

8275
8276

MF115616

State Lease	Control	Base File	County
MF115616	07-104082	138216	REEVES
MF115616	07-104091	95581	REEVES

TERMINATION

DATE 2/1/19
LEASING SSD
MAPS JH
GIS MC

Survey	PUBLIC SCHOOL LAND	
Block	56	
Block Name		
Township		
Section/Tract	37, 38	
Land Part		
Part Description		
Acres	640	
Depth Below	Depth Above	Depth Other

Leasing: SSD
Analyst: SSD
Maps: JH
GIS: MC
DocuShare: _____

Name	THREE RIVERS ACQUISITION II, L
Lease Date	6/1/2013
Primary Term	5 yrs
Bonus (\$)	\$576,640.00
Rental (\$)	\$0.00
Lease Royalty	0.1250



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

F1088207

Contents of Mineral File Number: 115616

1. RAL Review Sheet 7-18-13	16. Notice of Operations Unit 8275 API 389-35554 4/10/17
2. Bonus & Fees 9-12-13	17. Email & Cert. of Fact 5-23-17
3. Lease 9-12-13	scanned PJ 5-25-2017
4. Transmittal Ltr. 9-12-13	18. Assign #10369 Atlantic
5. Final Ltr. 10-11-13	Exch (to) Atlantic Res 8-24-17
Scanned sm 11/17/14	(See MF103820 #32 Assign #10469
6. Assign ID #9448 Three Rivers to Resolute Natural 4-21-14	Atlantic (to) No Recover 11-20-17
scanned PJ 1-12-16	19. Commingling Denial 2/6/2018
7. Rentals 4th yr 5/27/16	scanned PJ 5-11-2018
scanned PJ 9-9-16	20. Commingling Approval 5/22/2018
8. Assign #9883, Resolute to MECO #11/8/16	(See MF103820 #33 Assign #10510
scanned PJ 12-2-16	Atlantic (to) No Recover 5-31-18
9. Assign #10086, MECO IV to MECO Exchng 12-16-16	scanned PJ 6-1-2018
10. Assign ID #10087 MECO Exchng to Atlantic Exchng 12-16-16	21. Completion Report API 389-35554 6/14/18
(See MF104182 #23, Assign #10089 Atlantic Exchng to Atlantic Resource)	22. Completion report API 389-35554 6/14/18
scanned PJ 12-30-16	23. Drilling Permit API 389-35554 Unit 8275 6/26/18
11. Ltr. From Atlantic 1/17/17	scanned PJ 7-10-2018
12. Ltr. to Atlantic 1/20/17	24. RRC Production Reports 12/5/19
13. Pooling Agmt. Packet # 8275 State Clark 38-47 Unit 1/20/17	25. Termination Letter 12/5/19
14. Pooling Agmt. Packet # 8276 State Dagger 37-48 Unit 1/20/17	Scanned sm 12/6/2019
scanned PJ 3-20-17	
15. Drilling Permit & Notice of Spud Unit 8276 API 389-35548 3/27/17	

RAL REVIEW SHEET

Transaction # 7816

Geologist:

Lessor: Roddy L. Harrison

Lease Date: 6/1/2013

UL ☐

Lessee: Three Rivers Acquisition II

Gross Acres: 640

Net Acres: 640

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	[REDACTED]	138216	W/2	37	56	00	PUBLIC SCHOOL LAND	4577
REEVES	[REDACTED]	95581	W/2	38	56	00	PUBLIC SCHOOL LAND	2181

TERMS OFFERED

Primary Term: 5 years

Bonus/Acre: \$1,802.00

Rental/Acre: \$0.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 5 years

Bonus/Acre: \$1,802.00

Rental/Acre: \$0.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF104871	Woods Petroleum Land Managem	4/27/2005	3 years	\$150.00	\$1.00	22.0%	Last Lease
Pending	Cimarex Energy	4/8/13	3 yrs	\$1500.00	\$1.00	1/4	3 Miles East

Comments: paid Up 2nd & 3rd Yr / 4th yr is \$1801.00 per ac. Pays up 5th Yr

Approved: DR 6.12.13

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

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

DATE: 14-Jun-13

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

Applicant:	Three Rivers Acquisition II	County:	REEVES
Prim. Term:	5 years	Bonus/Acre	\$1,802.00
Royalty:	1/4	Rental/Acre	\$0.00

