texas.

Boundary being more fully described as follows:

Beginning at (N: 10573060.0', E: 1198125.9') a 1" Galvanized Iron Pipe, the northeast corner of said Section 5, this Block, and the southeast corner of Section 7, Block C-21, Public School Land Survey, for the northeast corner of this tract;

Thence North 88°52'14" West with the south line of said Section 7 and the north line of said Section 5, a distance of 4619.7 feet to a point for the northwest corner of this tract;

Thence South 01°38'10" West, a distance of 2306.1 feet to a point for the southwest corner of this tract;

Thence South 88°43'58" East, a distance of 4623.9 feet to a point in the east line of said Section 5, and the west line of Section 4, this Block, for the southeast corner of this tract;

Thence North 01°31'46" East, with the east line of said Section 5 and the west line of said Section 4, a distance of 2317.2 feet to the Point of Beginning.

Containing 245.36 surface acres of land. Bearings, distances and coordinates are relative to the Texas Coordinate System, NAD 83, Central Zone.

Tract 3

Metes and Bounds Description for a 315.80 Acre Tract, being Abs. 3615, in Section 5, Block 57, Public School Land Survey, Reeves County, Texas.

Boundary being more fully described as follows:

Beginning at (N: 10570743.6', E: 1198064.0') a point in the east line of said Section 5, and the west line of Section 4, this Block, for the northeast corner of this tract, whence a 1" Galvanized Iron Pipe found for the northeast corner of said Section 5 bears North 01°31'46" East, a distance of 2317.2 feet;

Thence North 88°43'58" West, a distance of 4623.9 feet to a point for the northwest corner of this tract;

Thence South 01°38'10" West, a distance of 2965.0 feet to a point in the south line of said Section 5, and the north line of Section 8, this Block, for the southwest corner of this tract;

Thence South 88°33'21" East, with the south line of said Section 5 and the north line of Section 8, this Block, a distance of 4629.4 feet to the southeast corner of said Section 5 and the northeast corner of said Section 8, for the southeast corner of this tract;

Thence North 01°31'46" East, with the east line of said Section 5 and the west line of Section 4, this Block, a distance of 2979.3 feet to the Point of Beginning.

Containing 315.80 surface acres of land. Bearings, distances and coordinates are relative to the Texas Coordinate System, NAD 83, Central Zone.

Tract 4

Metes and Bounds Description for a 120.34 Acre Tract out of the west half of Section 8, Abs. 5978, Block 57, Public School Land Survey, Reeves County, Texas.

Boundary being more fully described as follows:

Beginning at (N: 10567832.1', E: 1195340.0') the north mid-point of said Section 8, and the south line of Section 5, this Block, for the northeast corner of this tract, whence an Old Stake in Stone Mound found for the southeast corner of this Section 8 bears South 88°33'21" East a distance of 2645.3 feet and South 01°31'46" West a distance of 5290.3 feet;

Thence North 88°33'21" West, with the south line of said Section 5 and the north line of said Section 8, a distance of 2645.3 feet to a point for the southwest corner of said Section 5 and the northwest corner of said Section 8 for the northwest corner of this tract;

Thence South 01°39'05" West, with the west line of said Section 8 and the east line of Section 7, this Block, a distance of 1980.0 feet to a point for the southwest corner of this tract;

Thence South 88°33'21" East, a distance of 2647.5 feet to a point for the southeast corner of this tract;

Thence North 01°35'26" East, a distance of 1980.0 feet to the Point of Beginning.

Containing 120.34 surface acres of land. Bearings, distances and coordinates are relative to the Texas Coordinate System, NAD 83, Central Zone.

Tract 5

Metes and Bounds Description for a 100.47 Acre Tract out of the east half of Section 8, Block 57, Public School Land Survey, Reeves County, Texas.

Boundary being more fully described as follows:

Beginning at (N: 10566112.8', E: 1197940.4') a point in the east line of said Section 8, and the west line of Section 9, this Block, for the southeast corner of this tract, whence an Old Stake in Stone Mound found for the southeast corner of this Section 8 bears South 01°31'46" West a distance of 3637.1 feet;

Thence North 01°31'46" East, with the east line of said Section 8 and the west line of said Section 9, a distance of 1653.2 feet to the northeast corner of said Section 8, and the southeast corner of Section 5, this Block, for the northeast corner of this tract;

Thence North 88°33'21" West, with the north line of said Section 8 and the south line of said Section 5, a distance of 2645.3 feet to the north mid-point of said Section 8 for the northwest corner of this tract;

Thence South 01°35'26" West, a distance of 1653.2 feet to a point for the southwest corner of this tract;

Thence South 88°33'21" East, a distance of 2647.1 feet to the Point of Beginning.

Containing 100.47 surface acres of land. Bearings, distances and coordinates are relative to the Texas Coordinate System, NAD 83, Central Zone.

Tracts 1, 2, 3, 4, & 5 containing a total of 861.92 surface acres of land, more or less.

