

MF115476

Unit 6358  
iNut 10557

State Lease	Control	Base File	County
MF115476	01-002792		MADISON
MF115476	01-002809		BRAZOS

Survey	NAVASOTA RIVER	
Block		
Block Name		
Township		
Section/Tract		
Land Part		
Part Description		
Acres	2.77	
Depth Below	Depth Above	Depth Other

Leasing:       
Analyst:       
Maps:       
GIS:       
DocuShare:     

Name	WOODBINE ACQUISITION, LLC
Lease Date	8/1/2013
Primary Term	1 yrs
Bonus (\$)	\$831.00
Rental (\$)	\$0.00
Lease Royalty	0.2500



**CAUTION**

Documents in this file have been placed in Table of Contents order and scanned.

Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

Thank you for your assistance.

Archives and Records Staff



Contents of Mineral File Number: M-115476

1. Ltr. From Clerk Jobc 6/13/17
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3. Bonus 10/2/17
4. Pooling Agrmt Packet #6358  
Thomason B #1H PSA 10/19/13
5. Ltr. to Clerk Jobc 10/11/13
6. DO 6/9/14

scanned sm 11/14/14

See MF 110423 #13 FY14 Demand Letter 10/2/15.

scanned pt 12-8-15

(See MF 111936, #11, iNut 10559 Packet  
"Madison (Allocation) #1H")

⑦ iNut 10557 Packet "Marcus J.  
Fleming (Alloc) #2 H" 2/10/20

⑧ Revised Buckslip Unit 6358,  
"Thomason B #1H PSA Unit" 2/10/20

~~⑨ Revised Buckslip Unit 63~~

scanned sm 02/12/2020

9. Division Order 2-19-2020

see MF 113874 #8 Division Order

scanned sm 03/06/2020

**McELROY, SULLIVAN, MILLER,  
WEBER & OLMSTEAD, L.L.P.**  
Attorneys at Law

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June 13, 2013

*By Hand Delivery*

Mr. Ladell Collier, P.G.  
Mineral Leasing, Energy Resources  
General Land Office  
1700 No. Congress Avenue, 8<sup>th</sup> Floor  
Austin, Texas 78701

Re: Pooling Applications of Woodbine Acquisition LLC  
for the Bubba Wilson Unit, Wilson 191 Unit, J. Habarta #1 Unit and Lott-Lee Unit  
Brazos & Madison Counties, Texas

Dear Mr. Collier:

Thank you for taking the time to visit with Austin Adams and Jay Todd from Woodbine Acquisition LLC to discuss the need to reconfigure the units in which certain Navasota River acreage has been pooled. Enclosed are the applications that we believe will provide the General Land Office with an opportunity to receive its fair share of production under the Navasota River in this area. The following information forms a part of Woodbine's applications and is incorporated into those applications by reference. I have also included for your reference an overview map from the General Land Office's GIS that shows the general layout of the units along the river.

**Bubba Wilson Horizontal Oil Unit**

An application to create the Bubba Wilson Horizontal Oil Unit is enclosed. This application includes acreage that was previously committed to the Dunman-Wilson 1H temporary unit. It also includes part of the acreage in the Dunman-Wilson "A" 2H Unit, which is a permanent. And it also includes some acreage in between the Dunman-Wilson 1H Unit and the Dunman-Wilson "A" 2H Unit which was previously stranded.

Woodbine proposes that the State share in production in the Bubba Wilson Horizontal Oil Unit on an acreage basis. Because of the inability to pool certain interests to the east of this unit, Woodbine also proposes that the oil production from the Dunman-Wilson No. 1H Well and the Dunman-Wilson "A" No. 2H well, and any future well, be apportioned to the Bubba Wilson Horizontal Oil Unit on the basis of the proportionate part of each wellbore, from first take point to last take point, that lies within the unit.

Mr. Ladell Collier  
June 13, 2013  
Page 2

With this application, Woodbine requests that the Dunman-Wilson "A" 2H Unit (Unit No. 5860) be cancelled. We also request that the Dunman-Wilson 1H Unit (Unit No. 5044) be cancelled.

In order to simplify the accounting for both the GLO Audit Staff and Woodbine Acquisition LLC, we propose that the effective date of the new Bubba Wilson Horizontal Oil Unit and the cancellation date of the other units be set at January 17, 2013. Woodbine proposes that the new participation percentages be applied from that date forward and that production accounting not be adjusted for prior periods.

To assist with your review of this proposed reconfiguration, attached to this transmittal letter is a schedule showing the State's proposed Net Revenue Interest in the Bubba Wilson Horizontal Oil Unit as compared with the Net Revenue Interest in the existing Dunman-Wilson unit.

#### **J. Habarta #1 Unit**

An application to create the J. Habarta #1 Unit is enclosed. This application is for a vertical well.

Petromark Minerals, Inc. was the original operator of the J. Habarta No. 1 well when the well was drilled. Woodbine became the operator in July 2011.

Woodbine proposes that the State share in this unit on an acreage basis. Woodbine proposes that the effective date of the unit be set at August 1, 2013, assuming favorable action by the School Land Board in July, in order to be consistent with accounting changes on other units involved in this reconfiguration. Woodbine is willing to compensate the State for the royalty due on its proportionate share for the past production from this unit from the date that Woodbine became the operator of the well. Woodbine will tender a payment of back royalties from July 2011 through December 2012 with its executed pooling agreement. As soon as the royalty for the period from January through July 2013 is determined in the normal course of accounting, Woodbine will tender a check for the royalty due on the State's proportionate share for that period. Because of the reconfiguration, Woodbine proposes that the State accept these royalty payments without assessment of any penalty or interest. From the production period beginning August 1, 2013 forward, Woodbine will make royalty payments in the normal course.

#### **Thomason A 1H Production Sharing Agreement**

An application for the State to share in production from the Thomason A 1H Unit is enclosed. A pooling agreement for the Thomason A 1H Unit was approved at the November 6, 2012 School Land Board meeting, but Woodbine was unable to execute the agreement, because the inability to pool acreage in this area was discovered subsequent to the School Land Board action. In addition, additional title work indicated that the minerals underlying the acreage in State Highway 21 belong to the respective private mineral owners. That acreage was part of the prior application.

While Woodbine is unable to pool the acreage underlying the entire length of the wellbore, Woodbine is willing to offer the State an opportunity to participate in production from the well on an acreage basis, as-if-pooled, under a Production Sharing Agreement.

Woodbine proposes that the effective date of the unit be set at August 1, 2013, assuming favorable action by the School Land Board in July, in order to be consistent with accounting changes on some of the other units involved in this reconfiguration. Woodbine is willing to compensate the State for the royalty due on its proportionate share for the past production from this unit from the date of first production. Woodbine will tender this amount of back royalties from the date of first production through December 2012 with its executed pooling agreement. As soon as the royalties for the period from January through July 2013 are determined in the normal course of accounting, Woodbine will tender a check for the amount due on the State's proportionate share for that period. Because of the reconfiguration, Woodbine proposes that the State accept these production payments without assessment of any penalty or interest. From the production period beginning August 1, 2013 forward, Woodbine will make production payments in the normal course.

#### **Thomason B 1H Production Sharing Agreement**

An application for the State to share in production from the Thomason B 1H Unit is enclosed. A pooling agreement for the Thomason B 1H Unit was approved at the November 6, 2012 School Land Board meeting, but Woodbine was unable to execute the agreement, because the inability to pool acreage in this area was discovered subsequent to the School Land Board action. In addition, additional title work indicated that the minerals underlying the acreage in State Highway 21 belong to the respective private mineral owners. That acreage was part of the prior application.

While Woodbine is unable to pool the acreage underlying the entire length of the wellbore, Woodbine is willing to offer the State an opportunity to participate in production from the well on an acreage basis, as-if-pooled, under a Production Sharing Agreement.

Woodbine proposes that the effective date of the unit be set at August 1, 2013, assuming favorable action by the School Land Board in July, in order to be consistent with accounting changes on some of the other units involved in this reconfiguration. Woodbine is willing to compensate the State for the royalty due on its proportionate share for the past production from this unit from the date of first production. Woodbine will tender this amount of back royalties from the date of first production through December 2012 with its executed pooling agreement. As soon as the royalties for the period from January through July 2013 are determined in the normal course of accounting, Woodbine will tender a check for the amount due on the State's proportionate share for that period. Because of the reconfiguration, Woodbine proposes that the State accept these production payments without assessment of any penalty or interest. From the production period beginning August 1, 2013 forward, Woodbine will make production payments in the normal course.

Mr. Ladell Collier  
June 13, 2013  
Page 4

### **Lott Lee 2H Production Sharing Agreement**

An application for the State to share in production from the Lott Lee #2H well is enclosed. Woodbine is proposing to include the bulk of the riverbed acreage adjacent to the Lott-Lee leasehold in the Thomason A 1H and Thomason B 1H Production Sharing Agreements. The proposed path of the No. 2H well, however, crosses a streambed that is not included in the other proposed sharing agreements.

The No. 1 well on this lease was originally drilled by Endeavor Natural Gas, LP. The well does not cross acreage in which the State owns an interest. Woodbine is unable to obtain the consent of other working interest owners in the Lott-Lee lease to form a unit that includes the No. 1 well. However, Woodbine is offering to include the State in production from the proposed No. 2 well, in light of the fact that the wellbore path crosses a stream. Woodbine proposes a Production Sharing Agreement limited to the No. 2 wellbore.

The No. 2 well has not yet been drilled. Woodbine is proposing to include the State in production from this wellbore from the date of first production.

### **Consideration in Lieu of Bonus**

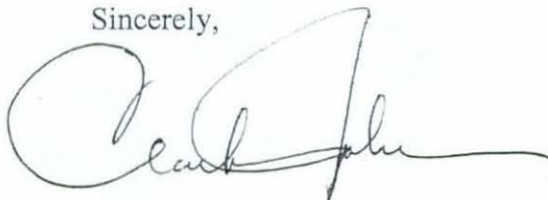
Consistent with prior recent applications, Woodbine proposes a consideration in lieu of bonus of \$300 per acre for the riverbed acreage.

Since the bonus has already been paid on the riverbed acreage included in the Dunman-Wilson 1H Unit and the Dunman-Wilson "A" 2H Unit, Woodbine proposes no consideration in lieu of bonus for the Bubba Wilson Horizontal Oil Unit.

Also enclosed are Check Nos. 27099, 27100, 27101, 27102 and 27103, each in the amount of \$500, totaling \$2,500 in the aggregate, in payment of the filing fees for the five enclosed applications. We would appreciate a receipt for this amount.

Thank you for your assistance with this application. If I can assist your review by providing additional information, please give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Clark Jobe", written in a cursive style.

Clark Jobe  
Attorney for Woodbine Acquisition LLC

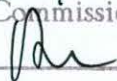
Enclosures

①

File No. M-115476  
Ltr. from Clark Jobe

Date Filed: 6/13/17

Jerry E. Patterson, Commissioner

By 

**McELROY, SULLIVAN, MILLER,  
WEBER & OLMSTEAD, L.L.P.**  
Attorneys at Law

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October 2, 2013

Mr. J. Daryl Morgan, CPL  
Energy Resources Division  
General Land Office  
Stephen F. Austin Building, 8th Floor  
1700 No. Congress Avenue  
Austin, Texas 78701-1495

Re: Bubba Wilson Horizontal Oil Unit – 6355  
J. Habarta #1 Unit – 6356  
Thomason A 1H PSA – 6357  
Thomason B #1H PSA - 6358

Dear Mr. Morgan:

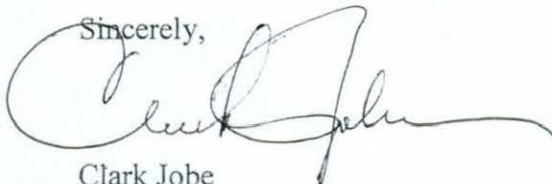
Attached are executed originals of the agreements affecting the above units.

Also enclosed is Check No. 25169, in the amount of \$3,069.00, in payment of the consideration in lieu of bonus for the Habarta and Thomason units.

If you would please return the signed agreements to me, I will forward them to Woodbine for recording in the respective counties.

Thank you for your assistance with this matter.

Sincerely,



Clark Jobe  
Attorney for Woodbine Acquisition LLC

Enclosures

File No. M-115476 ②  
Ltr. From Clerk Jobs

Date Filed: 10/2/13

Jerry E. Patterson, Commissioner

By [Signature]

From: Woodbine Acquisition LLC  
To: THE COMMISSIONER OF THE  
GENERAL LAND OFFICE  
1700 NORTH CONGRESS AVE  
AUSTIN, TX 78701

Vendor Code  
GEN001

Check Date  
08/21/2013

Check Amount  
\$3,069.00

Check Number  
UNOP-25169

Invoice #	Invoice Amt
LEASE BONUS	3,069.00
Gross Acres 10.23 Net Acres 10.23 @ NMA	

**RECEIVED**  
OCT 02 2013  
RECEIVER'S OFFICE

Unit	GLO Acreage	Bonus
Thomason A	4.01	\$1,203.00
Thomason B	2.77	\$831.00
Habarta	3.45	\$1,035.00
Total	10.23	\$3,069.00

14701768

121

3

File No. M-115476  
Bonus

Date Filed: 10/2/13  
Jerry E. Patterson, Commissioner

By [Signature]

**DO NOT DESTROY**



**Texas General Land Office**  
**UNIT AGREEMENT MEMO**

PA13-300

Unit Number 6358

Operator Name **WOODBINE ACQUISITION LLC** Effective Date 8/1/2013

Customer ID C000052134 Unitized For Oil & Gas

Unit Name Thomason B #1H PSA Unit Term 0 Months

County1 Madison

County2 Brazos

County3

RRC District: 03

Unit Type: Permanent

State Royalty Interest: 0.0027829127

State Part in Unit: 0.0111316509

Unit Depth Well: Unit

Below Depth 0 Formation: Surface to 100 feet below deepest depth drilled.