Consideration

Recommended: RJA Date: 6/20/13

Not Recommended: _____

Comments: paid Up 2nd & 3rd Yr / 4th yr is \$1801.00 per ac. Pays up 5th Yr

Lease Form

Recommended: RJA Date: 6/20/13

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner Date: 6.26.13

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: 7/17/13

Recommended: WJW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 7/17/13

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner

Date: 7/18/13

Approved: Jerry E. Patterson

Not Approved: _____

File No. MF 115616 1.

RAC ROWN SUE

Date Filed: 7-18-13

Jerry E. Patterson, Commissioner

By ae

Three Rivers Operating Company II LLC
1122 South Capital of Texas Highway, Suite 325 • Austin, TX 78746

13715108

CHECK NO.

002331

Reference	Inv date	Invoice No.	Invoice Amt	Prior Pmt	Discount	Amount Paid
1307-AP-31	07/22/13	CKREQ-07/22 /13	576640.00	0.00		576640.00

Vendor

Ck date

2468 COMMISSIONER OF THE TEXAS GEN

07/24/13

576,640.00

RIV-100

WARNING: DO NOT ACCEPT THIS DOCUMENT UNLESS YOU CAN SEE A WATERMARK.

Three Rivers Operating Company II LLC

1122 South Capital of Texas Highway
Suite 325
Austin, Texas 78746

JPMORGAN CHASE BANK N.A.
DALLAS, TX

13715108 002331

DATE

CONTROL NUMBER

07/24/13

7365

PAY Five hundred seventy-six thousand six hundred forty dollars and 00 cents

AMOUNT

\$*****576,640.00

TO THE
ORDER
OF

COMMISSIONER OF THE TEXAS GEN
LAND OFFICE
1700 N CONGRESS AVE
STEPHEN F AUSTIN STATE BLDG
AUSTIN, TX 78701-1495



002331

CLAY JOHNSON

General Land Office - State of Texas

6/7/2013

16713

100.00

~~13712105~~

121

FIRST NATIONAL CH Processing Fee-Harrison Trust, Blk. 56, PSL-Re

100.00

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

CLAY JOHNSON
1603 N. BIG SPRING ST.
MIDLAND, TX 79701
(432) 684-4110

FIRSTCAPITAL BANK OF TEXAS, NA
MIDLAND, TX 79701

13715107

16861

8/2/2013

PAY TO THE ORDER OF General Land Office - State of Texas

\$ **25.00

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

DOLLARS



General Land Office - State of Texas
Stephen F. Austin Bldg.
1700 N. Congress Ave.
Austin, TX 78701

▲ TAMPER RESISTANT TONER AREA ▲



MEMO

Filing Fee-Harrison Trust, Blk. 56, PSL-Reeves Co.

Clay Johnson

MP

⑈016861⑈

CLAY JOHNSON

General Land Office - State of Texas

8/2/2013

16861

25.00

13715107

121

25.00

FIRST NATIONAL CH Filing Fee-Harrison Trust, Blk. 56, PSL-Reeves

Clay Johnson Oil & Gas Properties

1603 N. BIG SPRING STREET * MIDLAND, TEXAS 79701 * (432) 684-4110 * FAX (432) 684-5166



AAPL-CPL

March 9, 2011

GENERAL LAND OFFICE

Mr. Drew Reid
Stephen F. Austin Bldg.
1700 North Congress Ave.
Austin, TX 78701

Re: Relinquishment Act Lease
Reeves County, Texas

Dear Drew:

Find enclosed for your files and further handling a file stamped copy of the following described Relinquishment Act Oil and Gas Lease:

Oil and Gas Lease dated June 1, 2013, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust Under Trust Indenture Dated 4/25/96, as Amended, as Lessor and Three Rivers Acquisition II, LLC, as Lessee, File Stamp 13-05111, Reeves County, Texas.

Find enclosed Three Rivers Acquisition II, LLC check no. 2331 in the amount of \$576,640.00 as payment for the State's 1/2 bonus due for the first 3 years for the above lease.