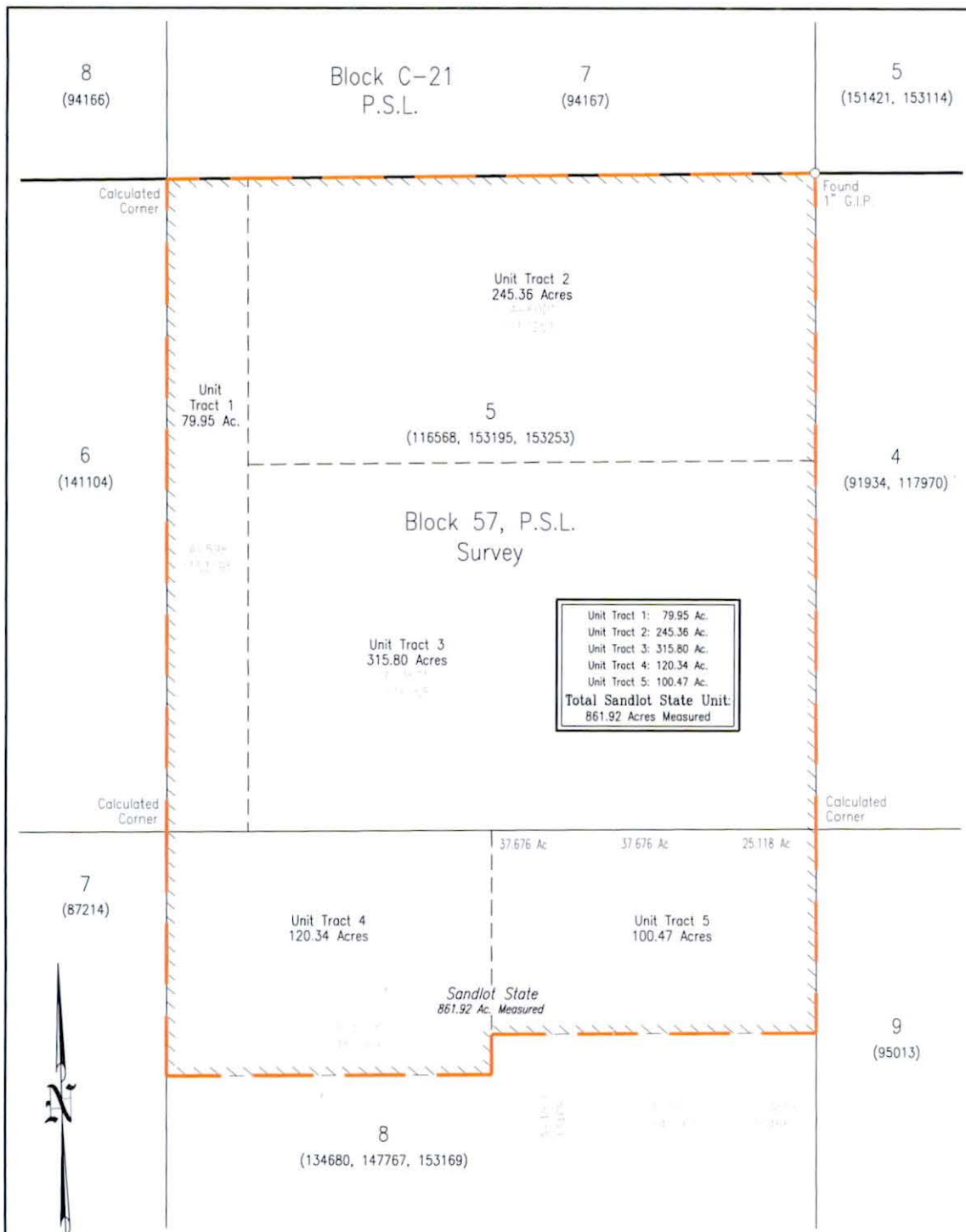


EXHIBIT C
OF POOLING AGREEMENT FOR
HORIZONTAL WELLS OF
THE SANDLOT STATE
HORIZONTAL UNIT

This plot is for Agreement Purposes Only and is NOT a boundary survey and is NOT to be used to convey or establish interests in real property.

BASIS OF BEARINGS is the Texas Coordinate System of 1983, Central Zone.

Resolute



Resolute Natural Resources Southwest, LLC
Sandlot State Unit - 861.92 Acres out of All of Section 5, the N. 120 Acres of NW/4 Sec. 8, and the N. 100 Acres of NE/4 Sec. 8, all in Block 57, Reeves County, Texas



STANFORD SURVEYING CO.
P.O. BOX 8490
MIDLAND, TEXAS 79708-8490
TBPLS Firm No. 10128400 432-699-5708

DRAWN BY Adam Welch

REV. 10-19-2017 ABW
DATE 9-21-2017

SCALE 1" = 1000'

FILE NAME A-11849c

01011

9

File No. M-115405
Pooling Agmt. Packet #8288
Sandlot State Horiz Unit County
Date Filed: 1/29/18
George P. Bush, Commissioner
By Mr

1.13.18

M-115405

SURFACE USE AGREEMENT

This Surface Use Agreement ("Agreement") dated effective as of November 7, 2017 (the "Effective Time"), is by and between Watkins Royalties, L.P., whose address is P. O. Box 8929, Midland, Texas 79708 ("Owner"), and Resolute Natural Resources Southwest, LLC, a limited liability company, whose address is 1700 Lincoln Street, Suite 2800, Denver, CO 80203 ("Operator"), and covers certain oil and gas field operations on the following described lands owned by the Owner ("Lands"):

West 80.0 acres of Section 5, Block 57, Abstract 3614, Public School Land Survey, Reeves County, Texas

For the consideration of Ten and No/100 Dollars (\$10.00) and the agreements set out herein, Owner and Operator agree to the following terms and conditions:

1. Locations. Any wells, pads, roads, pipelines, gates, electrical wires, and other equipment, supplies and facilities Operator locates on the Lands will be maintained in good repair by Operator, at its sole expense.
2. Well Location Fee. Operator agrees to pay Owner a location fee in the amount of Thirty Thousand Dollars (\$30,000.00) for each drill site well pad constructed on the surface of the Lands. Multiple wells may be drilled from a drill site well pad located on the surface of the Lands. The payment for each drill site well pad shall be payment in full for damages to the Lands caused by operations for or by Operator during the term of this Agreement, that shall include the construction and use of the drill site well pad and any tank battery, separator facility, electric power lines, pipelines, flow lines and other oil and gas operating related facilities located thereon.
3. Facilities, Locations and Frac pits: Operator may construct tank battery locations, frac pits, and other related facilities, not located on a drill site well pad, to be used in connection with the drilling and producing of wells located on the Lands, including wells drilled on the Lands for the purpose of producing oil, gas and minerals from adjacent lands. As compensation Operator shall pay Owner Five Thousand Dollars (\$5,000) per acre.
4. No Foreign Facilities. Without a separate written agreement between Owner and Operator, no pump stations, tank batteries, pipelines, roads, electrical lines, dryers, separators, or other equipment or facilities shall be located on the Lands unless they are for the sole purpose of producing, storing, transporting, processing, or treating oil or gas or related hydrocarbons, from the Lands. This provision shall not apply in the event that the leases covering the Lands are pooled with other leases covering other lands.
5. Roads: Operator may use existing roads or construct new roads as needed to be used in connection with its oil and gas operations on the Lands and on other lands covered by leases which are pooled with the leases covering the Lands. Compensation for the construction

and use of new roads shall be at a rate of Forty Dollars (\$40.00) per rod. New roads constructed shall be no greater than thirty feet (30') in width. Operator shall also have use of an additional twenty feet (20') of temporary workspace for the purpose of construction, maintenance and repairs. Operator agrees to maintain the roads to be passable by passenger vehicles and to conduct repairs as needed at Operator's sole expense. The rate set forth in this Section 5 shall be updated upon the publishing of a new Rate and Damage Schedule by The University of Texas System for University Lands. Where a new road is being installed, then the corresponding rate shall match that rate as published for New Road Easements.

If requested by Owner, at any point where a new road crosses a fence Operator shall install a cattle guard at least twelve feet (12') in width, with a gate that can be locked, to be built and maintained with high quality materials in a manner acceptable to both Operator and Owner.

6. Water: Operator shall not use such water from the Lands without entering into a separate agreement with Owner.

7. Pipelines: For the installation, operation and maintenance of pipelines on the Lands, Operator shall pay owner at the following rates:

Less than 6"	\$28 per rod
6" to less than 12"	\$48 per rod
12" to less than 24"	\$72 per rod
24" or greater	\$120 per rod

The foregoing rates only applies to pipelines that transport hydrocarbons and produced water from the Lands, and on other lands covered by leases which are pooled with the leases covering the Lands; and water to the Lands for Operator's completion operations. A separate agreement shall be required in the event that Operator desires to install pipelines that will be used to transport hydrocarbons that are produced from outside the Lands (not including other lands covered by leases which are pooled with the leases covering the Lands). The rates set forth in this Section 7 shall be updated upon the publishing of a new Rate and Damage Schedule by The University of Texas System for University Lands.