Above Depth 0 Participation Basis: Surface Acreage

[If Exclusions Apply: See Remarks]

MF Number MF115476 Tract Number 1

Lease Acres 2.77 / Total Unit Acres 248.84 =

Tract Participation: 0.0111317 X

Lease Royalty 0.25 = Manual Tract Participation:  See Remarks

Tract Royalty Participation 0.0027829 Manual Tract Royalty:

Tract Royalty Reduction No

Tract Royalty Rate 0

Tract On-Line Date:


01-002869(1.385ac) 01-002792(1.385ac)

API Number

RRC Number

Remarks:


Prepared By:



Prepared Date:

7-17-13

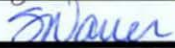
GLO Base Updated By:



GLOBase Date:

7-17-13

RAM Approval By:



RAM Approval Date:

8.8.13

GIS By:



GIS Date:

10-29-13

## Pooling Committee Report

**To:** School Land Board PA13-300  
**Date of Board Meeting:** July 16, 2013 Unit Number: 6358  
**Effective Date:** 8/1/2013  
**Unit Expiration Date:** Permanent  
**Applicant:** WOODBINE ACQUISITION LLC  
**Attorney Rep:**  
**Operator:** WOODBINE ACQUISITION LLC  
**County 1:** Madison  
**County 2:** Brazos  
**County 3:**  
**Unit Name:** Thomason B #1H PSA  
**Field Name:** Madisonville, W (Woodbine -A-)

<u>Lease Type</u>	<u>MF 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>
UR	MF115476	0.25			2.77	2.77	0.0027829

A part of the Navasota River is being pooled pursuant to Texas Natural Resource Code 52.076.

SF = State Fee    RAL = Relinquishment Act    FR = Free Royalty    UR = Unleased River

<b>Private Acres:</b>	246.07
<b>State Acres:</b>	2.77
<b>Total Unit Acres:</b>	248.84

<b><u>Participation Basis:</u></b>	
Surface Acreage	
<b><u>State Acreage:</u></b>	1.11%
<b><u>State Unit Royalty:</u></b>	0.28%

<b><u>Unit Type:</u></b>	<b><u>Unitized for:</u></b>
Permanent	Oil & Gas
<b><u>Term:</u></b>	0 Months

<b><u>Well Location:</u></b>
Private Land

<b><u>RRC Rules:</u></b>	<b><u>Spacing Acres:</u></b>
Statewide	160

REMARKS:

- o Woodbine Acquisition, LLC is requesting a production sharing agreement on an "as if pooled" basis from the surface to 100 feet below deepest depth drilled and that the effective date be August 1, 2013.
  
- o The applicant has one well which has produced 67,836 BO and 54,367 MCF since September, 2012.
  
- o To compensate the State for lost lease bonus on the unleased Navasota River acreage, the applicant has agreed to pay the Permanent School Fund \$300.00 per net mineral acre, which is \$831.00.
  
- o With Board approval, the State's royalty participation will be 0.28%. State royalty participation may change slightly based on final survey results.
  
- o The applicant has also agreed to pay the State for its proportionate share of past production from the date of first production through July, 2013.

POOLING COMMITTEE RECOMMENDATION:

- o The Pooling Committee recommends Board approval of a production sharing agreement under the above-stated provisions.

Mary Smith  
Mary Smith - Office of the Attorney General

7/2/13  
Date:

Robert Hatter  
Robert Hatter - General Land Office

7/02/13  
Date:

David Zimmerman  
David Zimmerman - Office of the Governor

7/2/13  
Date:

GEORGE L  
RAMSDALE  
A-191

UF CASE  
A-70

A part of the Navasota River is being pooled  
pursuant to T.N.R.C. 52.076

RALEIGH W  
SMITH  
A-213

PSL

PBHL

MADISON COUNTY

WILLIAM  
KINNARD  
A-132

Navasota River

HENRY  
R CARTMELL  
A-88

THOMAS  
FITZGERALD  
A-97

BRAZOS COUNTY

JESSE  
K DAVIS  
A-103



PA13-300 Unit #6358  
Woodbine Acquisition, LLC.  
Thomason B #1H PSA  
Madisonville, W (Woodbine -A-) Field  
Brazos & Madison Counties, 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  
IS/BAS/GIS  
June 2013

**PRODUCTION SHARING AGREEMENT PURSUANT TO TNRC § 52.154  
STATE OF TEXAS / WOODBINE ACQUISITION LLC  
THOMASON B #1H PSA  
M-115476 GLO UNIT NO. 6358  
BRAZOS AND MADISON COUNTIES, TEXAS**

THIS AGREEMENT ("Agreement") is made and entered into effective August 1, 2013, by and between the Commissioner of the General Land Office of the State of Texas ("State"), and Woodbine Acquisition LLC ("Woodbine").

WITNESSETH THAT:

WHEREAS, the State owns the minerals under 2.77 acres of the Navasota River adjacent to a 246.07 acre proration unit for the Thomason B #1H Well, said 2.77 acres hereinafter referred to as the ("unleased interest"); and

WHEREAS, pursuant to Texas Natural Resources Code §52.154, the School Land Board has authority to approve agreements that includes in the benefits of production a mineral or royalty interest in land belong to the permanent school fund; and

WHEREAS, Woodbine and the State desire to enter into this Agreement to provide for the State's participation in the Thomason B #1H Well and any other wells drilled within the 246.07 acre Proration Unit on the basis as if the State's 2.77 acre unleased interest being included with the 246.07 acre Proration Unit to form a 248.84 acre Production Sharing Unit hereinafter referred to as "Unit"; and

WHEREAS, the School Land Board at its regular meeting on July 16, 2013, determined that entering into this Agreement for oil and gas produced from the surface to 100 feet below the deepest depth drilled as defined in Exhibit "2" is in the best interest of the State.

NOW, THEREFORE, in consideration of the payment to the State of an amount equal to the royalties the State would be owed under this Agreement if the unleased interest had been pooled effective as of the date of first production, ( royalties from the date of first production to 12/31/12 due upon signing by the Commissioner and from 1/1/2013 to 7/31/2013 due on or before September 5, 2013) and of \$831.00 and of the mutual agreements hereinafter set forth and together with other valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, and for the purposes and upon the terms and conditions contained herein, the parties hereto agree that the unleased interest shall participate in the Unit as per the following conditions:

1. This Agreement is entered into pursuant to the authority granted in Chapter 52, of the Texas Natural Resources Code and Chapter 9 of Title 31 of the Texas Administrative Code and 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 minerals from the Unit and in the interpretation and application hereof this Agreement shall be, in all things, subject thereto.

2. The State and Woodbine agree that nothing herein shall be construed as granting a leasehold interest to Woodbine in the unleased interest but rather this Agreement affects a contractual agreement with the respective rights and duties of the parties defined in paragraph 3, below.

3. The rights and duties of the State and Woodbine with respect to the unleased interest within the boundaries of the Unit shall be established, governed and controlled by the terms, conditions and covenants contained in Exhibit "1" and Exhibit "2" attached hereto and incorporated herein, wherein the State shall be considered the Lessor and Woodbine the Lessee and the State shall receive its share of Unit production in the form of a royalty as provided in Exhibit "1" and allocated to the State as provided in Exhibit "2" with no obligation to the State for operating costs of any kind, including but not limited to exploring, drilling, equipping, completion, treating, transporting, marketing, plugging, abandonment or restoration.

4. This Agreement shall remain in effect for a term of one year from the effective date, (herein called "primary term") and so long as the pooled mineral is being produced in paying quantities from the Unit, or so long as this Agreement is maintained in force by payment of shut-in oil or gas well royalties on a unit well, by drilling or rework operations on a unit well, or by other means in accordance with the terms of Exhibit "1" to this Agreement.

5. Inasmuch as the parties may not be able conveniently to execute one original hereof, it is agreed that a counterpart hereof may be executed by each party to this Agreement, each of which shall be considered an original, and all of said counterparts shall be construed together as one instrument.

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

7. This Agreement is to be performed in the State of Texas, and the substantive laws of the State of Texas will govern the validity, construction and enforcement of this Agreement.

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

Date Executed 10/9/13

STATE OF TEXAS

legal mm  
leas. mm  
cont. mm  
exec. mm

Jerry E. Patterson  
Jerry E. Patterson, Commissioner  
General Land Office

Date Executed 8/22/2013

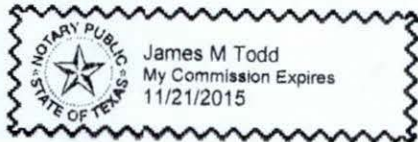
WOODBINE ACQUISITION LLC

Ali Ahmed  
By: \_\_\_\_\_  
Ali Ahmed  
Its: \_\_\_\_\_

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on August 22nd, 2013, by Ali Ahmed as CEO of Woodbine Acquisition LLC, a \_\_\_\_\_ corporation, on behalf of said corporation.



James M Todd  
Notary Public in and for the State of Texas

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 July 16, 2013, the foregoing instrument was approved by said Board under the provisions of 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 10th day of October, 2013.

Stephanie Crenshaw  
Secretary of the School Land Board

## EXHIBIT "1"

§52.076 Exhibit 1, Revised 3/07

**1. RESERVATION AND GRANT:** There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted to Lessee, being the right to explore for, drill and produce the pooled mineral from the pooled area, and Lessor further reserves the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals and zones which are not covered by this Agreement. All of the rights in and to the pooled area retained by Lessor and all of the rights in and to the pooled area granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

**2. PRODUCTION ROYALTIES:** Upon production of the pooled mineral Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

**(A) OIL:** As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided,  $\frac{1}{4}$  part of the gross production or the market value thereof, at the option of the Lessor, 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 land hereby pooled is sold, used or processed in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

**(B) NON-PROCESSED GAS:** As a 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)  $\frac{1}{4}$  part of the gross production or the market value thereof, at the option of the Lessor, 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 greater provided that the maximum pressure base in measuring the gas under this agreement contract 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 test 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:** As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons,  $\frac{1}{4}$  part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the Lessor. 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 agreement, 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 agreement; 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 arms' 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:** As a 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,  $\frac{1}{4}$  part of gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

- (1) On the basis of the highest market price of each product, during 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.

**(E) NO DEDUCTIONS:** Lessee agrees that all royalties accruing to Lessor under this agreement shall be without deduction for the cost of producing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

**(F) ROYALTY IN KIND:** Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this 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. Lessor's right to take its royalty in kind shall not diminish or negate Lessor's rights or Lessee's obligations, whether express or implied, under this agreement.

**(G) PLANT FUEL AND RECYCLED GAS:** No royalty shall be payable on any gas as may represent this agreement's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the General Land Office, Lessee may recycle gas for gas lift purposes on the pooled area after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this agreement.

**(H) MINIMUM ROYALTY:** The royalties paid to Lessor each year in no event shall be less than \$5.00 per acre pooled; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of first production a sum equal to \$5.00 per acre pooled less the amount of royalties paid during the preceding year.

**3. 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 to each lease number. 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 accruing 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.

**4. (A) RESERVES, CONTRACTS AND OTHER RECORDS:** Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of pooled mineral reserves underlying the pooled area 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 pooled

mineral produced from the pooled area, 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) DRILLING RECORDS:** Written notice of all operations on the pooled unit 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. 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 send a true copy of all logs on each unit well to the General Land Office within fifteen (15) days after the making of said log.

**(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.

**5. OFFSET WELLS:** If the pooled mineral should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this agreement, the Lessee shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1,000) feet from the area covered by this agreement begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this agreement, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this agreement, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities. Only upon the determination of the Commissioner and with his written approval, may the payment of a compensatory royalty satisfy the obligation to drill an offset well or wells required under this Paragraph.

**6. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM:** If, at the expiration of the primary term, the pooled mineral is not being produced from the pooled area, but Lessee is then engaged in drilling or reworking operations thereon, this agreement 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 agreement.

**7. CESSATION, DRILLING, AND REWORKING:** If at the end of, or after the primary term, production of the pooled mineral should cease from any cause, this agreement shall not terminate if Lessee re-establishes production in paying quantities within sixty (60) days after such cessation or commences additional drilling or reworking operations within sixty (60) days after such cessation, and this agreement 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. For a cessation of production prior to the end of the primary term, Lessee may use the expiration of the primary term as the date of cessation of production. If such drilling or reworking operations result in the production of the pooled mineral, the agreement shall remain in full force and effect for so long as the pooled mineral is produced from the pooled unit 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, this agreement 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 agreement 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.

**8. 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 end of the primary term, a well capable of producing the pooled mineral in paying quantities is located on the pooled area, but the pooled mineral 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 \$10.00 per acre pooled, but not less than \$1,200 for each well capable of producing the pooled mineral in paying quantities. 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 the pooled mineral from the pooled area, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the terms of this agreement; whichever date is latest. If the shut-in oil or gas royalty is paid, this agreement shall be considered to be a producing agreement and the payment shall extend the term of the agreement for a period of one year 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 pooled mineral exists, Lessee may extend this agreement 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.

**9. COMPENSATORY ROYALTIES:** If, during the period the agreement is kept in effect by payment of the shut-in oil or gas royalty, the pooled mineral is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the pooled area and completed in the same producing reservoir, or in any case in which drainage of the pooled mineral is occurring, the right to continue to maintain the agreement by paying the shut-in oil or gas royalty shall cease, but the agreement shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the agreement for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in this agreement 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 pooled area. The compensatory royalty is to be paid monthly to the Commissioner beginning on or before the last day of the month following the month in which the pooled mineral 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 pooled area; if the compensatory royalty paid in any 12-month period is in 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; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments, which are not timely paid, will accrue penalty and interest in accordance with Paragraph 3 of this agreement.

**10. USE OF WATER; SURFACE:** Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the pooled area; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land.