To cover the required filing fees for handling this matter find enclosed Clay Johnson Check in the amount of \$25.00 made payable to the order of General Land Office – State of Texas.

Respectfully

Nate Sykes

Clay Johnson Oil & Gas Properties

1603 N. BIG SPRING STREET * MIDLAND, TEXAS 79701 * (432) 684-4110 * FAX (432) 684-5166



AAPL-CPL

Drew

June 7, 2013

GENERAL LAND OFFICE

Mr. Drew Reed
Stephen F. Austin Bldg.
1700 North Congress Ave.
Austin, TX 78701

Re: Approval Request, Oil and Gas Leases,
W/2 of section 37 and W/2 of Section 38
Block 56, PSL Survey, Reeves County,
Texas

Dear Drew:

The Deed Records of Reeves County, Texas indicate that Roddy L. Harrison, Trustee of the Harrison Trust Under Indenture Dated 04/25/96, as Amended owns an undivided 8/8 surface interest under the above referenced lands, being 640.00 net surface acres.

A trade has recently been made for an Oil and Gas Lease covering the above lands based on the following terms: \$1,802.00 per net mineral acre for bonus consideration, 1/4th royalty for a Five (5) year term with escalated rentals of \$1801.00 per acre for the third year rentals..

I will be sending a hard copy of this letter and copy of the lease for the approval of the General Land Office today, as well as a personal check in the amount of \$100.00 for the States processing fee.

If you have any questions please advise. Your prompt and favorable response will be greatly appreciated. Thank you for your time and consideration on this matter.

Respectfully,

Nate Sykes

Nate Sykes

Enclosures:

C# 1191
T# 7814

W/2 = 37
38

[Redacted signature area]

Drew Reid - Re: Harriso Lease-Reeves County, Texas

From: Clay Johnson <buddyjack1@aol.com>
To: Drew Reid <Drew.Reid@GLO.TEXAS.GOV>
Date: 6/26/2013 10:19 AM
Subject: Re: Harriso Lease-Reeves County, Texas

Okay I will make sure that is in writing to them.

Nate

Sent from my iPhone

On Jun 26, 2013, at 10:08 AM, "Drew Reid" <Drew.Reid@GLO.TEXAS.GOV> wrote:

That's fine but if Three Rivers pays him any thing from this point forward, except bonus, rentals and royalty,
they must pay the State the same amount.
Drew

>>> Clay Johnson <buddyjack1@aol.com> 6/25/2013 10:04 AM >>>
Drew,

We talked with Roddy about all of this and we made some changes. Took out everything about payment of damages per Roddy's request.

Let me know your thoughts.

Thanks,
Nate
Clay Johnson Oil & Gas Properties
1603 N. Big Spring Street
Midland, Texas 79701
432-684-4110
BuddyJack1@aol.com

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

From: Drew Reid <Drew.Reid@GLO.TEXAS.GOV>
To: Clay Johnson <buddyjack1@aol.com>
Sent: Fri, Jun 14, 2013 10:47 am
Subject: Re: Harriso Lease-Reeves County, Texas

Nate, I have this and the terms have been approved but I have not had a chance to review the addendum. Check in with me next week.
Drew

>>> Clay Johnson <buddyjack1@aol.com> 6/14/2013 9:57 AM >>>
Drew,

I sent this to you the other day and hard copies are in the mail but I might of used the wrong email address. Sorry for any confusion. Attached is an executed copy and before I recorded, I wanted to make sure you approved it all.