In addition, there shall be no surface or subsurface appurtenances to the pipeline (including, but not limited to meter stations, meter pits, compression or pumping stations or devices, structures, fences, signs) other than as specifically provided in this Agreement, or as agreed to by Owner by separate written instrument signed by Owner.

8. Pipeline Double Ditch Method. If Operator wishes to use farm or grazing lands to lay pipelines, Operator agrees to use a double ditch method for laying pipelines, which is topsoil



to one side and subsoil the other; when filling the ditch the subsoil is replace first and top soil is placed on the top.

9. Electric Lines: Operator shall pay owner the rate of Twenty Dollars (\$20.00) per rod for electric lines, which to the extent reasonably possible will be run alongside roads in order to limit interference with Owner's use of the Lands. The rates set forth in this Section 9 shall be updated upon the publishing of a new Rate and Damage Schedule by The University of Texas System for University Lands.
10. Caliche and Gravel: Caliche and gravel may be bought from Owner at the rate of Five Dollars (\$5.00) per cubic yard, and shall be used solely for the benefit of Operator's oil and gas operations on the Lands unless otherwise agreed to.
11. Maintenance, Damages and Reclamation: Operator shall use reasonable efforts to keep the Lands free from trash and debris during the term of this Agreement, and to conduct its operations in a manner that will minimize any potential damage to the Lands. Should any action by Operator or its agents or representatives result in actual damage to the Lands or to personal property located thereon, Operator shall promptly commence efforts to remedy the situation.

On completion of any operations, Operator shall restore the Lands to as near pre-operations conditions as is reasonably possible, remove all debris, equipment and personal property which Operator placed on the Lands (except for equipment reasonably necessary for the operation of producing wells), which shall be removed within six (6) months after a well permanently ceases to produce. Upon termination of this Agreement, Operator shall remove any equipment located on the Lands, restore the surface of the Lands to as near its previous condition as is reasonable and practicable.

12. Minimize Soil Erosion. Operator shall construct or install all well sites, access roads, and pipeline right-of-ways in a manner which would minimize any related soil erosion. Further, any related reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably possible.
13. Work Standards. The design and construction regarding any facilities or operations and all activities conducted on the Lands shall be in accordance with good, workmanlike standards in the industry and geographical area where the Lands are located, with Operator at all times following the highest observed and accepted standards in the industry for the geographical area where the Lands are located.
14. Restrictions: Employees, agents or representatives of Operator are not allowed to hunt or fish on the Lands, nor are they allowed to bring guns, alcohol or controlled substances onto



the Lands. Operator's use of the Lands shall be strictly limited to the purposes set out in this Agreement.

15. Ingress and Egress: Operator shall have the right of ingress and egress for all purposes set out herein for so long as this Agreement remains in effect.
16. Compliance with Laws and Regulations: Operator agrees that it will comply with any applicable laws, regulations, orders, rules or requirements of any Federal, State or local authority having proper and legal jurisdiction.
17. Property Taxes. In the event real property taxes pertaining to or attributable to the Lands are increased in any manner by reason of the operations of Operator on the Lands, including, but not limited to any structures or improvements constructed on the Lands, during the term of this Agreement, Operator shall be responsible for the amount of any such tax increase attributable to such operations or improvements. Operator shall reimburse Owner for the amount of such increase within thirty (30) days after Owner provides Operator with written documentation reflecting such increase and the basis thereof.
18. Tax Programs. In the event the Lands are subject to any federal, state, and/or local agricultural assistance program, and any roll-back, reimbursement, recoupment or retroactive assessment of such program is made against the Lands on account of, arising out of, or relating to the operations of Operator on the Lands, Operator shall be responsible for paying any and all of such amounts, but only insofar as such amounts imposed result from operations on the portion of the Lands actually utilized in Operator's operations. Operator shall reimburse Owner for the amount of such increase within thirty (30) days after Owner provides Operator with written documentation reflecting such increase and the basis thereof.
19. Title. Owner makes no representation or warranty as to Owner's title to the Lands. It shall be the Operator's burden and obligation to assure itself of the quality of title to Owner's property for the purposes and to the extent deemed necessary by Operator in order to enter this Agreement.
20. Indemnity: Operator shall be strictly liable for all damages and losses caused by or arising out of the construction, maintenance, repair, replacement, or operation of the pipeline or activities upon the Lands that may be asserted against Owner (other than to the extent any such claims arise from the conduct of Owner, Owner's agents, contractors, employees, invitees, guests and permittees). Operator agrees to defend, indemnify and hold harmless Owner from and against any and all claims, demands and causes of action for injury, including death, or damage to persons or property or fines or penalties or environmental matters arising out of, incidental to or resulting from the operations of or for Operator or



Operator's servants, agents, employees, guests, licensees, invitees or independent contractors, and from and against all costs and expenses incurred by Owner by reason of any such claim or claims, including reasonable attorneys' fees (other than to the extent any such claims arise from the conduct of Owner, Owner's agents, contractors, employees, invitees, guests and permittees); and each assignee of this Agreement, or any interest therein, agrees to indemnify and hold harmless Owner in the same manner provided above. This indemnity shall apply to any claim, however caused, or regardless of the legal grounds and basis related to Operator's use of the Lands. The provisions of this paragraph shall survive the termination or abandonment of this Agreement.

21. Insurance. A company licensed by the Texas Department of Insurance to do business in the state shall underwrite all policies required by this Agreement. Provided however, such insurance requirements may be met by a combination of self-insurance, primary and excess insurance policies.
22. Policy Limits. Operator shall assure that Operator and any person acting on Operator's behalf under this Agreement is covered by the following insurance with one or more insurance carriers at any and all times such party or person is on or about the Lands or acting pursuant to this Agreement, in such amounts as from time to time reasonably required by Owner.
 - a. Workers Compensation and Employer's Liability Insurance;
 - b. Commercial General Liability and Umbrella Liability Insurance; (\$5,000,000.00 Minimum coverage)
 - c. Business Auto and Umbrella Liability Insurance; (\$5,000,000.00 Minimum coverage)
 - d. Environmental Liability; (\$5,000,000.00 Minimum coverage)

Within six (6) months of the five (5) year anniversary date of this Agreement and each subsequent fifth (5th) anniversary, Owner may request in writing and Operator shall agree to institute new insurance amounts based on the original insurance amounts indexed to the Producers Price Index for All Commodities, issued for the anniversary month by the U.S. Department of Labor, Bureau of Labor Statistics. Should such index be discontinued and/or replaced, a conversion to a substitute or replacement index shall be accomplished using normally accepted conversion factors. Such adjusted amounts shall be rounded off to the nearest Thousand Dollar (\$1,000) amount. Failure of Owner to request an adjustment for any five (5) year period shall not preclude a full adjustment at a subsequent five (5) year anniversary if requested.