**11. POLLUTION:** In developing this pooled 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.

**(A)** 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.

**(B)** No discharge of solid waste or garbage shall be allowed into State waters from any drilling or support vessels, production platform, crew or supply boat, barge, jack-up rig or other equipment located on the pooled area. Solid waste shall include but shall not be limited to containers, equipment, rubbish, plastic, glass, and any other man-made non-biodegradable items. A sign must be displayed in a high traffic area on all vessels and manned platforms stating, "Discharge of any solid waste or garbage into State Waters from vessels or platforms is strictly prohibited and may subject this agreement to forfeiture." Such statement shall be in lettering of at least 1" in size.

**(C) PENALTY:** Failure to comply with the requirements of this provision may result in the maximum penalty allowed by law including forfeiture of the agreement. Lessee shall be liable for the damages caused by such failure and any costs and expenses incurred in cleaning areas affected by the discharged waste.

**12. IDENTIFICATION MARKERS:** Lessee shall erect, at a distance not to exceed twenty-five (25) feet from each well on the premises covered by this agreement, a legible sign on which shall be stated the name of the operator, the State Lease Number designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are

connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this agreement.

**13. ASSIGNMENTS:** The agreement may be transferred at any time; provided, however, that the liability of the transferor to properly discharge its obligation under the agreement, including properly plugging abandoned wells, removing platforms or pipelines, or remediation of contamination at drill sites shall pass to the transferee upon the prior written consent of the Commissioner of the General Land Office. The Commissioner may require the transferee to demonstrate financial responsibility and may require a bond or other security. All transfers must reference this agreement by the State Lease Number and must be recorded in the county where the pooled area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. Every transferee 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 transferee of the agreement, including any liabilities to the state for unpaid royalties.

**14. LIEN:** In accordance with N.R.C. Section 52.136, the State shall have a first lien upon all of the pooled mineral produced from the unit to secure payment of all unpaid royalty and other sums of money that may become due under this agreement. By acceptance of this agreement, Lessee grants the State, in addition to the lien provided by N.R.C. Section 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all pooled minerals in and extracted from the pooled area, all proceeds which may accrue to Lessee from the sale of such minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the pooled area used in connection with the production or processing of such minerals in order to secure the payment of all royalties or other amounts due or to become due under this agreement 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 agreement, 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, Chapter 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 pooling of the area. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this agreement forfeited as provided herein.

**15. FORFEITURE:** If Lessee shall fail or refuse to make the payment of any sum within thirty (30) 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 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 agreement, or if this agreement is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this agreement 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 or pooling. However, nothing herein shall be construed as waiving the automatic termination of this agreement by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this agreement 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 agreement and the rules and regulations that may be adopted relative hereto.

**16. RIVERBED TRACTS:** Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in N.R.C. Sections 52.092-52.093, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

**17. APPLICABLE LAWS AND DRILLING RESTRICTIONS:** This agreement shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land (specifically including any rules promulgated that relate to plans of operations), payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this agreement. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this agreement, to be bound by and subject to all statutory and regulatory provisions relating to the General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140

**18. REMOVAL OF EQUIPMENT:** Upon the termination of this agreement, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells on State Land without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the pooled area the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of the pooled mineral therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

**19. FORCE MAJEURE:** Should Lessee be prevented from complying with any express or implied covenant of this agreement, from conducting drilling operations thereon, or from producing the pooled mineral therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of operations suspended as provided in the rules and regulations adopted by the School Land Board); and this agreement shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing the pooled mineral from the pooled area; provided, however, that nothing herein shall be construed to suspend the or to abridge Lessee's right to a suspension under any applicable statute of this State.

**20. SECURITY:** Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from the pooled are. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points of the pooled area's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

**21. SUCCESSORS AND ASSIGNS:** The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

**22. ANTIQUITIES CODE:** In the event that any site, object, location, artifact or other feature of archaeological, scientific, educational, cultural, archeological or historical interest are encountered on Permanent School Fund Land during the activities authorized by this agreement, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN: Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78711) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (Vernon 1993 & Supp. 1998).

**23. VENUE:** Lessor and lessee, hereby agree that venue for any dispute arising out of a provision of this agreement, whether express or implied, regarding interpretation of this agreement, or relating in any way to this agreement or to applicable case law, statutes, or administrative rules, shall be in a court of competent jurisdiction located in Travis County, State of Texas.

**24. FILING:** Pursuant to Chapter 9 of the Tex. Bus. & Com. Code, this agreement must be filed of record in the office of the County Clerk in any county in which all or any part of the pooled area is located, and recorded copies thereof must be filed in the General Land Office.

## EXHIBIT "2"

### 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. 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".

### MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit until the later of one year from the effective date of this Agreement or the date a well spud within one (1) year of the effective date of this Agreement reaches total depth, and thereafter this agreement shall be limited to and only include those depths from the surface to 100 feet below the deepest depth drilled on the unit ("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.
- (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.
- (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 tract or lease included within said unit.
- (f) 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 248 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (g) This Agreement shall not relieve Lessee from the duty of protecting 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.

- (h) 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.

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.

DISSOLUTION:

6.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Brazos and Madison Counties, 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:

7.

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 or Pooling Agreement that has expired, terminated, or has been released in whole or in part or terminated under the their terms 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 or Pooling Agreement; (3) constitute a waiver or release of any claim by the State that such lease or Pooling Agreement is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or Pooling Agreement 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.

Exhibit "A"

No.	Lessor	Lessee	Volume	Page	Date	Filing Date	County
1	T.O Dunman, Sr and wife, Viola E. Dunman	J.L. Schneider. Jr.	209	212	1/21/1976	3/9/1976	Madison

EXHIBIT "B"  
DESCRIPTION  
THOMASON B #1H UNIT

BEING all that tract of land in Madison County, Texas, out of the R. W. Smith Survey, A-213 and out of the W. E. Kinnard Survey, A-132, and being a part of that 176.992 acres described in a deed to Frank Lyddon recorded in Volume 450, Page 755 of the Deed Records of Madison County, Texas, part of that 446.3 acres described in a deed to T. O. Dunman recorded in Volume 115, Page 234 of the Deed Records of Madison County, Texas, part of that 118.00 acres described in a deed to John W. Hale recorded in Volume 487, Page 66 of the Deed Records of Madison County, Texas, part of that 511.689 acres described in a deed to Charles Thomason recorded in Volume 453, Page 85 of the Deed Records of Madison County, Texas, and also being that part of the Navasota River in Madison County, Texas and in Brazos County, Texas, immediately adjacent to portions of the above-described acres, and being further described as follows:

BEGINNING at a 1/2 inch steel rod found on the Northwest line of State Highway 21, being the East corner of said 118.00 acres;

THENCE South 42 degrees 42 minutes 47 seconds West, 167.73 feet to a point on the Northwest line of State Highway 21;

THENCE South 38 degrees 57 minutes 38 seconds East, 1604.38 feet to a point on the Northeast line of said Thomason tract;

THENCE South 81 degrees 57 minutes 30 seconds West, 7484.97 feet to a point on the Southwest bank of the Navasota River;

THENCE following the meanders of the Navasota River, which may currently be described as follows:

- North 40 degrees 11 minutes 00 seconds West, 46.70 feet to a point;
- North 04 degrees 25 minutes 29 seconds West, 76.74 feet to a point;
- North 33 degrees 27 minutes 26 seconds East, 107.44 feet to a point;
- North 20 degrees 20 minutes 23 seconds East, 120.36 feet to a point;
- North 39 degrees 43 minutes 50 seconds East, 59.10 feet to a point;
- North 56 degrees 05 minutes 43 seconds East, 119.89 feet to a point;
- North 45 degrees 34 minutes 47 seconds East, 79.60 feet to a point;
- North 87 degrees 40 minutes 11 seconds East, 152.70 feet to a point;
- North 79 degrees 14 minutes 46 seconds East, 191.29 feet to a point;
- North 82 degrees 39 minutes 22 seconds East, 95.93 feet to a point;
- North 34 degrees 53 minutes 28 seconds East, 146.56 feet to a point;

North 11 degrees 38 minutes 25 seconds East, 108.05 feet to a point;  
North 10 degrees 22 minutes 50 seconds West, 61.55 feet to a point;  
North 23 degrees 45 minutes 13 seconds East, 117.58 feet to a point;  
North 86 degrees 17 minutes 15 seconds East, 98.88 feet to a point;  
North 53 degrees 52 minutes 13 seconds East, 109.23 feet to a point;  
North 55 degrees 31 minutes 33 seconds East, 72.04 feet to a point;  
North 26 degrees 36 minutes 42 seconds West, 157.98 feet to a point;  
North 46 degrees 18 minutes 39 seconds West, 66.91 feet to a point;  
North 32 degrees 44 minutes 30 seconds West, 174.28 feet to a point;  
North 45 degrees 14 minutes 01 seconds West, 196.12 feet to a point;  
North 03 degrees 14 minutes 24 seconds West, 162.95 feet to a point;  
North 23 degrees 33 minutes 42 seconds West, 80.62 feet to a point;  
North 74 degrees 03 minutes 13 seconds West, 108.77 feet to a point;  
South 83 degrees 04 minutes 46 seconds West, 117.37 feet to a point;  
South 86 degrees 45 minutes 50 seconds West, 124.94 feet to a point;  
North 13 degrees 50 minutes 07 seconds West, 105.69 feet to a point;  
North 38 degrees 56 minutes 39 seconds East, 123.08 feet to a point;  
North 00 degrees 13 minutes 32 seconds West, 43.73 feet to a point;  
North 80 degrees 03 minutes 42 seconds West, 77.37 feet to a point;  
North 02 degrees 29 minutes 09 seconds East, 33.88 feet to a point;

THENCE North 86 degrees 35 minutes 49 seconds East, at 101.73 feet passing a 5/8 inch steel rod found for witness, in all 6207.02 feet to the Point of Beginning, containing 248.8 acres of land.

END OF EXHIBIT "B"

Exhibit "C"

**Vannoy & Assoc., Inc.**

AS-DRILLED WELL PLAT  
 WOODBINE ACQUISITION LLC  
 THOMASON B #1-H  
 248.84 ACRES

R. W. SMITH SURVEY, A-213, & W. E. KENNARD SURVEY, A-132 AND PART OF THE  
 NAVASOTA RIVER, MADISON COUNTY, TEXAS

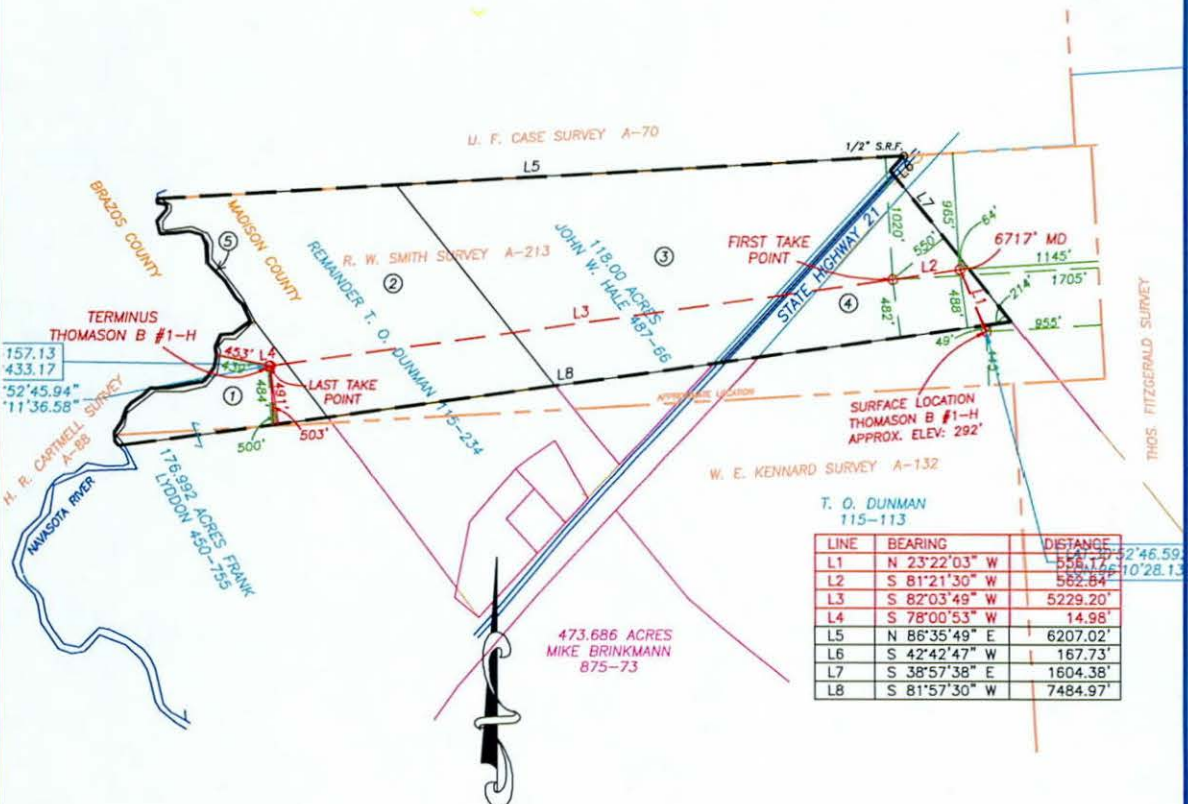
AS-DRILLED LAST TAKE POINT N.A.D. 1983		N.A.D. 1927	
TX. CENTRAL ZONE LAT: 30° 52' 45.863" LONG: 96° 11' 36.574" N: 10307730.60' E: 3594913.48'	TX. CENTRAL ZONE LAT: 30° 52' 45.177" LONG: 96° 11' 35.720" N: 465148.96' E: 3298433.85'		

AS-DRILLED FIRST TAKE POINT N.A.D. 1983		N.A.D. 1927	
TX. CENTRAL ZONE LAT: 30° 52' 51.094" LONG: 96° 10' 36.869" N: 10308452.62' E: 3600092.60'	TX. CENTRAL ZONE LAT: 30° 52' 50.408" LONG: 96° 10' 36.017" N: 465870.98' E: 3303612.96'		

AS-DRILLED SURFACE LOCATION N.A.D. 1983		N.A.D. 1927	
TX. CENTRAL ZONE LAT: 30° 52' 46.593" LONG: 96° 10' 28.140" N: 10308026.64' E: 3600869.64'	TX. CENTRAL ZONE LAT: 30° 52' 45.907" LONG: 96° 10' 27.288" N: 465445.00' E: 3304390.00'		

ELEVATION: 292' (Approx.)