Thanks,
Nate
Clay Johnson Oil & Gas Properties
1603 N. Big Spring Street
Midland, Texas 79701
432-684-4110
BuddyJack1@aol.com

Drew Reid - Re: Harriso Lease-Reeves County, Texas

From: Drew Reid
To: Johnson, Clay
Subject: Re: Harriso Lease-Reeves County, Texas

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Nate
Clay Johnson Oil & Gas Properties
1603 N. Big Spring Street
Midland, Texas 79701
432-684-4110
BuddyJack1@aol.com

2

File No. MF115616
Ross & Foy

Date Filed: 6-12-13
Jerry E. Patterson, Commissioner

By Cre

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 1st day of June, 2013, between the State of Texas, acting by and through its agent, **RODDY L. HARRISON, TRUSTEE OF THE HARRISON TRUST UNDER TRUST INDENTURE DATED 04/25/96, AS AMENDED**, P.O. Box 1908, Pecos, Texas 79772

said agent

(Give Permanent Address)

herein referred to as the owner of the soil (whether one or more), and Three Rivers Acquisition II, LLC
of 1122 S. Capital of Texas Highway, Suite 325
Austin, Texas 78746

(Give Permanent Address)

hereinafter called Lessee.

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

Block 56, Public School Land Survey
Section 37: West One-Half (W/2)
Section 38: West One-Half (W/2)

Containing 640.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Five Hundred Seventy Six Thousand Six Hundred and Forty Dollars and No/100-----
Dollars (\$ 576,640.00)

To the owner of the soil: Five Hundred Seventy Six Thousand Six Hundred and Forty Dollars and No/100-----
Dollars (\$ 576,640.00)

Total bonus consideration: One Million One Hundred Fifty Three Thousand Two Hundred and Eighty Dollars and No/100-----
Dollars (\$ 1,153,280.00)

The total bonus consideration paid represents a bonus of One Thousand Eight Hundred and Two Dollars and No/100-----
Dollars (\$ 1,802.00) per acre, on 640.00 net acres.

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

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the Pay direct to Lessor at the above address Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: see Paragraphs 40 and 41 for amended Delay Rental Provisions

Dollars (\$ _____)

To the State of Texas: see Paragraphs 40 and 41 for amended Delay Rental Provisions

Dollars (\$ _____)

Total Rental: see Paragraphs 40 and 41 for amended Delay Rental Provisions

Dollars (\$ _____)

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for



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any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

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

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

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

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

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

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

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



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Reeves County
Clerks Office

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

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

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

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year, such interest will begin 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.

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

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

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

11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the



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primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

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

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

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

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



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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and right-of-ways for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

32. FORFEITURE. If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or if Lessee should refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title I, 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 acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.



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34. **POOLING.** Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.153. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

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

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

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

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



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

40. Notwithstanding anything to the contrary contained in Paragraph Three (3) of this Lease, for all purposes this lease shall be a fully Paid-Up Oil & Gas Lease for the first three years. Delay Rentals have been paid in full with the Bonus Consideration tendered herein. Delay Rental payment was based on a \$1.00 per net mineral acre per year for Two (2) Years. Concluding a \$2.00 per acre Pd-Up Rental Payment was made in advance for the Two (2) Year Period on the net mineral acres indicated in this Lease.

41. PAID-UP LEASE. The rentals for the 1st anniversary date and for the 2nd anniversary date have been pre-paid with the bonus for this lease and no additional payments for the 1st anniversary date and for the 2nd anniversary date are due and payable. The total payment to the State and to the owner of the soil is \$1,802.00 per acre. The state and the owner of the soil have split the total payment of \$1,802.00 per acre equally.

If delay rentals are paid on or before the 3rd anniversary date, the total rental paid shall be \$1,152,640.00.
Said payment will include a pre-payment for the delay rentals for the 4th anniversary date.
Payments shall be made as follows: To the owner of the soil: \$ 576,320.00
To the State of Texas: \$ 576,320.00

42. PAYMENTS OF MINIMUM ROYALTY AND SHUT-IN ROYALTY. Paragraph 5 (minimum Royalty) and Paragraph 14 (Shut in Royalty) contains a reference to a computation based upon the delay rental amount specified in Paragraph 3. However, notwithstanding anything contained herein to the contrary, the undersigned do hereby recognize, acknowledge and agree that i) all minimum royalty payments due pursuant to Paragraph 5 shall be calculated on the basis of the delay rental amount being one dollar (\$1.00) per acre, and ii) all shut-in royalty payments due pursuant to Paragraph 14 shall be calculated on the basis of double the annual rental amount of one dollar (\$1.00) per acre (being two dollars (\$2.00) per acre), but not less than \$1200.00 a year for each well capable of producing oil and gas in paying quantities.