23. Certificates of Insurance. The Operator shall cause Certificates of Insurance evidencing the above coverage to be provided promptly upon request to Owner, or to such other representative of Owner as Owner may from time to time designate. The insurance policies required under this section, shall cover the Owner as additional insureds with regard to the Lands, and shall reflect that the insurer has waived any right of subrogation against the



Owner. Failure to comply with this Insurance section shall be basis of default and all operations under the Agreement shall cease immediately.

24. Environmental Issues. Operator shall not dispose of or release on or under the Lands, or permit to be disposed of or released any substances (other than those Operator has been licensed or permitted by applicable public authorities to use on the Lands) which are defined as "hazardous materials", "toxic substances" or "solid waste" in federal, state or local laws, statutes or ordinances. Should any pollutant, hazardous material, toxic substances, contaminated waste or solid waste be accidentally released, Operator shall notify the applicable governmental body of such event. Operator shall be responsible for and timely pay all costs of clean-up, remediation, and other costs related to and arising from the event, including, but not limited to penalties. Operator shall be responsible for, and shall comply with all applicable laws and regulations as to any required permitting, licenses, and fees related thereto concerning, relating to or arising from Operator's use of the Lands and this Agreement.
25. Foreign Lands. Nothing contained in this Agreement shall be construed to permit Operator to use the Lands for the transportation or processing of hydrocarbons produced from off the Lands. Further, this Agreement does not grant to Operator an assignable right of way or easement for delivery points, pipelines, or other personal property for any purpose other than the production of hydrocarbons from the Lands and on other lands covered by leases which are pooled with the leases covering the Lands.
26. Assignment. This Agreement shall inure to and be applicable to Owner and Operator and their respective heirs, representatives, successors and assigns. No assignment of this Agreement or any interest therein or any portion thereof shall be made unless the assignee expressly assumes and agrees to perform each and every obligation imposed by this Agreement. No assignment of this Agreement or any portion thereof or interest therein shall operate to release the original Operator or subsequent assigns from any of the obligations imposed upon the Owner hereunder accruing prior to the assignment. No assignment by Operator shall be effective until Owner is notified in writing of such assignment together with the name and address of assignee.
27. Other Agreements: Operator acknowledges the Lands may be subject to other agreements related to use of the surface thereof, and accepts this Agreement subject to such agreements.
28. Memorandum: This Agreement shall not be recorded in the county records of Reeves County, Texas, however a memorandum in the form attached as Exhibit "A" shall be recorded.



29. Term. This Agreement shall continue in full force and effect until all wells owned by Operator on the Lands, and on other lands covered by leases which are pooled with the leases covering the Lands, have been plugged and abandoned no later than the period allowed by Texas Railroad Commission Rule 14.

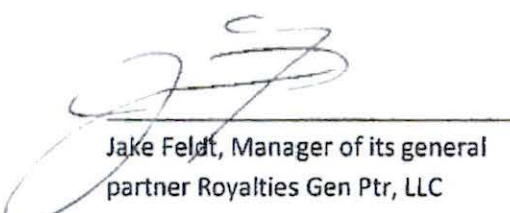
30. Termination and Abandonment. If Operator has not commenced operations on the Lands, or on other lands covered by leases which are pooled with the leases covering the Lands, within two (2) years following the Effective Time, this Agreement shall be deemed abandoned. If Owner believes that the Agreement has been abandoned, it shall provide written notice thereof to Operator, said notice to be sent by certified mail. Unless Operator has responded within sixty (60) calendar days after such notice has been received, providing evidence to counter the facts as presented by Owner regarding abandonment, then Owner may proceed to record an affidavit providing notice of abandonment and termination of this Agreement with the recorder's office of the county where the Lands are located. Operator hereby agrees that such notice shall constitute abandonment and termination of this Agreement.

Operator may terminate this Agreement at any time upon providing written notice of termination on record at the recorder's office of the county where the Agreement is located, along with serving a copy of that recorded notice upon Owner.

There shall be no refund of consideration paid to Owner for this Agreement by reason of termination, lack of development, or for any other reason.

This Agreement is executed as of the date of the acknowledgements below, but effective for all purposes as of the Effective Date.

OWNER:
WATKINS ROYALTIES, L.P.



Jake Feldt, Manager of its general
partner Royalties Gen Ptr, LLC

OPERATOR:
RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC



Doug Dietrich, Senior Vice President
of Operations



ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF ~~MIDLAND~~ §
 NAUAILLO 9-7

This instrument was acknowledged before me on this 30 day of December, 2017, by Jake Feldt, Manager of its general partner, Royalties Gen Ptr, LLC, on behalf of Watkins Royalties, L.P.

Patricia D. Martin

Notary Public in and for the State Texas
Commission Expires: 9-18-2020



STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 3rd day of January, ²⁰¹⁸~~2017~~, by Doug Dietrich, Senior Vice President of Operations, on behalf of Resolute Natural Resources Southwest, LLC.

Mary C. Lyle

Notary Public in and for the State Texas
Commission Expires: 4-28-20



EXHIBIT "A"

Attached to and made a part of that certain Surface Use Agreement dated effective November 7, 2017 by and between the Watkins Royalties, L.P., as Owner, and Resolute Natural Resources Southwest, LLC, as Operator.

MEMORANDUM OF SURFACE USE AGREEMENT

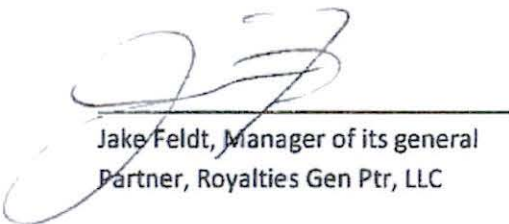
THIS MEMORANDUM OF SURFACE USE AGREEMENT shall serve as notice that the Watkins Royalties, L.P., whose address is P. O. Box 8929, Midland, Texas 79708 ("Owner"), and Resolute Natural Resources Southwest, LLC ("Operator"), whose mailing address is 1700 Lincoln St. Suite 2800, Denver, CO 80203 ("Operator"), have entered into that certain Surface Use Agreement dated effective November 7, 2017, subject to all the terms, conditions and provisions as set out therein which are incorporated herein by reference, covering the following described lands:

West 80.0 acres of Section 5, Block 57, Abstract 3614, Public School Land Survey, Reeves County, Texas

This Memorandum is given to place every person on notice of the existence of the Surface Use Agreement and all of the terms, provisions and conditions contained therein, and is given in lieu of filing the original for record.

EXECUTED as of the date of the acknowledgment of their signatures below, but effective as of November 7, 2017.

OWNER:
WATKINS ROYALTIES, L.P.


Jake Feldt, Manager of its general
Partner, Royalties Gen Ptr, LLC

OPERATOR:
RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC


Doug Dietrich, Senior Vice President
of Operations

Not an Original
Document -
Cannot file of record
until we receive
original



ACKNOWLEDGEMENT

STATE OF TEXAS §

§

COUNTY OF ~~MIDLAND~~ §

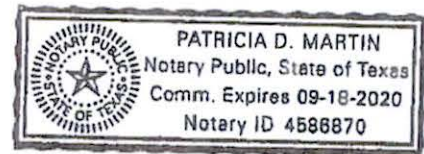
NAVARO

This instrument was acknowledged before me on this 20 day of DECEMBER, 2017, by Jake Feldt, Manager of its general partner, Royalties Gen Ptr, LLC, on behalf of Watkins Royalties, L.P.