No.	Owner	Base Deed	Unit Acreage	Reference
1	Frank Lyddon	176.992 Ac.	18.45 Ac.	450-755
2	T. O. Dunman	446.3 Ac.	81.19 Ac.	115-234
3	John W. Hale	118.00 Ac.	109.36 Ac.	487-66
4	T. O. Dunman		37.07 Ac.	115-113
5	State of Texas		2.77 Ac.	
			248.84 Ac.	



NEAREST TOWN:  
 North Zulch 3.4 miles to the Northeast  
 TOTAL PRODUCING LATERAL: 5229.20'

Bearings shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone. Acreage for unit tracts is shown by deed calls as furnished by WAC. The boundaries of the well lease setbacks are from an on the ground survey. As-drilled data furnished by WAC.

1" = 1000'

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

September 27, 2013



*Ray L. Vannoy*  
 Ray L. Vannoy  
 R.P.L.S. No. 1988



Drawn by: rv



7111 Boaque Boulevard, Suite 101, Waco, TX 76710 (254)751-1934

4

File No. M-115476  
Pooling Agmt Part #6358  
Thomson B #1H/SA  
Date Filed: 10/10/13  
Jerry E. Patterson, Commissioner  
By [Signature]

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 11, 2013

Mr. Clark Jobe  
McElroy, Sullivan & Miller, L.L.P.  
P. O. Box 12127  
Austin, Texas 78711-2127

RE: 52.154 Production Sharing Agreement  
Woodbine Acquisition LLC  
Thomason B #1H PSA  
Brazos and Madison Counties, Texas

Dear Clark:

Enclosed is a duplicate original of the above referenced Production Sharing Agreement that has been executed by Jerry E. Patterson, Commissioner of the Texas General Land Office. We have retained the other duplicate original of the Agreement, which will be filed in Mineral File **M-115476**. Please have your client refer to this file number when reporting and paying royalties to the State and in all future correspondence involving the State's unleased mineral interest within the referenced PSA. This PSA has been assigned **GLO Unit No. 6358**, for the purpose of filing royalty reports with the GLO.

We also hereby acknowledge receipt of the check for \$831.00 as the consideration to the State for including the unleased interest in the well.

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

Sincerely,

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

Enclosure

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

P.O. Box 12873 • Austin, Texas 78711-2873

512.463.5001 • 800.998.4GLO


[glo.texas.gov](http://glo.texas.gov)

5

File No. M-115476  
Ltr. to Clark Jobe

Date Filed: 10/11/13

Jerry E. Patterson, Commissioner

By 



## MD America Energy

State of Texas  
C/O Susan Draughn, Texas General Land Office, P.O. Box 12873  
Austin, TX 78701

RE: Royalty Distribution MF 115476  
Thomason B 1H 42-313-30925  
Madison County, Texas Unit 6358

Dear Royalty Owner,

We are contacting you in accordance with Section 91.504 of the Texas Natural Resources Code to inform you of an adjustment to your royalty distributions. We have adjusted your royalty payments in the Thomason B 1H well in Madison County, Texas due to a change in acreage ownership.

We have included an updated **DO** regarding the well described above. Please review and verify your interest. Then sign and return the updated **DO** at your earliest convenience in the self-addressed, stamped envelope we have provided. We have included an additional copy of the **DO** for your personal records.

Upon receipt of your executed DO, your interest will be placed in pay status and you will start receiving a monthly revenue check.

Royalty distribution checks are sent on the 25<sup>th</sup> of each month. Executed DOs received prior to the 18<sup>th</sup> of the month will be paid beginning that month, otherwise, such royalty payments will begin the following month.

Please feel free to contact me at Phone: (817) 288-4877 or at email: [sam.atkins@mdamericaenergy.com](mailto:sam.atkins@mdamericaenergy.com), if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sam Atkins".

Sam Atkins  
Land Administrator



**MD America Energy**

**OIL AND GAS DIVISION ORDER  
REVISED**

**June 6, 2014**

To: MD America Energy, LLC  
301 Commerce Street, Suite 2150  
Fort Worth, TX 76102

Each party signing below (the "Owner") represents that he/she owns the interest set opposite his/her name in the oil, including condensate and other liquid hydrocarbons, and gas, including casing head gas and other gaseous substances, or their proceeds, produced from the land described as follows (the "Land

**R.W SMITH SVY, A-213; W.E. KENNARD SVY, A-132**

**Well Name:  
Thomason B 1H**

Owner authorizes MD AMERICA ENERGY, LLC, MD AMERICA ENERGY, LLC's nominee or agent to receive, purchase and pay for production from the Lands as follows:

Credit To	Interest/Type	Address
State of Texas	0.00278291 / RI	C/O Susan Draughn, Texas General Land Office, P.O. Box 12873 Austin, TX 78701
UNIT (S) NAME: Thomason B 1H	Total Unit Acreage 246.07	

Interest Types                      RI=    Royalty Interest                                      WI=    Working Interest  
    PP=    Production Payment    ORRI=    Overriding Royalty Interest

OIL. Oil purchased shall become MD AMERICA ENERGY, LLC's property when delivered to MD AMERICA ENERGY, LLC or any carrier or nominee designated by MD AMERICA ENERGY, LLC. MD AMERICA ENERGY, LLC will make settlement for Owner's interest in oil at: (1) MD AMERICA ENERGY, LLC posted price in effect on the date of delivery for the same kind and quality of oil in the field where produced; or, (2) if sold by MD AMERICA ENERGY, LLC to another purchaser, at the price received by MD AMERICA ENERGY, LLC from that purchaser; less, in either case, transportation expense, if any, to the point of delivery designated by MD AMERICA ENERGY, LLC or the purchaser.

Quantity and quality of oil purchased under this Division Order will be determined in compliance with practices prevailing at the place of delivery and applicable governmental rules and regulations. MD AMERICA ENERGY, LLC or MD AMERICA ENERGY, LLC nominee may require oil to be treated, at Owner's expense, to render it merchantable.

GAS. In making settlement for Owner's interest in gas: (1) MD AMERICA ENERGY, LLC may use the net proceeds received by MD AMERICA ENERGY, LLC at the well(s); or (2) if gas is sold or used off the premises, MD AMERICA ENERGY, LLC may use the market value at the well(s) of the gas sold or used off the premises, provided the market value used will not exceed the net proceeds MD AMERICA ENERGY, LLC derived from the sale or use off the premises.

COMMINGLED PRODUCTION. If oil or gas is commingled with like production from other separately owned land prior to delivery, Owner's interest in the commingled production will be determined by meter measurements, periodic well tests, or any other method generally accepted in the industry as an equitable basis for determining the quantity and quality of the production sold or delivered from each separately owned source of production.

UNITIZATION. If the land described above is now or later becomes a part of a unit or units formed by governmental authority or by voluntary act, this division order will be subject to the terms of the agreement establishing each Unit and settlement to Owner will be made on the basis of unit production allocated to Owner's interest. No additional division orders will be required.

TIME OF SETTLEMENT. Settlement will be made monthly by check mailed to Owner, less any production, severance, occupation or other tax required to be paid with respect to Owner's interest. If the proceeds in any month amount to less than \$100.00, MD AMERICA ENERGY, LLC may defer settlement until the accruals total that



**MD America Energy**

sum, provided settlement will be made at least once each calendar year.

**CHANGE OF OWNERSHIP.** MD AMERICA ENERGY, LLC will not be responsible for any changes of ownership until MD AMERICA ENERGY, LLC receives notice and satisfactory proof of the change in ownership. Owner agrees to notify MD AMERICA ENERGY, LLC in writing of any change in his or her ownership and agrees any transfer, assignment, or conveyance of all or part of his or her interest will be made subject to this division order. Changes in ownership will be effective at 7:00 a.m. on the first day of the calendar month in which notice is received by MD AMERICA ENERGY, LLC. MD AMERICA ENERGY, LLC will not be responsible for determining when an interest increases, decreases, terminates, or is transferred as a result of payment of money, lapse of time, or any other reason. Until MD AMERICA ENERGY, LLC receives notice in writing to the contrary, MD AMERICA ENERGY, LLC may continue to make settlement in the manner provided in this Division Order. If written notice of change of ownership is not received by MD AMERICA ENERGY, LLC, MD AMERICA ENERGY, LLC will be held harmless for errors of over, under, or wrong payment.

**TITLE.** When requested, Owner will furnish evidence of title satisfactory to MD AMERICA ENERGY, LLC as of the effective date of this division order and at any later time. If evidence of title is not furnished, or in the event of a claim or controversy which, in MD AMERICA ENERGY, LLC's opinion, affects Owner's title, MD AMERICA ENERGY, LLC may, without interest and any liability, hold the amounts credited to Owner until indemnity satisfactory to MD AMERICA ENERGY, LLC has been furnished, or until the claim or controversy is settled to MD AMERICA ENERGY, LLC's satisfaction.

**INDEMNITY.** Owner agrees to protect and indemnify MD AMERICA ENERGY, LLC from and against any loss or expense, including all reasonable costs and attorney's fees, which MD AMERICA ENERGY, LLC may incur by reason of MD AMERICA ENERGY, LLC's purchase of and/or payment for Owner's interest under this Division Order, regardless of how the loss, expense, cost or fees may arise.

**BINDING EFFECT.** When signed, this Division Order will be binding on each Owner and his or her legal representatives, successors, and assigns regardless of the failure or refusal of any other party to sign the Division Order.

**FAILURE TO PROVIDE A PROPER TAXPAYER IDENTIFICATION NUMBER MAY SUBJECT PAYMENTS TO FEDERAL INCOME TAX WITHHOLDING.**

<u>Owner's Name</u>	<u>Owner's Signature</u>	<u>Taxpayer No. or Social Security Number</u>
_____	_____	_____
State of Texas		
<u>Phone Number</u>		
_____		

6.

File No. ME 115476  
DO

Date Filed: 6/9/14  
Jerry E. Patterson, Commissioner

By SSD

0. 2. 14



**Information for processing an Internal Non Unit Transaction (iNut)**  
**Length of Lateral**

**iNut No. 10557**

**GENERAL INFORMATION**

Name of Well: Marcus J. Fleming (Allocation) # 2H

API # 42-313-31374

Name of Operator: MD America Energy

RRC # 03-848264

Operator Contact Person: Robert L. Carter

Phone: 817-288-4888

Counties: Madison

**ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL**

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
UR	6357/MF115477	9569.4	2650.57	0.00197137	0.25000000	0.00218415	0.00054604
UR	6358/MF115476	9569.4	1470.78	0.00278291	0.25000000	0.00171089	0.00042772
<b>Totals:</b>						<b>0.00389504</b>	<b>0.00097376</b>
Effective Date:	<u>5/6/2019</u>	<i>Corrected</i>					State Net Royalty Revenue in Well

**Name of Production Sharing Agreement, if any:**

Comments:

- iNut crosses Units 6357 and 6358. Well spud 5/6/2019. Final plat received 1/17/2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: cmr Alamo updated by: cmr WI updated by: cmr  
 RAM approval by: VD GIS updated by: VB

# DO NOT DESTROY



## Texas General Land Office UNIT AGREEMENT MEMO

INU200001

**Unit Number** 10557  
**Operator Name** MD America Energy, LLC  
**Customer ID** C000052134  
**Unit Name** Marcus J. Fleming (Allocation) # 2H  
**County 1** Brazos RRC District 1 03  
**County 2** Madison RRC District 2 03  
**County 3** RRC District 3  
**County 4** RRC District 4  
**Unit type** iNut  
**State Net Revenue Interest Oil** 0.00097376  
**State Part in Unit** 0.00389504  
**Unit Depth** Allow All Depths  
**From Depth**  
**To Depth**  
**Well**  
**Formation**  
**Participation Basis** Length of Lateral  
**If Exclusions Apply:** See Remarks

**Effective Date** 05/06/2019  
**Unitized For** Oil And Gas  
**Unit Term**  
**Old Unit Number** **Inactive Status Date**

Revised

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
MF115476		0.000000	0.000000	0.00171089	O/G	0.25000000	0.00042772	No
MF115477		0.000000	0.000000	0.00218415	O/G	0.25000000	0.00054604	No

**API Number**  
4231331374

**Remarks:**

iNut crosses Units 6357 and 6358. Well spud 5/6/2019. Final plat received 1/17/2020.