* See Exhibit "A" attached hereto for additional lease provisions.

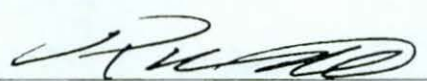
THREE RIVERS ACQUISITION II, LLC


Mike Wichterich, CEO

Date: 6-12-13

STATE OF TEXAS

STATE OF TEXAS

BY: 
Individually and as agent for the State of Texas
Roddy L. Harrison, Trustee of the Harrison Trust
Under Trust Indenture dated 04/25/96, as amended

DATE: 6-10-13

BY: _____
Individually and as agent for the State of Texas

DATE: _____



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STATE OF TEXAS

(CORPORATE ACKNOWLEDGMENT)

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared Mike Wichterich known to me to be the person whose name is subscribed to the foregoing instrument, as CEO of Three Rivers Acquisition II, LLC, a Delaware limited liability company, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said partnership.

Given under my hand and seal of office this the 12th day of June, 2013.



Jessica Adkins
Notary Public in and for the State of TEXAS

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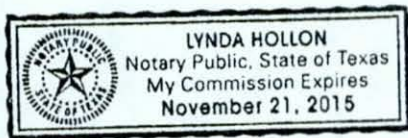
STATE OF TEXAS

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF REEVES

Before me, the undersigned authority, on this day personally appeared Roddy L. Harrison, Trustee of the Harrison Trust Under Trust Indenture dated 04/25/96, as amended known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 10th day of June, 2013.



Lynda Hollon
Notary Public in and for the State of TEXAS

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EXHIBIT "A"

Attached to and made part of that certain Oil and Gas Lease, dated June 1, 2013 from Roddy L. Harrison, Trustee of The Harrison Trust Under Indenture Dated 04/25/96, as Amended, as Lessor, to Three Rivers Acquisition II, LLC, as Lessee.

1. Notwithstanding any other provision of this lease to the contrary, Lessee shall not have the right to pool the surface owner's royalty interest with other lands without Surface Owner's prior written consent, which consent shall not be unreasonably withheld.

2. It is hereby understood and agreed that saltwater produced from any well drilled under this lease shall not be disposed of on the leased premises without surface owner's prior written consent.

3. Upon prior written notice to Lessee, surface owner shall have the right and option (but not the obligation) at his sole cost, risk, expense and liability to take in kind at the wellhead and separately market all of surface owner's royalty oil or gas, unless within sixty (60) days after receipt by Lessee of such written notice from surface owner of the proposed sale of such royalty oil or gas to a bona fide third party purchaser (including the price and all other terms of such proposed sale), Lessee or his nominee shall elect to purchase such royalty oil or gas for the same price and other terms as offered by such third party purchaser. If Lessee or his nominee does not elect to meet such third party offer to purchase surface owner's oil or gas within said sixty (60) day period, then surface owner shall be free to contract such oil or gas to such third party purchaser upon the same terms specified in said written notice. surface owner shall reimburse Lessee for all costs for metering and handling surface owner's royalty oil or gas so separated and marketed or taken in kind. In the event surface owner elects to sell its royalty gas to such third party purchaser, surface owner and Lessee shall enter into a mutually acceptable gas balancing agreement prior to sale. The foregoing paragraph is limited as to the surface owners royalty interest only.

4. Lessee agrees to maintain all drill sites or other portions of the leased premises used or occupied by Lessee free and clear of noxious vegetation and trash, plastic bags, plastic water bottles, coke cans, beer cans, Styrofoam cups and plates (any kind of trash) and to maintain the same as would a reasonably prudent operator so as to prevent additional damage to such lands.