Patricia D. Martin

Notary Public in and for the State of Texas

Commission Expires: 9-18-2020



STATE OF TEXAS §

§

COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 3rd day of January, ²⁰¹⁸2017, by Doug Dietrich, Senior Vice President of Operations, on behalf of Resolute Natural Resources Southwest, LLC.

Mary C. Lyle

Notary Public in and for the State of Texas

Commission Expires: 4-28-20



File No. MF 115405

10

County

Surface use agreement

Date Filed: 8/10/18

George P. Bush, Commissioner

By GB

RESOLUTE NATURAL RESOURCES

1700 Lincoln Street
Suite 2800
Denver CO 80203

Resolute

Check Number 1000146819

Invoice #	Oblig. Date	Description	Lessor	Net Amount
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OBL20180801-5	08/01/2018	TEXAS GENERAL LAND OFFICE SANDLOT STATE U101H WELL LOCATION FEE \$10,000 SANDLOT STATE B101SL WELL LOCATION FEE \$10,000 SANDLOT STATE L02H WELL LOCATION FEE \$10,000 50% - MINERAL CLASSIFIED LANDS BLK 57, SEC 5: W 80 AC, REEVES CO, TX Payee: TEXAS GENERAL LAND OFFICE P O BOX 12873 AUSTIN, TX 78711-2873 Prospect:		15,000.00
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Lease Date:
Oblig Type: ROW/SURF RENTAL
Due Dt: 08/01/2018 Freq: 1 Year

18715392

161

TVCO991

11296	Payee: 	Check Date: 08/02/2018	Check Amount 	15,000.00
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Resolute

August 3, 2018

Texas General Land Office
P O Box 12873
Austin, TX 78711-2873

Attn: Daryl Morgan

Re: Sandlot State Unit 8788
Block 57, PSL Survey, Sec. 5: W 80 Acres
Reeves County, Texas

M-115405

Dear Mr. Morgan,

Enclosed please find check number 1000146819 in the amount of \$15,000.00 for well site locations Sandlot State U101H, Sandlot State B101SL, Sandlot State L02H located in the W 80 acres of Sec. 5, Block 57, PSL Survey, Reeves County, Texas. I have enclosed a copy of the Surface Use Agreement with Watkins Royalties, L.P. covering said lands.

If you have any questions, please feel free to contact me at 303)573-4886 x1280, or by email lahlfenger@resoluteenergy.com. The Landman handling this payment is Jim Suchecki can be reached at 303)573-4886x8280, or by email jsuchecki@resoluteenergy.com

Sincerely yours,



Lynn Ahlfenger
Sr. Lease Analyst



File No. MF- 115 405 11

Surface damage payment County

Date Filed: 8/10/18

George P. Bush, Commissioner

By

5



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

✓ MF115405 MF111893
MF111899 Unit 7924

NADOA Model Form Division Order (Adopted 9/95)

Date: 11/09/2018

Effective Date: 07/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 1H - ENT

Complete Property Description Listed Below

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

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 420067-023.01

SNOWSHOE STATE 57-10 UNIT 1H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 10 Qtr/

200 FSL 730 FEL

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

CIMAREX ENERGY CO

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

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



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

Date: 11/09/2018

Effective Date: 07/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 1H - ENT

Complete Property Description Listed Below

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

Owner COMMISSIONER OF THE GENERAL Owner Number: 030618 Interest Type: STATE OF TEXAS ROYALTY Decimal Interest: 0.03125000		Interest Type Code: STA2
--	--	--------------------------

Property Description Property: 420067-023.01 SNOWSHOE STATE 57-10 UNIT 1H Operator: CIMAREX ENERGY CO Location: Reeves, TX	
Map Reference Information Reeves, TX US Survey: PSL 1993Block: 57Lot: Sec: 10 Qtr/ 200 FSL 730 FEL	

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CIMAREX ENERGY CO

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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

Date: 11/09/2018

Effective Date: 07/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 1H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.03125000

Property Description

Property: 420067-023.01

SNOWSHOE STATE 57-10 UNIT 1H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 10 Qtr/

200 FSL 730 FEL

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

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

Date: 11/09/2018

Effective Date: 07/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 2H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 420067-057.01

SNOWSHOE STATE 57-10 UNIT 2H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PUBLIC SCHOOL LAND 0

PSL001Block: 57Lot: S

SHL: 180 FSL 730 FEL SECTION: 10,BLK 57-PSL
SURVEYBHL: 100 FNL 830 FEL SECTION 3,BLK 57,PSL
SURVEY

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CIMAREX ENERGY CO

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

Owner(s) Daytime Phone #: _____

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

Date: 11/09/2018

Effective Date: 07/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 2H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.03125000

Property Description

Property: 420067-057.01

SNOWSHOE STATE 57-10 UNIT 2H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PUBLIC SCHOOL LAND 0

PSL001Block: 57Lot: S

SHL: 180 FSL 730 FEL SECTION: 10,BLK 57-PSL

SURVEY

BHL: 100 FNL 830 FEL SECTION 3,BLK 57,PSL

SURVEY

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CIMAREX ENERGY CO

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

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

Date: 11/09/2018

Effective Date: 07/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 2H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.03125000

Property Description

Property: 420067-057.01 SNOWSHOE STATE 57-10 UNIT 2H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PUBLIC SCHOOL LAND 0

PSL001Block: 57Lot: S

SHL: 180 FSL 730 FEL SECTION: 10,BLK 57-PSL
SURVEYBHL: 100 FNL 830 FEL SECTION 3,BLK 57,PSL
SURVEY

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

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

Owner(s) Daytime Phone #: _____

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

Date: 11/09/2018

Effective Date: 07/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 3H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 420067-058.01 SNOWSHOE STATE 57-10 UNIT 3H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 160 FSL 730 FEL, SECTION: 10, BLK 57, PSL
SURVEYBHL: 100 FNL 1160 FEL SECTION: 3, BLK 57, PSL
SURVEY

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

CIMAREX ENERGY CO

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

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

Date: 11/09/2018

Effective Date: 07/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 3H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.03125000

Property Description

Property: 420067-058.01

SNOWSHOE STATE 57-10 UNIT 3H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 160 FSL 730 FEL, SECTION: 10, BLK 57, PSL
SURVEYBHL: 100 FNL 1160 FEL SECTION: 3, BLK 57, PSL
SURVEY

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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

Date: 11/09/2018

Effective Date: 07/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 3H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.03125000

Property Description

Property: 420067-058.01 SNOWSHOE STATE 57-10 UNIT 3H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 160 FSL 730 FEL, SECTION: 10, BLK 57, PSL

SURVEY

BHL: 100 FNL 1160 FEL SECTION: 3, BLK 57, PSL

SURVEY

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

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

Owner(s) Daytime Phone #: _____

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Owner(s) Email Address: _____