**Prepared By:**

MB

**Prepared Date:**

2/7/2020

**GLO Base Updated By:**

MB

**GLO Base Date:**

2/7/2020

**RAM Approval By:**

VD

**RAM Approval Date:**

2/7/2020

**GIS By:**

VR

**GIS Date:**

2/10/2020

**Well Inventory By:**

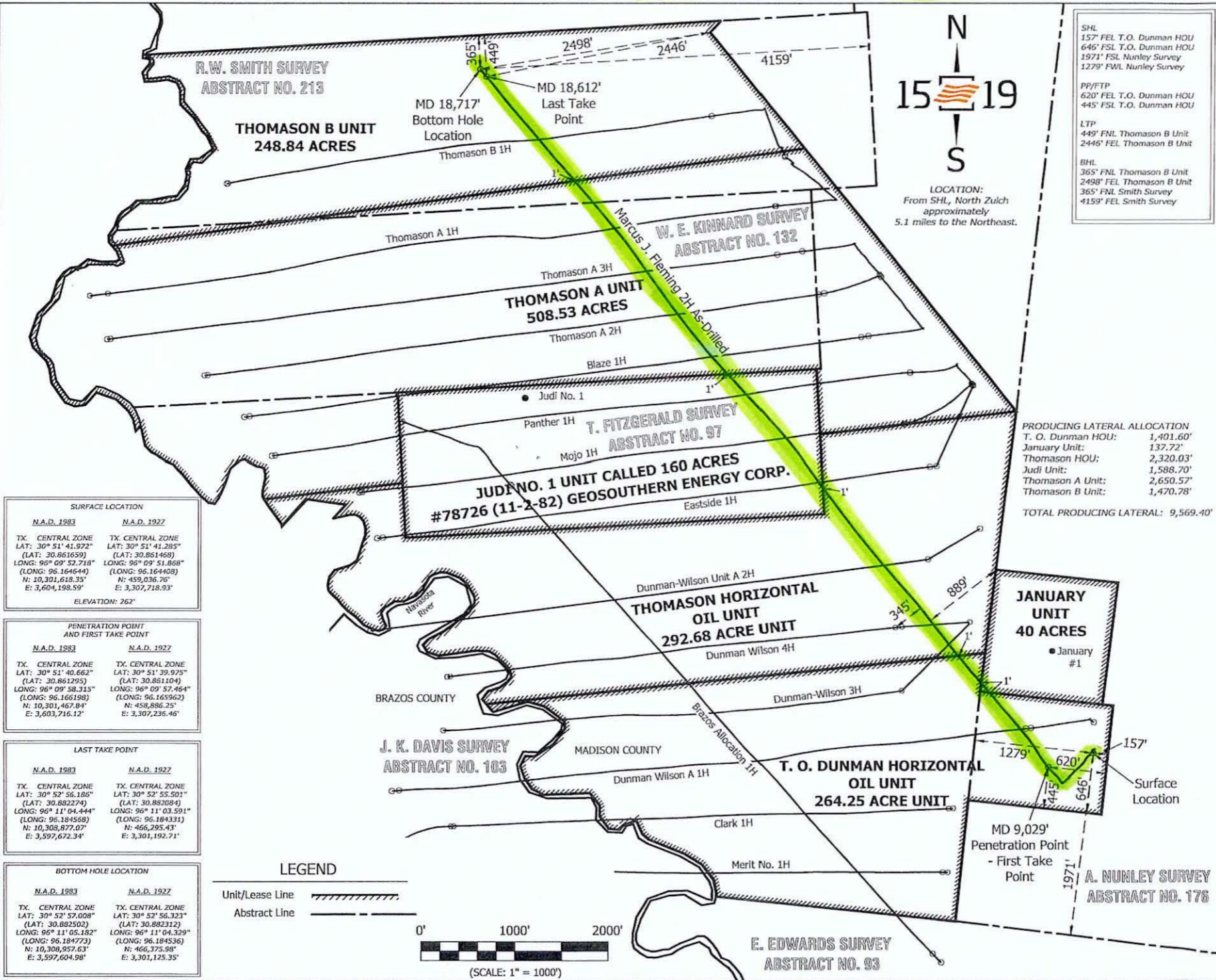
MB

**WI Date:**

2/7/2020

iNut 10557

42-313-31374



LOCATION:  
From SHL, North Zurich  
approximately  
5.1 miles to the Northeast.

SHL  
157' FEL T.O. Dunman HOU  
646' FSL T.O. Dunman HOU  
1971' FSL Nunley Survey  
1279' FWL Nunley Survey

PP/FTP  
620' FEL T.O. Dunman HOU  
445' FSL T.O. Dunman HOU

LTP  
449' FNL Thomason B Unit  
2446' FEL Thomason B Unit

BHL  
365' FNL Thomason B Unit  
2498' FEL Thomason B Unit  
365' FNL Smith Survey  
4159' FEL Smith Survey

AS-DRILLED PLAT  
MD AMERICA ENERGY, LLC  
MARCUS J. FLEMING  
(ALLOCATION) 2H  
MADISON COUNTY, TEXAS

NOTE:  
Acreage for unit tracts shown by lease calls as furnished by MD America Energy, LLC. Acreages may not reflect actual acreages if surveyed on the ground. Well ties are taken from an on the ground survey.

All record information regarding ownership, deeds and other documents of record have been provided by MD America Energy, LLC.

Bearings shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone.

This exhibit is not a full and complete boundary survey and is not intended to meet the minimum standards of the Texas Board of Professional Land Surveying.

As-drilled data furnished by MD America Energy.

All survey lines shown hereon are scaled location only.

PRODUCING LATERAL ALLOCATION

T. O. Dunman HOU:	1,401.60'
January Unit:	137.72'
Thomason HOU:	2,320.03'
Judi Unit:	1,588.70'
Thomason A Unit:	2,650.57'
Thomason B Unit:	1,470.78'

TOTAL PRODUCING LATERAL: 9,569.40'

1519 Job No.: 41897	Drawn By: SG
Sheet 1 of 2	Prepared For: MD America Energy LLC

I, Shane Graham, Registered Professional Land Surveyor, do hereby state the above plat to be true and correct to the best of my knowledge.

For 1519 Surveying, LLC

*Shane Graham*  
Shane Graham  
Registered Professional Land Surveyor  
Texas Registration No. 6044

Date: June 24, 2019



**1519**  
SURVEYING & ENGINEERING  
1519LLC.com

CENTRAL TEXAS  
5054 Franklin Ave., Ste. A  
Waco, TX. 76710  
254.776.1519  
DALLAS / FT. WORTH  
11498 Lura Road, Ste. 203  
Farmers Branch, TX. 75234  
214.484.8586

TBPLS# 10193968 TBPE# F-17299 TBPLS# 10194351 TBPLS# 10194283

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THOMASON A UNIT ACREAGES:

No.	Owner	Base Deed	Unit Acreage (to C.L. Hwy. 21)	Reference
1	Frank Lyddon	176.992 Ac.	161.99 Ac.	450-755
2	T. O. Dunman	446.3 Ac.	39.61 Ac.	115-234
3	T. O. Dunman, Jr.	13.014 Ac.	11.22 Ac.	313-250
4	Adolphus Jennings, III	3.00 Ac.	3.45 Ac.	735-174
5	C. E. Cooper	4.593 Ac.	4.85 Ac.	971-122
6	John W. Hale	118.00 Ac.	12.51 Ac.	487-66
7	Charles Thomason	511.689 Ac.	230.57 Ac.	453-85
8&9	Mike Brinkmann	481.424 Ac.	40.32 Ac.	875-73
10	State of Texas		4.01 Ac.	

TOTAL: 508.53 Ac.

THOMASON B UNIT ACREAGES:

No.	Owner	Base Deed	Unit Acreage	Reference
1	Frank Lyddon	176.992 Ac.	18.45 Ac.	450-755
2	T. O. Dunman	446.3 Ac.	81.19 Ac.	115-234
3	State of Texas		10.38 Ac.	
4	T. O. Dunman		29.27 Ac.	115-113
5	John W. Hale	118.00 Ac.	106.78 Ac.	487-66
6	State of Texas		2.77 Ac.	

TOTAL: 248.84 Ac.

T. O. DUNMAN HOU ACREAGES:

No.	Owner	Base Deed	Unit Acreage	Reference
1	T. O. Dunman et ux	511.689 Ac.	8.29 Ac.	453-85
2	T. O. Dunman et ux	53.537 Ac.	53.47 Ac.	742-311
3	T. O. Dunman et ux	481.424 Ac.	202.49 Ac.	875-73

TOTAL: 264.25 Ac.

THOMASON HOU ACREAGES:

No.	Owner	Base Deed	Unit Acreage	Reference
1	T. O. Dunman, Sr.	511.689 Ac.	119.66 Ac.	453-85
2	T. O. Dunman, Sr.	481.424 Ac.	173.02 Ac.	875-73

TOTAL: 292.68 Ac.

AS-DRILLED PLAT  
MD AMERICA ENERGY, LLC  
MARCUS J. FLEMING  
(ALLOCATION) 2H  
MADISON COUNTY, TEXAS

1519 Job No.: 41897

Drawn By: SG

Sheet 2 of 2

Prepared For:  
MD America Energy LLC



SURVEYING & ENGINEERING  
1519LLC.com

CENTRAL TEXAS  
5054 Franklin Ave., Ste. A  
Waco, TX. 76710  
254.776.1519  
DALLAS / FT. WORTH  
11498 Luna Road, Ste. 203  
Farmers Branch, TX. 75234  
214.484.8586

TBPLS# 10193968 TBPE# F-17299 TBPLS# 10194351 TBPLS# 10194283



**Information for processing an Internal Non Unit Transaction (iNut)  
Length of Lateral**

**iNut No. 10557**

**GENERAL INFORMATION**

Name of Well: Marcus J. Fleming (Allocation) # 2H

API # 42-313-31374

Name of Operator: MD America Energy

RRC # 03-848264

Operator Contact Person: Robert L. Carter

Phone: 817-288-4888

Counties: Madison

**ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL**

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rynty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
UR	6357/MF115477	9569.4	2650.57	0.00197137	0.25000000	0.00218415	0.00054604
UR	6358/MF115476	9569.4	1470.78	0.0021424	0.25000000	0.00173015	0.00043254
<b>Totals:</b>						<b>0.00391430</b>	<b>0.00097858</b>
Effective Date: <u>5/6/2019</u>							State Net Royalty Revenue in Well

*Corrected*

**Name of Production Sharing Agreement, if any:**

Comments:

- iNut crosses Units 6357 and 6358. Well spud 5/6/2019. Final plat received 1/17/2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: cmj Alamo updated by: cmj WI updated by: cmj

RAM approval by: VD GIS updated by: \_\_\_\_\_

# DO NOT DESTROY



## Texas General Land Office UNIT AGREEMENT MEMO

INU200001

**Unit Number** 10557  
**Operator Name** MD America Energy, LLC  
**Customer ID** C000052134  
**Unit Name** Marcus J. Fleming (Allocation) # 2H  
**County 1** Brazos **RRC District 1** 03  
**County 2** Madison **RRC District 2** 03  
**County 3** **RRC District 3**  
**County 4** **RRC District 4**  
**Unit type** iNut  
**State Net Revenue Interest** Oil 0.00097858  
**State Part in Unit** 0.00391430  
**Unit Depth** Allow All Depths  
**From Depth**  
**To Depth**  
**Well**  
**Formation**  
**Participation Basis** Length of Lateral  
**If Exclusions Apply:** See Remarks

**Effective Date** 05/06/2019  
**Unitized For** Oil And Gas  
**Unit Term**  
**Old Unit Number** **Inactive Status Date**

Corrected

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
MF115476		0.000000	0.000000	0.00173015	O/G	0.25000000	0.00043254	No
MF115477		0.000000	0.000000	0.00218415	O/G	0.25000000	0.00054604	No

API Number  
4231331374

Remarks:

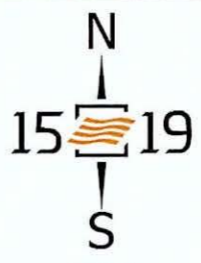
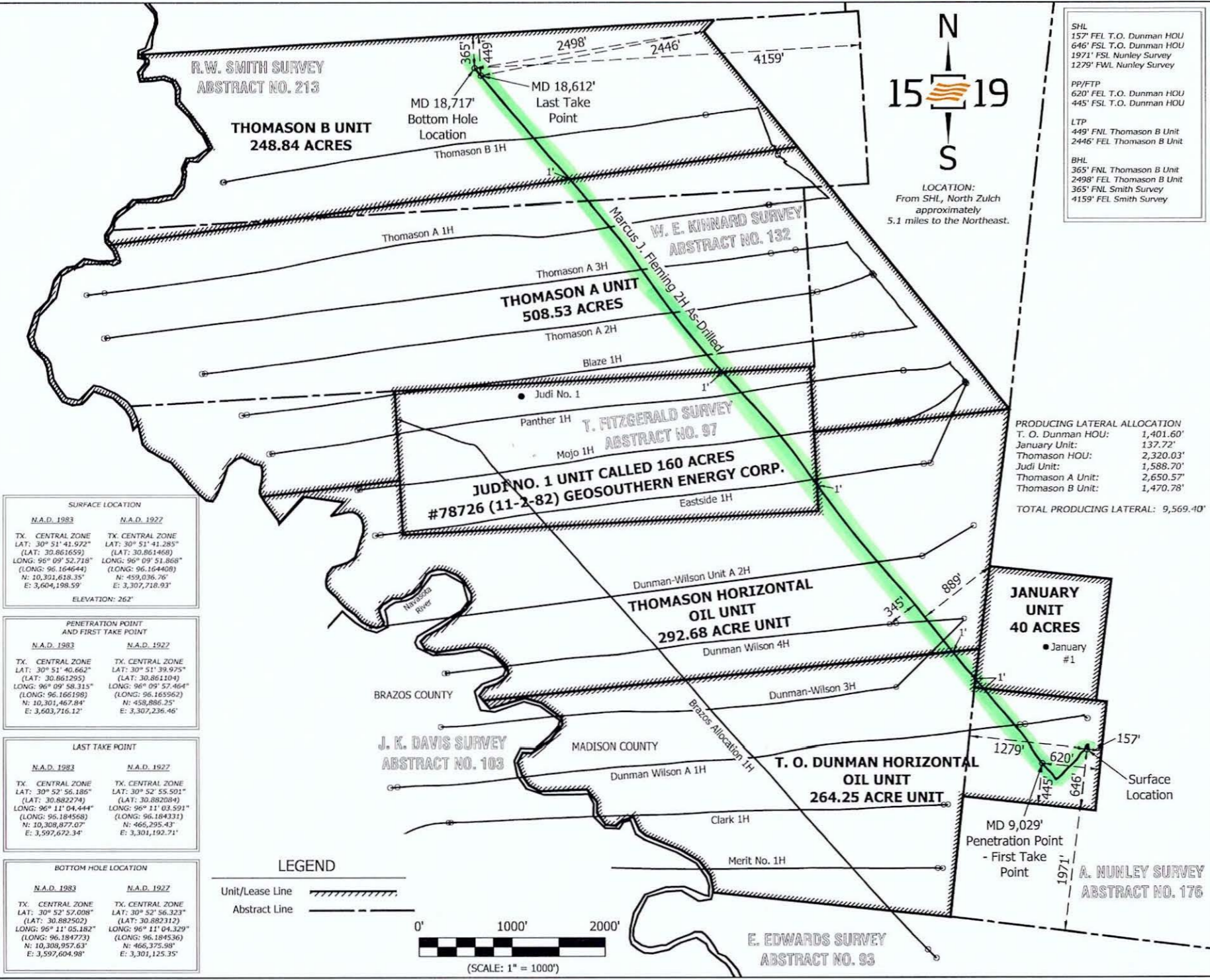
iNut crosses Units 6357 and 6358. Well spud 5/6/2019. Final plat received 1/17/2020.