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

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 4H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 420067-059.01 SNOWSHOE STATE 57-10 UNIT 4H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US Survey: PSL 1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 330 FSL 2210 FEL SECTION: 10, BLK 57, PSL

SURVEY

BHL: 100 FNL 1490 FEL, SECTION: 3, BLK 57, PSL

SURVEY

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Owner(s) Signature(s): x_____ x_____

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

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

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 4H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.03125000

Property Description

Property: 420067-059.01

SNOWSHOE STATE 57-10 UNIT 4H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 330 FSL 2210 FEL SECTION: 10, BLK 57, PSL
SURVEYBHL: 100 FNL 1490 FEL, SECTION: 3, BLK 57, PSL
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Owner(s) Signature(s): x_____ x_____

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Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

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202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 4H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.03125000

Property Description

Property: 420067-059.01

SNOWSHOE STATE 57-10 UNIT 4H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 330 FSL 2210 FEL SECTION: 10, BLK 57, PSL
SURVEYBHL: 100 FNL 1490 FEL, SECTION: 3, BLK 57, PSL
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Owner(s) Signature(s): x_____ x_____

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

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202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 5H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 420067-060.01 SNOWSHOE STATE 57-10 UNIT 5H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 330 FSL 2230 FEL, SECTION: 10, BLK PSL

SURVEY

BHL: 100 FNL 1820 FEL, SECTION 3, BLK 57, PSL

SURVEY

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 5H - ENT

Complete Property Description Listed Below

Production: ☒ Oil ☒ Gas ☐ Other: _____

Owner COMMISSIONER OF THE GENERAL	
Owner Number: 030618	
Interest Type: STATE OF TEXAS ROYALTY	Interest Type Code: STA2
Decimal Interest: 0.03125000	

Property Description	
Property: 420067-060.01	SNOWSHOE STATE 57-10 UNIT 5H
Operator: CIMAREX ENERGY CO	Location: Reeves, TX
Map Reference Information	
Reeves, TX US	Survey: PSL
SHL: 330 FSL 2230 FEL, SECTION: 10, BLK PSL	1993 Block: 57 Lot: Sec: 3 Qtr/C
SURVEY	
BHL: 100 FNL 1820 FEL, SECTION 3, BLK 57, PSL	
SURVEY	

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CIMAREX ENERGY CO

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY



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

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 5H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.03125000

Property Description

Property: 420067-060.01 SNOWSHOE STATE 57-10 UNIT 5H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US Survey: PSL 1993Block: 57Lot: Sec: 3 Qtr/C
SHL: 330 FSL 2230 FEL,SECTION: 10,BLK PSL
SURVEY
BHL: 100 FNL 1820 FEL,SECTION 3,BLK 57,PSL
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Tulsa, OK 74103

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 6H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 420067-061.01

SNOWSHOE STATE 57-10 UNIT 6H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 330 FSL 2250 FEL, SECTION: 10,BLK 57,PSL
SURVEYBHL: 100 FNL 2150 FEL,SECTION: 3,BLK 57,PSL
SURVEY

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

Owner(s) Daytime Phone #: _____

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202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 6H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.03125000

Property Description

Property: 420067-061.01 SNOWSHOE STATE 57-10 UNIT 6H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US Survey: PSL 1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 330 FSL 2250 FEL, SECTION: 10,BLK 57,PSL
SURVEYBHL: 100 FNL 2150 FEL,SECTION: 3,BLK 57,PSL
SURVEY

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 6H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.03125000

Property Description

Property: 420067-061.01 SNOWSHOE STATE 57-10 UNIT 6H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 330 FSL 2250 FEL, SECTION: 10,BLK 57,PSL
SURVEYBHL: 100 FNL 2150 FEL,SECTION: 3,BLK 57,PSL
SURVEY

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

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

Owner(s) Daytime Phone #: _____

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

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 7H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 420067-062.01 SNOWSHOE STATE 57-10 UNIT 7H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PUBLIC SCHOOL LAND 0

PSL001Block: 57Lot: S

SHL: 330 FSL 2270 FEL, SECTION: 10, BLK 57, PSL

SURVEY

BHL: 110 FNL 2480 FEL, SECTION: 3, BLK 57, PSL

SURVEY

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

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

Owner(s) Daytime Phone #: _____

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

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 7H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.03125000

Property Description

Property: 420067-062.01 SNOWSHOE STATE 57-10 UNIT 7H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PUBLIC SCHOOL LAND 0

PSL001Block: 57Lot: S

SHL: 330 FSL 2270 FEL, SECTION: 10, BLK 57, PSL

SURVEY

BHL: 110 FNL 2480 FEL, SECTION: 3, BLK 57, PSL

SURVEY

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Owner(s) Signature(s): x_____ x_____

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

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202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 7H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.03125000

Property Description

Property: 420067-062.01 SNOWSHOE STATE 57-10 UNIT 7H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PUBLIC SCHOOL LAND 0

PSL001Block: 57Lot: S

SHL: 330 FSL 2270 FEL, SECTION: 10, BLK 57, PSL
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Owner(s) Daytime Phone #: _____

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

Date: 11/09/2018

Effective Date: 08/01/2018

030618

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

Description: SNOWSHOE STATE 57-10 UNIT 8H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000

Property Description

Property: 420067-064.01 SNOWSHOE STATE 57-10 UNIT 8H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 330 FSL 2290 FEL- SECTION: 10,BLK 57,PSL

SURVEY- REEVES COUNTY

BHL: 100 FNL 2260 FEL-SECTION: 3,BLK 57,PSL

SURVEY, REEVES COUNTY

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LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: SNOWSHOE STATE 57-10 UNIT 8H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.03125000

Property Description

Property: 420067-064.01

SNOWSHOE STATE 57-10 UNIT 8H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

1993Block: 57Lot: Sec: 3 Qtr/C

SHL: 330 FSL 2290 FEL- SECTION: 10,BLK 57,PSL

SURVEY- REEVES COUNTY

BHL: 100 FNL 2260 FEL-SECTION: 3,BLK 57,PSL

SURVEY, REEVES COUNTY

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

Description: SNOWSHOE STATE 57-10 UNIT 8H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.03125000

Property Description

Property: 420067-064.01 SNOWSHOE STATE 57-10 UNIT 8H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

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SHL: 330 FSL 2290 FEL- SECTION: 10,BLK 57,PSL

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 7, 2019

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

Re: State Lease Nos. ✓ MF115405, MF111893 and MF111899 Snowshoe State 57-10 1H, 2H, 3H,
4H, 5H, 6H, 7H and 8H Unit 7924

Dear Mrs. Hale-Hill:

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

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

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

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

Thank you,

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

File No. ME115405Reeves CountyDivision OrderDate Filed: 2-7-19

George P. Bush, Commissioner

By VR

USPS TRACKING #



9590 9402 1749 6074 7752 54

**United States
Postal Service**

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



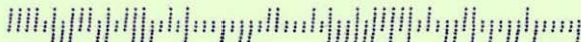
Texas General Land Office

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

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



MF115405

F115502

MF116096

MF117292

= 118165

F118666

F119091

verdie 7th
4W4064 FUR

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:

Resolute Natural Resources
Company LLC
202 S Cheyenne Ave Ste 1000
Tulsa, OK 74103-3001



9590 9402 1749 6074 7752 54

2. Article Number (Transfer from service label)

7016 2070 0000 7391 0360

COMPLETE THIS SECTION ON DELIVERY**A. Signature****X**

Justin Wallace

☐ Agent☒ Addressee**B. Received by (Printed Name)**

JUSTIN WALLACE

C. Date of Delivery

11-18-19

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

If YES, enter delivery address below:

☐ No

MF115405

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail

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

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Domestic Mail Only

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

Postage

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Total Postage and Fees

\$

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City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

MF 115405
MF 115502
MF 116096
Postmark
Here
MF 117292
MF 118165
MF 118666
MF 119091

Resolute Natural Resources Company LLC
202 S Cheyenne Ave, Ste 1000
Tulsa, OK 74103-3001

Certified Mail service provides the following benefits:

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

Important Reminders:

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

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

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

IMPORTANT: Save this receipt for your records.



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

COPY

Resolute Natural Resources Company, LLC
202 S Cheyenne Ave, Ste 1000
Tulsa, OK 74103-3001

Billing Date: 11/12/2019
Billing Due Date: 12/12/2019
Customer Number: C000051892

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
20I00135	MF115405	\$0.00	\$7,742.72	\$774.28	\$433.32	\$8,950.32
20I00136	MF115502	\$0.00	\$7,307.78	\$730.78	\$409.02	\$8,447.58
20I00137	MF116096	\$0.00	\$6,037.22	\$603.73	\$337.74	\$6,978.69
20I00138	MF117292	\$0.00	\$41,350.91	\$4,135.09	\$2,314.47	\$47,800.47
20I00143	MF118165	\$0.00	\$23,603.27	\$2,360.33	\$1,320.47	\$27,284.07
20I00146	MF118666	\$0.00	\$418.00	\$78.73	\$23.39	\$520.12
20I00147	MF119091	\$0.00	\$545.85	\$87.62	\$30.54	\$664.01
Total Due		\$0.00	\$87,005.75	\$8,770.56	\$4,868.95	\$100,645.26

Penalty and interest have been calculated thru 11/30/2019. Payment remitted after 11/30/2019 will result in additional penalty and interest charges.

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

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

Resolute Natural Resources Company, LLC

Billing Date: 11/12/2019

Billing Due Date: 12/12/2019

Customer Number: C000051892

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
20I00135	MF115405	\$0.00	\$7,742.72	\$774.28	\$433.32	\$8,950.32
20I00136	MF115502	\$0.00	\$7,307.78	\$730.78	\$409.02	\$8,447.58
20I00137	MF116096	\$0.00	\$6,037.22	\$603.73	\$337.74	\$6,978.69
20I00138	MF117292	\$0.00	\$41,350.91	\$4,135.09	\$2,314.47	\$47,800.47



Texas General Land Office

George P. Bush, Commissioner

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

20I00143	MF118165	\$0.00	\$23,603.27	\$2,360.33	\$1,320.47	\$27,284.07
20I00146	MF118666	\$0.00	\$418.00	\$78.73	\$23.39	\$520.12
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Total Due		\$0.00	\$87,005.75	\$8,770.56	\$4,868.95	\$100,645.26
Amt. Paid						

**Energy Financial Management
SMAR Activity / Invoicing Approval**

Auditor/Account Examiner: Andrea Charlton
 Company Name: RESOLUTE NATURAL RES. CO., LLC
 Customer Number: C000051892
 Mineral File #: MF115405 Unit 8788
 Transaction Type: Volume Reconciliation
 Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$8,950.32	11/01/19	Under reported/paid sales volumes	MM 11/5/2019 	
			To include interest with cancellation		

All original invoices must be approved.
 All reductions in billing of more than \$1000 must be approved.

**Energy Financial Management
SMAR Activity / Invoicing Approval**

Auditor/Account Examiner: Andrea Charlton
 Company Name: RESOLUTE NATURAL RES. CO., LLC
 Customer Number: C000051892
 Mineral File #: MF115405 Unit 8788
 Transaction Type: Volume Reconciliation
 Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$8,950.32	11/01/19	Under reported/paid sales volumes	MM 11/5/2019 	
			To include interest with cancellation		

All original invoices must be approved.
 All reductions in billing of more than \$1000 must be approved.

Customer ID: C000051892
 Invoice Number:
 GLO Lease: MF115405
 GLO Review: RESOLUTE NATURAL RES. CO., LLC
 Review Period: SEPT 2016 Through AUG 2017

Category: Oil
 Auditor/AE: Acharito
 Billing Date: 11/1/2019
 P&I Calculation Date: 11/30/2019
 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 Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate For	Interest Rate For	Revenue Due
Jul-18	08-284869	0	1.00000000	0.000000	1.000000	\$14,126.27	\$1,765.78	\$0.00	\$1,765.78	451	5.50%	\$176.58	\$104.30	\$2,046.66
Jul-18	08-284869	89	1.00000000	59.530800	1.000000	\$5,298.24	\$662.28	\$0.00	\$662.28	451	5.50%	\$66.23	\$39.12	\$767.63
Aug-18	08-284869	777	1.00000000	54.719800	1.000000	\$42,517.28	\$5,314.66	\$0.00	\$5,314.66	421	5.50%	\$531.47	\$289.90	\$6,136.03
TOTALS		866				\$61,941.80	\$7,742.72	\$0.00	\$7,742.72			\$774.28	\$433.32	\$8,950.32

ATTENTION: Mary Jane Russell
 CERTIFIED MAIL : 7016 2070 0000 7391 0360

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.
 DUE VS PAID NON-PAYMENT FOR 07/2018.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-284869 08 285457 08-285898 08-284864 08285784

COLUMN (3) DUE VS PAID ROYALTY UNDER PAYMENT FOR JULY 2018

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

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

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

File No. MF15405

13
County

Reconciliation Billing

Date Filed: 11/12/19

George P. Bush, Commissioner

By VD



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

NADOA Model Form Division Order (Adopted 9/95)

Unit 8788
✓ MF115405
MF118165
MF118666
MF117292
MF115502
MF116092
MF119091

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE U13H - ENT/GAS

Complete Property Description Listed Below

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

Owner COMMISSIONER OF THE GENERAL Owner Number: 030618 Interest Type: STATE OF TEXAS ROYALTY Decimal Interest: 0.01092793		Interest Type Code: STA1
--	--	--------------------------

Property Description Property: 421050-048.01 SANDLOT STATE U13H Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX Map Reference Information Reeves, TX US Survey: PSL -Block: 57Lot: Sec: 5 Qtr/Qtr: SEC 5 Blk 57 - NE/4NE/4	
---	--