Prepared By: MB  
 GLO Base Updated By: MB  
 RAM Approval By: VD  
 GIS By: \_\_\_\_\_  
 Well Inventory By: MB

Prepared Date: 1/29/20  
 GLO Base Date: 1/29/20  
 RAM Approval Date: 1/30/2020  
 GIS Date: \_\_\_\_\_  
 WI Date: 1/29/20

iNut 10557

42-313-31374



LOCATION:  
From SHL, North Zulch  
approximately  
5.1 miles to the Northeast.

SHL  
157' FEL T.O. Dunman HOU  
646' FSL T.O. Dunman HOU  
1971' FSL Nunley Survey  
1279' FWL Nunley Survey

PP/FTP  
620' FEL T.O. Dunman HOU  
445' FSL T.O. Dunman HOU

LTP  
449' FNL Thomason B Unit  
2446' FEL Thomason B Unit

BHL  
365' FNL Thomason B Unit  
2498' FEL Thomason B Unit  
365' FNL Smith Survey  
4159' FEL Smith Survey

PRODUCING LATERAL ALLOCATION  
T. O. Dunman HOU: 1,401.60'  
January Unit: 137.72'  
Thomason HOU: 2,320.03'  
Judl Unit: 1,588.70'  
Thomason A Unit: 2,650.57'  
Thomason B Unit: 1,470.78'

TOTAL PRODUCING LATERAL: 9,569.40'

SURFACE LOCATION

N.A.D. 1983	N.A.D. 1927
TX. CENTRAL ZONE LAT: 30° 51' 41.972" (LAT: 30.861659)	TX. CENTRAL ZONE LAT: 30° 51' 41.285" (LAT: 30.861468)
LONG: 96° 09' 52.718" (LONG: 96.164644) N: 10,301,618.35" E: 3,604,198.59"	LONG: 96° 09' 51.868" (LONG: 96.164408) N: 459,036.76" E: 3,307,718.93"
ELEVATION: 262'	

PENETRATION POINT AND FIRST TAKE POINT

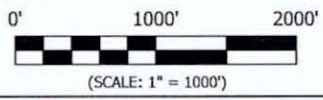
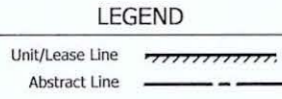
N.A.D. 1983	N.A.D. 1927
TX. CENTRAL ZONE LAT: 30° 51' 40.662" (LAT: 30.861295)	TX. CENTRAL ZONE LAT: 30° 51' 39.975" (LAT: 30.861104)
LONG: 96° 09' 58.313" (LONG: 96.166198) N: 10,301,467.84" E: 3,603,716.12"	LONG: 96° 09' 57.464" (LONG: 96.165962) N: 458,886.25" E: 3,307,236.46"

LAST TAKE POINT

N.A.D. 1983	N.A.D. 1927
TX. CENTRAL ZONE LAT: 30° 52' 56.186" (LAT: 30.882274)	TX. CENTRAL ZONE LAT: 30° 52' 55.501" (LAT: 30.882084)
LONG: 96° 11' 04.444" (LONG: 96.184588) N: 10,308,877.07" E: 3,597,672.34"	LONG: 96° 11' 03.591" (LONG: 96.184311) N: 466,295.43" E: 3,301,192.71"

BOTTOM HOLE LOCATION

N.A.D. 1983	N.A.D. 1927
TX. CENTRAL ZONE LAT: 30° 52' 57.098" (LAT: 30.882502)	TX. CENTRAL ZONE LAT: 30° 52' 56.323" (LAT: 30.882312)
LONG: 96° 11' 05.182" (LONG: 96.184773) N: 10,308,957.63" E: 3,597,604.98"	LONG: 96° 11' 04.329" (LONG: 96.184536) N: 466,375.98" E: 3,301,125.35"



AS-DRILLED PLAT  
MD AMERICA ENERGY, LLC  
MARCUS J. FLEMING  
(ALLOCATION) 2H  
MADISON COUNTY, TEXAS

NOTE:

Acreege for unit tracts shown by lease calls as furnished by MD America Energy, LLC. Acreeges may not reflect actual acreeges if surveyed on the ground. Well ties are taken from an on the ground survey.

All record information regarding ownership, deeds and other documents of record have been provided by MD America Energy, LLC.

Bearings shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone.

This exhibit is not a full and complete boundary survey and is not intended to meet the minimum standards of the Texas Board of Professional Land Surveying.

As-drilled data furnished by MD America Energy.

1519 Job No.: 41897	Drawn By: SG
Sheet 1 of 2	
	Prepared For: MD America Energy LLC

I, Shane Graham, Registered Professional Land Surveyor, do hereby state the above plat to be true and correct to the best of my knowledge.

For 1519 Surveying, LLC

Shane Graham  
Registered Professional Land Surveyor  
Texas Registration No. 6044

Date: June 24, 2019



1519  
SURVEYING & ENGINEERING  
1519LLC.com

TBPLS# 10193968 TBPE# F-17299 TBPLS# 10194351 TBPLS# 10194283

CENTRAL TEXAS  
5054 Franklin Ave., Ste. A  
Waco, TX. 76710  
254.776.1519  
DALLAS / FT. WORTH  
11498 Luna Road, Ste. 203  
Farmers Branch, TX. 75234  
214.484.8586

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THOMASON A UNIT ACREAGES:

No.	Owner	Base Deed	Unit Acreage (to C.L. Hwy. 21)	Reference
1	Frank Lyddon	176.992 Ac.	161.99 Ac.	450-755
2	T. O. Dunman	446.3 Ac.	39.61 Ac.	115-234
3	T. O. Dunman, Jr.	13.014 Ac.	11.22 Ac.	313-250
4	Adolphus Jennings, III	3.00 Ac.	3.45 Ac.	735-174
5	C. E. Cooper	4.593 Ac.	4.85 Ac.	971-122
6	John W. Hale	118.00 Ac.	12.51 Ac.	487-66
7	Charles Thomason	511.689 Ac.	230.57 Ac.	453-85
8&9	Mike Brinkmann	481.424 Ac.	40.32 Ac.	875-73
10	State of Texas		4.01 Ac.	

TOTAL: 508.53 Ac.

THOMASON B UNIT ACREAGES:

No.	Owner	Base Deed	Unit Acreage	Reference
1	Frank Lyddon	176.992 Ac.	18.45 Ac.	450-755
2	T. O. Dunman	446.3 Ac.	81.19 Ac.	115-234
3	State of Texas		10.38 Ac.	
4	T. O. Dunman		29.27 Ac.	115-113
5	John W. Hale	118.00 Ac.	106.78 Ac.	487-66
6	State of Texas		2.77 Ac.	

TOTAL: 248.84 Ac.

T. O. DUNMAN HOU ACREAGES:

No.	Owner	Base Deed	Unit Acreage	Reference
1	T. O. Dunman et ux	511.689 Ac.	8.29 Ac.	453-85
2	T. O. Dunman et ux	53.537 Ac.	53.47 Ac.	742-311
3	T. O. Dunman et ux	481.424 Ac.	202.49 Ac.	875-73

TOTAL: 264.25 Ac.

THOMASON HOU ACREAGES:

No.	Owner	Base Deed	Unit Acreage	Reference
1	T. O. Dunman, Sr.	511.689 Ac.	119.66 Ac.	453-85
2	T. O. Dunman, Sr.	481.424 Ac.	173.02 Ac.	875-73

TOTAL: 292.68 Ac.

AS-DRILLED PLAT  
MD AMERICA ENERGY, LLC  
MARCUS J. FLEMING  
(ALLOCATION) 2H  
MADISON COUNTY, TEXAS

1519 Job No.: 41897

Drawn By: SG

Sheet 2 of 2

Prepared For:  
MD America Energy LLC



SURVEYING & ENGINEERING  
1519LLC.com

CENTRAL TEXAS  
5054 Franklin Ave., Ste. A  
Waco, TX. 76710  
254.776.1519  
DALLAS / FT. WORTH  
11498 Luna Road, Ste. 203  
Farmers Branch, TX. 75234  
214.484.8586

TBPLS# 10193968 TBPE# F-17299 TBPLS# 10194351 TBPLS# 10194283

## Mary Barnstone

---

**From:** Robert Carter <Robert.carter@mdae.com>  
**Sent:** Friday, January 17, 2020 11:36 AM  
**To:** Mary Barnstone; Sherry Sheffield  
**Subject:** RE: [EXTERNAL] New wells

Mary,  
See below.

Marcus J. Fleming 42-313-31374

Madison 1H 42-313-31370

03-848246

spud 5/6/19

Madisonville, W. (Woodbine - A -)

**Robert L. Carter**  
Land Manager, CPL  
MD America Energy LLC  
301 Commerce Street; Suite 2500  
Fort Worth, TX 76102  
(817) 288-4888 (direct)  
<https://www.mdae.com>



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---

**From:** Mary Barnstone [mailto:Mary.Barnstone@GLO.TEXAS.GOV]  
**Sent:** Friday, January 17, 2020 10:19 AM  
**To:** Robert Carter; Sherry Sheffield  
**Subject:** RE: [EXTERNAL] New wells

Thank you, Robert.

Can you please provide me with the API numbers for these wells?

Best,

Mary Beth

Mary Beth Barnstone  
Geotech / Landman  
Energy Resources

Texas General Land Office  
Direct number: (512)463-6818  
Email: [mary.barnstone@glo.texas.gov](mailto:mary.barnstone@glo.texas.gov)

**From:** Robert Carter <[Robert.carter@mdae.com](mailto:Robert.carter@mdae.com)>  
**Sent:** Friday, January 17, 2020 8:44 AM  
**To:** Mary Barnstone <[Mary.Barnstone@GLO.TEXAS.GOV](mailto:Mary.Barnstone@GLO.TEXAS.GOV)>; Sherry Sheffield <[sherry.sheffield@mdae.com](mailto:sherry.sheffield@mdae.com)>  
**Subject:** [EXTERNAL] New wells

Mary,  
See the attached plats.

Marcus J. Fleming 2H, should be normal.

As to the Madison Allocation 1H, the lessor inside the Richardson ranch unit would not allow us to pool that tract into the old unit, so the river tract is not a part of the Madison 1H, or better said the Madison 1H does not cross the Richardson Ranch unit, but instead goes thru a lease.

Sincerely,

**Robert L. Carter**  
Land Manager, CPL  
MD America Energy LLC  
301 Commerce Street; Suite 2500  
Fort Worth, TX 76102  
(817) 288-4888 (direct)  
<https://www.mdae.com>



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**CAUTION: This email is from OUTSIDE Texas General Land Office. Links or attachments may be dangerous. Click the Phish Alert button above if you think this email is malicious.**

7


File No. MF 115476

Madison County

inut 10557 packet "Marcus J. Fleming (Alloe) # 2H"

Date Filed: 2/10/2020

George P. Bush, Commissioner

By: 



## Mary Barnstone

---

**From:** Mary Barnstone  
**Sent:** Monday, February 3, 2020 4:05 PM  
**To:** Robert Carter  
**Cc:** Sherry Sheffield; Verdis Daniels  
**Subject:** RE: Marcus J. Fleming Allocation 2H

Good afternoon, Robert and Sherry.

It looks like when the executed Agreement came back to the GLO in 2013, the revised Unit acreage in the exhibit was missed, and our records were never updated.

I will update the unit acreage, and Verdis will send you a new Unit Agreement Memo for the Thomason B 1H Unit, and a new Unit Agreement Memo for the Marcus J. Fleming #2H.

It looks like I will also need to revise the Madison #1H as well.

Thank you,

Mary Beth

Mary Beth Barnstone  
Geotech / Landman  
Energy Resources  
Texas General Land Office  
Direct number: (512)463-6818  
Email: [mary.barnstone@glo.texas.gov](mailto:mary.barnstone@glo.texas.gov)

2.77 State Acres  
246.07 Private Acres  
248.84 Unit Acres

---

State Part : 0.01113165  
State NRI 0.00278291

**From:** Robert Carter <Robert.carter@mdae.com>  
**Sent:** Monday, February 3, 2020 1:45 PM  
**To:** Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>  
**Cc:** Sherry Sheffield <sherry.sheffield@mdae.com>  
**Subject:** [EXTERNAL] Marcus J. Fleming Allocation 2H

Mary,  
Please see the attached as to the MJF 2H. There are notes explaining how we got to our numbers.