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

CIMAREX ENERGY CO

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

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

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



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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE U13H - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.05628481

Property Description

Property: 421050-048.01 SANDLOT STATE U13H

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57 Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY



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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE U13H - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.06325123

Property Description

Property: 421050-048.01

SANDLOT STATE U13H

Operator: RESOLUTE NATURAL RESOURCES

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57 Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY



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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE L15H - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.01092793

Property Description

Property: 421050-041.01 SANDLOT STATE L15H

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE L15H - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.05628481

Property Description

Property: 421050-041.01 SANDLOT STATE L15H

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE L15H - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.06325123

Property Description

Property: 421050-041.01 SANDLOT STATE L15H

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57 Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE B113SL - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.01092793

Property Description

Property: 421050-033.01 SANDLOT STATE B113SL

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57 Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

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

Owner(s) Daytime Phone #: _____

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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE B113SL - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.05628481

Property Description

Property: 421050-033.01 SANDLOT STATE B113SL

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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030618

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

Description: SANDLOT STATE B113SL - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.06325123

Property Description

Property: 421050-033.01 SANDLOT STATE B113SL

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

CIMAREX ENERGY CO

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

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

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

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

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY



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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE C115SL - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.01092793

Property Description

Property: 421050-034.01 SANDLOT STATE C115SL

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57 Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE C115SL - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.05628481

Property Description

Property: 421050-034.01 SANDLOT STATE C115SL

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

CIMAREX ENERGY CO

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY



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

Date: 08/05/2019

Effective Date: 04/01/2019

030618

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

Description: SANDLOT STATE C115SL - ENT/GAS

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA3

Decimal Interest: 0.06325123

Property Description

Property: 421050-034.01 SANDLOT STATE C115SL

Operator: RESOLUTE NATURAL RESOURCES Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: PSL

-Block: 57Lot: Sec: 5 Qtr/Qtr:

SEC 5 Blk 57 - NE/4NE/4

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 22, 2019

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

Re: State Lease Nos. MF115405, MF118165, MF118666, MF117292, MF115502, MF116092
and MF119091 Sandlot State U13H, L15H, B113SL, C115SL Unit 8788

Dear Mrs. Hale-Hill:

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

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

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

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

Thank you,

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

File No. MF115405Reeves CountyDivision OrderDate Filed: 12-2-2019

George P. Bush, Commissioner

By VRg



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

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

Billing Date: 4/3/2024
Billing Due Date: 5/3/2024
Customer Number: C000044010

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00563	MF115405	\$8,247.09	\$0.00	\$824.71	\$324.79	\$9,396.59
Total Due		\$8,247.09	\$0.00	\$824.71	\$324.79	\$9,396.59

Penalty and interest have been calculated thru 4/30/2024. Payment remitted after 4/30/2024 will result in additional penalty and interest charges.

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

Cimarex Energy Co.

Billing Date: 4/3/2024

Billing Due Date: 5/3/2024

Customer Number: C000044010

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00563	MF115405	\$8,247.09	\$0.00	\$824.71	\$324.79	\$9,396.59
Total Due		\$8,247.09	\$0.00	\$824.71	\$324.79	\$9,396.59
Amt. Paid						

Customer ID: C000044010
 Invoice Number: MF115405
 GLO Lease: CIMAREX ENERGY CO.
 GLO Review: Sept 2022 - Aug 2023
 Review Period:

Category Gas
 Auditor/AE: ECortez
 Billing Date: 4/1/2024
 P&I Calculation Date: 4/30/2024
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Mar-23	08-291227	6,318	1	\$1.766	1,164,100	\$12,984.94	\$1,623.12	\$0.00	\$1,623.12	351	8.50%	\$162.31	\$110.37	\$1,895.80
Aug-23	08-291227	22,233	1	\$2.078	1,146,857	\$52,991.78	\$6,623.97	\$0.00	\$6,623.97	198	8.50%	\$662.40	\$214.42	\$7,500.79
TOTALS		28,551				\$65,976.71	\$8,247.09	\$0.00	\$8,247.09			\$824.71	\$324.79	\$9,396.59

COMMENTS: BILLING ON UNDER REPORTED GAS VOLUMES TO THE GLO FOR UNIT 10869 (08-291227, 08-291284, 08-291285, 08-291286, 08-291310)

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

File No. MF 115405 ¹⁵

Recon Billing County

Date Filed: 4/28/2024

Commissioner Dawn Buckingham, M.D.

By: VI



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

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

Billing Date: 4/16/2025
Billing Due Date: 5/16/2025
Customer Number: C000044010

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25I00631	MF115405	\$60,860.90	\$0.00	\$12,295.45	\$20,822.89	\$93,979.24
Total Due		\$60,860.90	\$0.00	\$12,295.45	\$20,822.89	\$93,979.24

Penalty and interest have been calculated thru 4/30/2025. Payment remitted after 4/30/2025 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.

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Detach and return with payment

Reconciliation Billing
Cimarex Energy Co.

Billing Date: 4/16/2025
Billing Due Date: 5/16/2025

Customer Number: C000044010

Remit Payment To:
Texas General Land Office
PO Box 12873
Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25I00631	MF115405	\$60,860.90	\$0.00	\$12,295.45	\$20,822.89	\$93,979.24
Total Due		\$60,860.90	\$0.00	\$12,295.45	\$20,822.89	\$93,979.24
Amt. Paid						

Customer ID: C000044010

Invoice Number:

GLO Lease: MF115405

GLO Review: Cimarex Energy Company

Review Period: Sept 2022 - Aug 2023

Category Gas

Auditor/AE: ECortez

Billing Date: 4/1/2025

P&I Calculation Date: 4/30/2025

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
Dec-22	08-284667	73,176	1	\$4,430	1	\$324,170.09	\$40,521.26	\$0.00	\$40,521.26	805	8.50%	\$4,052.13	\$7,039.60	\$51,612.99
Jan-23	08-284667	137,964	1	\$4,780	1	\$659,465.93	\$82,433.24	\$0.00	\$82,433.24	777	8.50%	\$8,243.32	\$13,783.29	\$104,459.85
Jan-23	08-284667	0	1	\$0.000	1	\$0.00	\$0.00	\$62,093.60	(\$62,093.60)	777	8.50%	\$0.00	\$0.00	(\$62,093.60)
TOTALS		211,140				\$983,636.02	\$122,954.50	\$62,093.60	\$60,860.90			\$12,295.45	\$20,822.88	\$93,979.24

COMMENTS: BILLING ON UNDER REPORTED GAS VOLUMES TO THE GLO FOR UNITS 8788 AND 10869

COLUMN (3) UNDER REPORTED VOLUME: REPORTED RRC VOLUMES MINUS REPORTED GLO2 VOLUMES

COLUMNS (5) & (6) WAHA HUB PRICES WERE USED

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

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

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

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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:

Daniel Kong

daniel.kong@coterra.com

Tran Chu

tran.chu@coterra.com

File No. MF 115405

Recon Billing County

Date Filed: 5/12/2025
Commissioner Dawn Buckingham, M.D.

By: VD