**Robert L. Carter**  
Land Manager, CPL  
MD America Energy LLC  
301 Commerce Street; Suite 2500  
Fort Worth, TX 76102  
(817) 288-4888 (direct)  
<https://www.mdae.com>



Exhibit "C"

**Vannoy & Assoc., Inc.**

AS-DRILLED WELL PLAT  
 WOODBINE ACQUISITION LLC  
 THOMASON B #1-H  
 248.84 ACRES

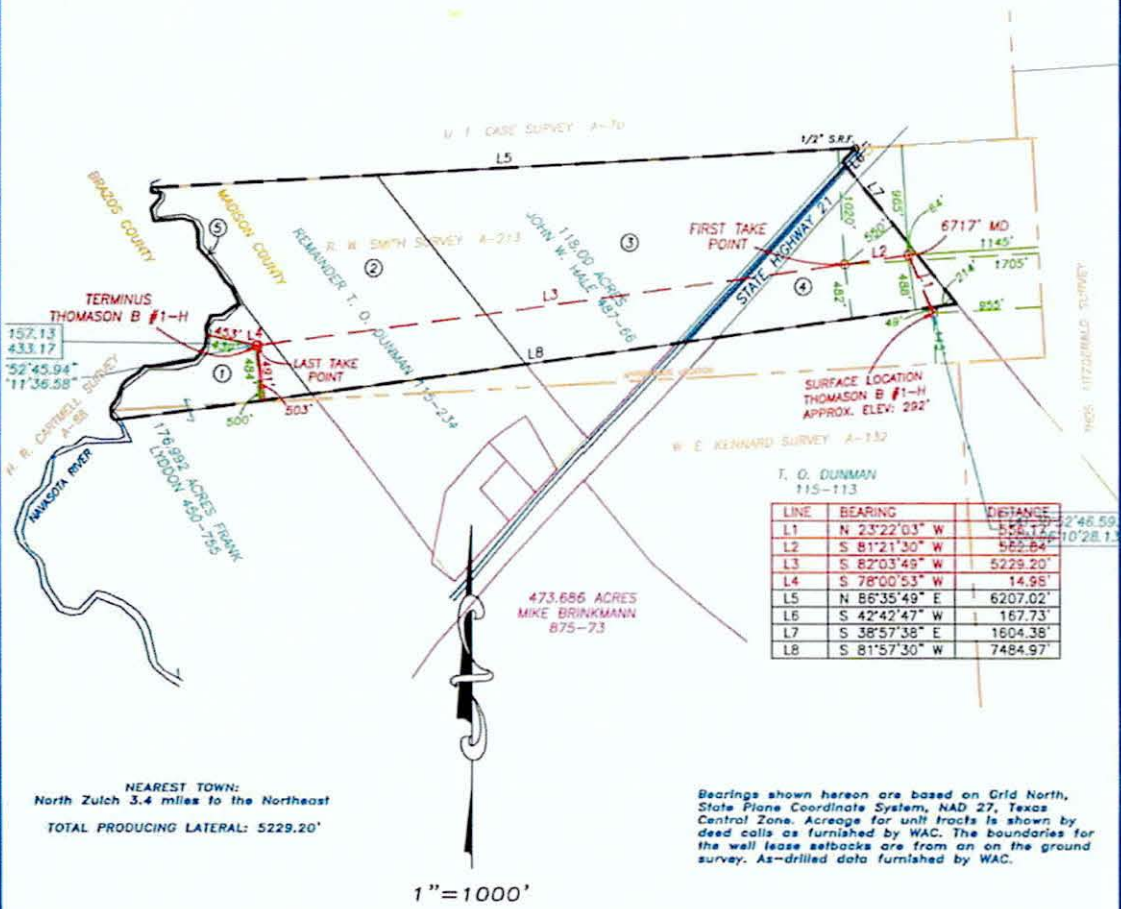
R. W. SMITH SURVEY, A-213, & W. E. KENNARD SURVEY, A-132 AND PART OF THE  
 NAVASOTA RIVER, MADISON COUNTY, TEXAS

AS-DRILLED LAST TAKE POINT	
N.A.D. 1983	N.A.D. 1922
TX. CENTRAL ZONE LAT: 30° 52' 45.883" LONG: 96° 11' 34.574" N: 10307730.60' E: 3594913.48'	TX. CENTRAL ZONE LAT: 30° 52' 45.177" LONG: 96° 11' 35.720" N: 465148.96' E: 3298433.85'

AS-DRILLED FIRST TAKE POINT	
N.A.D. 1983	N.A.D. 1922
TX. CENTRAL ZONE LAT: 30° 52' 51.094" LONG: 96° 10' 36.869" N: 10308452.62' E: 3600092.60'	TX. CENTRAL ZONE LAT: 30° 52' 50.409" LONG: 96° 10' 36.017" N: 465870.98' E: 3303612.96'

AS-DRILLED SURFACE LOCATION	
N.A.D. 1983	N.A.D. 1922
TX. CENTRAL ZONE LAT: 30° 52' 46.593" LONG: 96° 10' 28.140" N: 10308026.54' E: 3600869.64'	TX. CENTRAL ZONE LAT: 30° 52' 45.807" LONG: 96° 10' 27.288" N: 465445.00' E: 3304390.00'
ELEVATION: 292' (Approx.)	

No.	Owner	Base Deed	Unit Acreage	Reference
1	Frank Lyddon	176.992 Ac.	18.45 Ac.	450-755
2	T. O. Dunman	446.3 Ac.	81.19 Ac.	115-234
3	John W. Hale	118.00 Ac.	109.36 Ac.	487-66
4	T. O. Dunman		37.07 Ac.	115-113
5	State of Texas		2.77 Ac.	
			248.84 Ac.	



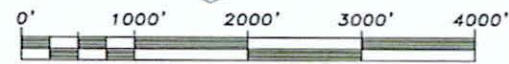
NEAREST TOWN:  
 North Zulch 3.4 miles to the Northeast  
 TOTAL PRODUCING LATERAL: 5229.20'

Bearings shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone. Acreage for unit tracts is shown by deed calls as furnished by WAC. The boundaries for the well lease setbacks are from an on the ground survey. As-drilled data furnished by WAC.

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.  
 September 27, 2013



*Ray L. Vannoy*  
 Ray L. Vannoy  
 R.P.L.S. No. 1988



Drawn by: rlv





**MD America Energy**

**OIL AND GAS DIVISION ORDER  
REVISED**

**June 6, 2014**



To: MD America Energy, LLC  
301 Commerce Street, Suite 2150  
Fort Worth, TX 76102

Each party signing below (the "Owner") represents that he/she owns the interest set opposite his/her name in the oil, including condensate and other liquid hydrocarbons, and gas, including casing head gas and other gaseous substances, or their proceeds, produced from the land described as follows (the "Land

**R.W SMITH SVY, A-213; W.E. KENNARD SVY, A-132**

**Well Name:  
Thomason B 1H**

Owner authorizes MD AMERICA ENERGY, LLC, MD AMERICA ENERGY, LLC's nominee or agent to receive, purchase and pay for production from the Lands as follows:

Credit To	Interest/Type	Address
State of Texas	0.00278291 / RI	C/O Susan Draughn, Texas General Land Office, P.O. Box 12873 Austin, TX 78701
UNIT(S) NAME: Thomason B 1H	Total Unit Acreage 246.07	

Interest Types      RI=    Royalty Interest                      WI=    Working Interest  
                                  PP=    Production Payment                      ORRI=    Overriding Royalty Interest

OIL. Oil purchased shall become MD AMERICA ENERGY, LLC's property when delivered to MD AMERICA ENERGY, LLC or any carrier or nominee designated by MD AMERICA ENERGY, LLC. MD AMERICA ENERGY, LLC will make settlement for Owner's interest in oil at: (1) MD AMERICA ENERGY, LLC posted price in effect on the date of delivery for the same kind and quality of oil in the field where produced; or, (2) if sold by MD AMERICA ENERGY, LLC to another purchaser, at the price received by MD AMERICA ENERGY, LLC from that purchaser; less, in either case, transportation expense, if any, to the point of delivery designated by MD AMERICA ENERGY, LLC or the purchaser.

Quantity and quality of oil purchased under this Division Order will be determined in compliance with practices prevailing at the place of delivery and applicable governmental rules and regulations. MD AMERICA ENERGY, LLC or MD AMERICA ENERGY, LLC nominee may require oil to be treated, at Owner's expense, to render it merchantable.

GAS. In making settlement for Owner's interest in gas: (1) MD AMERICA ENERGY, LLC may use the net proceeds received by MD AMERICA ENERGY, LLC at the well(s); or (2) if gas is sold or used off the premises, MD AMERICA ENERGY, LLC may use the market value at the well(s) of the gas sold or used off the premises, provided the market value used will not exceed the net proceeds MD AMERICA ENERGY, LLC derived from the sale or use off the premises.

COMMINGLED PRODUCTION. If oil or gas is commingled with like production from other separately owned land prior to delivery, Owner's interest in the commingled production will be determined by meter measurements, periodic well tests, or any other method generally accepted in the industry as an equitable basis for determining the quantity and quality of the production sold or delivered from each separately owned source of production.

UNITIZATION. If the land described above is now or later becomes a part of a unit or units formed by governmental authority or by voluntary act, this division order will be subject to the terms of the agreement establishing each Unit and settlement to Owner will be made on the basis of unit production allocated to Owner's interest. No additional division orders will be required.

TIME OF SETTLEMENT. Settlement will be made monthly by check mailed to Owner, less any production, severance, occupation or other tax required to be paid with respect to Owner's interest. If the proceeds in any month amount to less than \$100.00, MD AMERICA ENERGY, LLC may defer settlement until the accruals total that



**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

**Form W-1H** 07/2004  
Supplemental Horizontal Well Information

Permit Status: **Approved**  
*The RRC has not approved this application.  
Duplication or distribution of information is  
at the user's own risk.*

**APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER**

*This facsimile W-1 was generated electronically from data submitted to the RRC.  
A certification of the automated data is available in the RRC's Austin office.*

Permit # **740505**  
Approved Date: **May 03, 2018**

1. RRC Operator No. <b>556481</b>	2. Operator's Name (exactly as shown on form P-5, Organization Report) <b>MD AMERICA ENERGY, LLC</b>	3. Lease Name <b>THOMASON B</b>	4. Well No. <b>1H</b>
--------------------------------------	---	------------------------------------	--------------------------

**Lateral Drainhole Location Information**

5. Field as shown on Form W-1 **MADISONVILLE, W. (WOODBINE -A-) (Field # 56599500, RRC District 03)**

6. Section	7. Block	8. Survey <b>SMITH, R W</b>	9. Abstract <b>213</b>	10. County of BHL <b>MADISON</b>
------------	----------	--------------------------------	---------------------------	-------------------------------------

11. Terminus Lease Line Perpendiculars <b>490</b> ft. from the <b>SOUTH</b> line. and <b>439</b> ft. from the <b>WEST</b> line
12. Terminus Survey Line Perpendiculars <b>411</b> ft. from the <b>WEST</b> line. and <b>435</b> ft. from the <b>SOUTH</b> line
13. Penetration Point Lease Line Perpendiculars <b>548</b> ft. from the <b>EAST</b> line. and <b>482</b> ft. from the <b>SOUTH</b> line

Permit Status: **Approved**

*The RRC has not approved this application.  
Duplication or distribution of information is at  
the user's own risk.*

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

**APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER**

*This facsimile W-1 was generated electronically from data submitted to the RRC.  
A certification of the automated data is available in the RRC's Austin office.*

**W-1 Comments**

Permit # 740505

Approved Date: **May 03, 2018**

[FILER Apr 10, 2018 8:14 AM]: Permit being amended to update survey line calls at request of completions department; [RRC STAFF Apr 13, 2018 3:00 PM]: Added SHL coordinates to W-1 from plat.; [RRC STAFF Apr 17, 2018 11:26 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 17, 2018 11:35 AM]: Corrected state plane coordinates to NAD27 per plat.; [RRC STAFF May 2, 2018 4:10 PM]: Problems identified with this permit are resolved. W1 has been corrected per information on corrected plat & corrected P16. Both have been uploaded.; [RRC STAFF May 2, 2018 4:52 PM]: Changed nearest lease line distance to 453 ft to reflect plat. Changed penetration point lease line call to 548 ft FEL to reflect plat.

## CERTIFICATE OF POOLING AUTHORITY

# P-12

Revised 05/2001

1. Field Name(s) <b>MADISONVILLE W. (WOODBINE -A-)</b>	2. Lease/ID Number (if assigned) <b>556481</b>	3. RRC District Number <b>03</b>
4. Operator Name <b>MD AMERICA ENERGY, LLC</b>	5. Operator P-5 Number <b>556481</b>	6. Well Number <b>1H</b>
7. Pooled Unit Name <b>THOMASON B</b>	8. API Number <b>313-30925</b>	9. Purpose of Filing <input type="checkbox"/> Drilling Permit (W-1) <input checked="" type="checkbox"/> Completion Report
10. County <b>MADISON</b>	11. Total acres in pooled unit <b>248.84</b>	

### DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT <small>(See inst. #7 below)</small>	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1	FRANK LYDDON	18.45	<input type="checkbox"/>	<input type="checkbox"/>
2	T.O. DUNMAN	81.19	<input type="checkbox"/>	<input type="checkbox"/>
3	<del>STATE OF TEXAS</del> private minerals	10.38	<input type="checkbox"/>	<input type="checkbox"/>
4	T.O. DUNMAN	29.27	<input type="checkbox"/>	<input type="checkbox"/>
5	JOHN W. HALE	106.78	<input type="checkbox"/>	<input type="checkbox"/>
6	STATE OF TEXAS MF115476	2.77	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

**CERTIFICATION:**

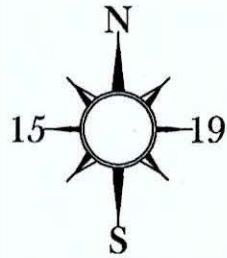
I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.

<p><i>Carter Ann Birdwell</i>                  Signature</p>	<p><b>CARTER ANN BIRDWELL</b>                  Print Name</p>
<p><b>REG. ANALYST</b>                  Title</p>	<p><b>CARTERANN.BIRDWELL@MDAE</b>                  E-mail (if available)</p>
<p><b>11/02/2017</b>                  Date</p>	<p><b>(817) 288-1114</b>                  Phone</p>

**INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40**

1. When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
2. The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
3. If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
4. If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.
5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
6. Identify the drill site tract with an \* to the left of the tract identifier.
7. The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

Clear Form

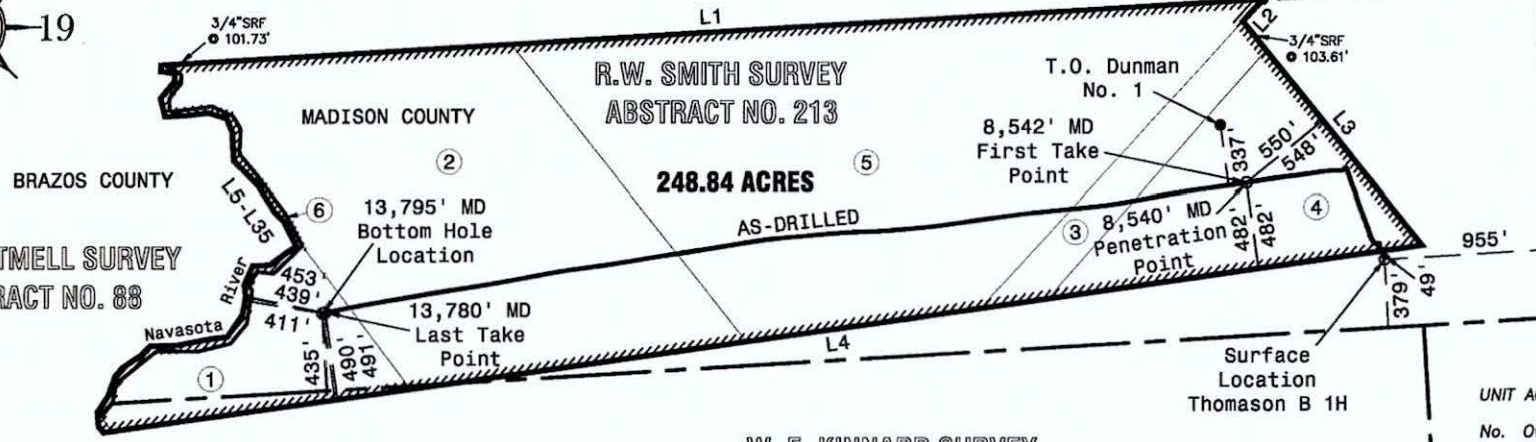


LOCATION:  
North Zulch approximately  
3.4 miles to the Northeast

U.F. CASE SURVEY  
ABSTRACT NO. 70

**AS-DRILLED WELL PLAT**  
**MD AMERICA ENERGY, LLC**  
**THOMASON B 1H**  
**248.84 ACRE UNIT**

W. E. KINNARD SURVEY, A-132  
& R.W. SMITH SURVEY, A-213  
MADISON COUNTY, TEXAS



**LEGEND**  
Unit Line Abstract Line   
SRF = STEEL ROD FOUND

UNIT ACREAGES:

No.	Owner	Base Deed	Unit Acreage	Reference
1	Frank Lyddon	176.992 Ac.	18.45 Ac.	450-755
2	T. O. Dunman	446.3 Ac.	81.19 Ac.	115-234
3	State of Texas		10.38 Ac.	
4	T. O. Dunman		29.27 Ac.	115-113
5	John W. Hale	118.00 Ac.	106.78 Ac.	487-66
6	State of Texas		2.77 Ac.	

TOTAL: 248.84 Ac.

W. E. KINNARD SURVEY  
ABSTRACT NO. 132

TOTAL PRODUCING LATERAL: 5232.67'

**SURFACE LOCATION**  
N.A.D. 1983 N.A.D. 1927

TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT: 30° 52' 46.593"	LAT: 30° 52' 45.907"
LONG: 96° 10' 28.140"	LONG: 96° 10' 27.288"
N: 10308026.64'	N: 465445.00'
E: 3600869.64'	E: 3304390.00'

**LAST TAKE POINT**  
N.A.D. 1983 N.A.D. 1927

TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT: 30° 52' 45.863"	LAT: 30° 52' 45.177"
LONG: 96° 11' 36.574"	LONG: 96° 11' 35.720"
N: 10307730.59'	N: 465148.95'
E: 3594913.49'	E: 3298433.86'

**PENETRATION POINT**  
N.A.D. 1983 N.A.D. 1927

TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT: 30° 52' 51.096"	LAT: 30° 52' 50.410"
LONG: 96° 10' 36.847"	LONG: 96° 10' 35.995"
N: 10308452.89'	N: 465871.25'
E: 3600094.47'	E: 3303614.83'

**BOTTOM HOLE LOCATION**  
N.A.D. 1983 N.A.D. 1927

TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT: 30° 52' 45.838"	LAT: 30° 52' 45.152"
LONG: 96° 11' 36.743"	LONG: 96° 11' 35.890"
N: 10307727.49'	N: 465145.85'
E: 3594898.63'	E: 3298419.20'

**FIRST TAKE POINT**  
N.A.D. 1983 N.A.D. 1927

TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT: 30° 52' 51.094"	LAT: 30° 52' 50.408"
LONG: 96° 10' 36.869"	LONG: 96° 10' 36.017"
N: 10308452.62'	N: 465870.98'
E: 3600092.60'	E: 3303612.96'

**SURFACE LOCATION**  
49' FSL Unit  
379' FSL Smith Survey  
955' FEL Smith Survey

**PENETRATION POINT**  
548' FEL Unit  
482' FSL Unit

**FIRST TAKE POINT**  
550' FEL Unit  
482' FSL Unit

**LAST TAKE POINT**  
491' FSL Unit  
453' FWL Unit

**BHL**  
490' FSL Unit  
439' FWL Unit  
411' FWL Smith Survey  
435' FSL Smith Survey

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	N 86°35'49" E	6207.02'	L21	N 55°31'33" E	72.04'
L2	S 42°42'47" W	167.73'	L22	N 26°36'42" W	157.98'
L3	S 38°57'38" E	1604.38'	L23	N 46°18'39" W	66.91'
L4	S 81°57'30" W	7484.97'	L24	N 32°44'30" W	174.28'
L5	N 40°11'00" W	46.70'	L25	N 45°14'01" W	196.12'
L6	N 04°25'29" W	76.74'	L26	N 03°14'24" W	162.95'
L7	N 33°27'26" E	107.44'	L27	N 23°33'42" W	80.62'
L8	N 20°20'23" E	120.36'	L28	N 74°03'13" W	108.77'
L9	N 39°43'50" E	59.10'	L29	S 83°04'46" W	117.37'
L10	N 56°05'43" E	119.89'	L30	S 86°45'50" W	124.94'
L11	N 45°34'47" E	79.60'	L31	N 13°50'07" W	105.69'
L12	N 87°40'11" E	152.70'	L32	N 38°56'39" E	123.08'
L13	N 79°14'46" E	191.29'	L33	N 00°13'32" W	43.73'
L14	N 82°39'22" E	95.93'	L34	N 80°03'42" W	77.37'
L15	N 34°53'28" E	146.56'	L35	N 02°29'09" E	33.88'
L16	N 11°38'25" E	108.05'			
L17	N 10°22'50" W	61.55'			
L18	N 23°45'13" E	117.58'			
L19	N 86°17'15" E	98.88'			
L20	N 53°52'13" E	109.23'			

I, Shane Graham, Registered Professional Land Surveyor, do hereby state the above plat to be true and correct to the best of my knowledge.

NOTE:  
As-drilled data furnished by MD America Energy.  
Bearings, distances, and acreage shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone.

For 1519 Surveying, LLC

Shane Graham  
Registered Professional Land Surveyor  
Texas Registration No. 6044

Date: October 12, 2017  
Revised: May 2, 2018



Acreage for unit tracts shown by lease calls as furnished by MD America Energy. Acreages may not reflect actual acreages if surveyed on the ground. Well ties are taken from an on the ground survey.

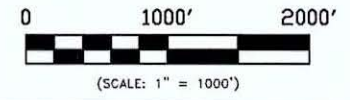
All survey lines shown hereon are scaled location only.

AS-DRILLED WELL PLAT  
THOMASON B 1H  
MADISON COUNTY, TEXAS

1519 Job No.: 4706  
Sheet 1 of 1

Drawn By: SG

Prepared For:  
MD America Energy, LLC



**1519 Surveying, LLC**  
5054 Franklin Avenue Suite A, Waco, TX 76710 Ph: 254-776-1519 TBPLS Firm# 10193968  
www.1519surveying.com

File No. MF115476

Madison County

Revised Buckslip Unit 6358. "Thomason B #1 #1 PSA Unit"

Date Filed: 2/10/2020

George P. Bush, Commissioner

By [Signature]



OIL AND/OR GAS DIVISION ORDER

KEEP FOR YOUR RECORDS

iNub 10557
MF 115476
MF 115477

To/Operator: MD America Energy, LLC
301 Commerce Street, Suite 2500
Fort Worth, TX 76102

Date Prepared: 10/7/2019
Effective Date: 6/27/2019 (Date of First Production)

Property Name: Marcus J. Fleming (Allocation) No. 2H Well [API No. 42-313-31374]

Property Description: A. NUNLEY SURVEY, A-176, T. FITZGERALD SURVEY, A-97, W. KINNARD SURVEY, A-132, AND R. SMITH SURVEY, A-213 MADISON COUNTY, TEXAS [PRODUCING LATERAL ALLOCATION: T. O. DUNMAN HORIZONTAL OIL UNIT (Recorded Vol.1246,Pg.189, OR, Madison Co., TX) = 1401.60/9569.40; JANUARY PRORATION UNIT = 137.72/9569.40; THOMASON HORIZONTAL OIL UNIT (Recorded Vol.1297,Pg.152, OR, Madison Co., TX) = 2320.03/9569.40; JUDI NO. 1 UNIT (Recorded Vol.256,Pg.734, DR, Madison Co., TX) = 1588.70/9569.40; THOMASON A 1H UNIT (Recorded Vol.1297/Pg.158 OR, Madison Co., TX) = 2650.57/9569.40; THOMASON B 1H UNIT (Recorded Vol.1298/Pg.22, OR, Madison Co., TX) = 1470.78/9569.40]

Table with columns: Owner#/Owner Name/Address, Unit, Tract#, Land Tract #, Lease #, Interest/Interest Type. Includes entries for Commissioner of the General Land Office of the State of Texas and Stephen F. Austin Building.

Interest Types: RI=Royalty Interest; NPRI=Non-Participating Royalty Interest; ORI=Overriding Royalty Interest; WI=Working Interest

THIS DIVISION ORDER DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL AND/OR GAS.

The undersigned (hereafter referred to as "Payee/Owner") certifies the ownership of their decimal interest in the oil, including condensate and other liquid hydrocarbons, and gas, including casinghead gas and other gaseous substances, or their proceeds, produced from the land, as described above, payable by MD America Energy, LLC or MD America Energy, LLC's nominee or agent (hereafter referred to as "Payor").

PAYMENT: Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the Payor may hold accumulated proceeds of less than \$10 until production ceases or the Payor's responsibility for making payment for production ceases, whichever occurs first. Payee/Owner agrees to reimburse Payor any amounts attributable to an interest or part of an interest to which the Payee/Owner is not entitled.

INDEMNITY: The Payee/Owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Payee/Owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the Payee/Owner's interest to which Payor is made a party.

DISPUTE: WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Payee/Owner, written notice shall be given to Payor by the Payee/Owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest, unless otherwise required by applicable statute, until the claim or dispute is settled.

NOTICES: The Payee/Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the addresses listed above unless otherwise advised by either party.

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.

Witnesses/Attest:

Payee/Owner Signature(s)
Payee/Owner Printed Name(s) and Title(s)
Payee/Owner Social Security/Taxpayer Identification Number(s):
Payee/Owner Daytime Telephone Number(s):
Payee/Owner email address:

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN TAX WITHHOLDING IN ACCORDANCE WITH FEDERAL LAW, WHICH WILL NOT BE REFUNDABLE BY PAYOR.



301 Commerce Street, Suite 2500  
Fort Worth, TX 76102  
(817) 288-7800

VIA USPS

October 7, 2019

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

Re: Oil and/or Gas Division Order  
**Marcus J. Fleming (Allocation) No. 2H Well** [API No. 42-313-31374]  
Madison County, Texas

Dear Interest Owner,

We have prepared and enclose herewith our Oil and/or Gas Division Order, in duplicate, concerning your interest in the referenced well. Said well had first production/sales on June 27, 2019. Please review the division order for accuracy and upon your approval, please:

- ❖ Sign the division order, exactly as your name appears thereon, in the space indicated;
- ❖ Have your signature witnessed by two (2) disinterested adults, or attested, whichever applies;
- ❖ Be sure to include your Social Security/Tax Identification Number on the division order in the space provided;
- ❖ Return the **ORIGINAL** division order marked **SIGN AND RETURN** in the self-addressed, postage paid envelope, retain the duplicate division order marked **KEEP FOR YOUR RECORDS**.

Upon receipt of the properly executed division order, your interest will be placed in a "Pay" status.

MD America Energy, LLC's revenue checks are processed around the 25<sup>th</sup> of each month. Executed division orders received by the 12<sup>th</sup> of the month will receive a revenue check in that same month; those received after the 12<sup>th</sup> of any month will be processed the following month.

Should you have any questions regarding any of the above, please contact the undersigned.

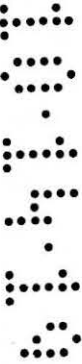
Regards,

*Sherry Sheffield*

Sherry Sheffield  
Land Administration Team Leader

/sls

Enclosures





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

February 19, 2020

Sherry Sheffield  
Land Administration Team Leader  
MD America Energy, LLC  
301 Commerce Street, Suite 2500  
Fort Worth, TX 76102

Re: State Lease Nos. MF115476 and MF115477 Marcus J. Fleming Allocation 2H iNut 10557

Dear Ms. Sheffield:

The Texas General Land Office (GLO) has received your Division Order for the referenced unit. This Division Order has been filed in the appropriate mineral file(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](mailto:vivian.zamora@glo.texas.gov)

File No. MF115476

\_\_\_\_\_ County

**DIVISION ORDER**

Date Filed: 2-19-2020

George P. Bush, Commissioner

By VR