5. Lessee agrees to grade and gravel or caliche the road to each location on the leased premises. Lessee agrees to use existing gates and roadways to enter and leave the premises, where available and where practical, and if more than one existing gate and/or roadway is available then Lessee agrees to consult with the surface owner regarding which gate and/or roadway will be used by Lessee. Furthermore, with regards to existing roads to be used by Lessee, Lessee agrees to improve, upgrade and maintain such roads as "all weather caliche roads". Lessee will maintain approaches, gates, cattle guards and ranch roadways designated and used in connection with its operations in a good state of repair and will promptly cause to be repaired and restored any damage thereto occasioned by resulting from Lessee's operations. In regard to maintenance of roads used by Lessee or its employees, contractors and invitees, Lessee



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shall repair damaged or deteriorating portions of roads within a reasonable time not to exceed ten (10) days after written notice by the surface owner of need for such repair. Materials used to repair road damage shall be either caliche, gravel, or other materials except dirt fill. Lessee agrees to work with the surface owner to keep the roads used by Lessee in continuous state of good repair. In connection with any roads built by Lessee, Lessee agrees to build and construct all roads as "all weather caliche roads" and further agrees to consult with the surface owner as to the locations of such roads and will construct division terraces as may be reasonably necessary to reduce soil erosion. Lessee shall be required to install cattle guards and at surface owner's option, pipe gates to the side of such cattle guard at each fence crossing.

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6. When requested by the surface owner, Lessee agrees to promptly fence all pits and installations to prevent entry in such pits and installations by livestock. Lessee agrees, within a reasonable time after the completion of drilling or reworking operations, but in any event, within one hundred twenty (120) days thereafter, to REMOVE ALL RUBBER LINERS OR TARPS USED IN WATER PITS FROM THE PREMISES, to deep bury all driller's mud and chemicals, to level all dumps and mounds, fill all holes, pits, ditches and excavations, and at affected owner's election remove or burn all brush and debris, and remove all concrete blocks or other objects placed upon said land, or upon the terminated portion of such lease, as the case may be, and return the surface of the land to substantially the same condition as it was before the commencement of such operations, including seeding the area with the type of grass to be designated, by surface owner. For surface restoration purposes, completion of drilling or reworking operations shall be the day Lessee releases the drilling rig or workover rig in question or the date such rig is moved off the location, whichever date first occurs.

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7. Lessee agrees that Lessee will not cut or go over any fence or fences of surface owner in connection with any operations on the leased premises, within one mile of an existing gate or within one mile of any gate installed by Lessee without the consent of the surface owner. Lessee agrees, prior to cutting any fence, to brace the existing fence adequately on both sides of the proposed cut so that when the fence is cut there will be no slacking of the wires. If the fence cut is an outside fence, Lessee agrees, if requested by the surface owner, to install and maintain a substantial metal gate, which shall be kept locked when not in actual use. The surface owner may install its own locks in addition to Lessee's lock on said gate. If the cut in such fence is an inside or an outside fence, Lessee agrees to install a substantial metal gate or cattle guard, whichever shall be designated by the surface owner. Upon termination of this lease, or the portion thereof on which any cattle guard and gate is located, such cattle guard and gate shall, at the option of the surface owner, become its property. So long as the lease shall remain in force, such gates and cattle guards shall not be removed but shall be maintained in good condition and repair, capable of turning cattle. Lessee agrees to promptly close all gates and lock all outside gates which Lessee and Lessee's agents, servants, employees, guests, and invitees or independent contractors may use in Lessee's operations on the leased premises, to prevent the escape of cattle or stock through any open gate.

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8. Lessee shall at all times use the prudent care in all of its operations on the leased premises in preventing injury or damage to the grass, crops, cattle livestock, buildings or other property situated thereon, or to water wells or tanks located thereon. Lessee agrees not allow any waste oil or salt water to flow over the surface of the leased premises, not to allow same to drain down any



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draws, drains, creeks or ravines, nor allow same to contaminate any tanks, ground water or underground water thereon; but Lessee shall dispose "of such" salt water and waste oil in accordance with the Rules and Regulations of the Railroad Commission of Texas.

Lessee will use its best efforts to prevent fires on said lands and will use its best efforts to prevent papers, boxes, sacks and containers and waste materials of any kind from coming on said lands and littering the premises.

Lessee agrees to observe and obey all posted speed limits on the premises. Posted speed limits shall be set at a reasonable speed.

Lessee is prohibited from constructing an oil or gas refinery or a plant for cleaning up gas and removing H2S on the leases premises without first obtaining a separate written lease agreement with the surface owner. The location of separators, dehydrators amine units and compressors shall not be considered as plants.

Lessee shall not enter into any third party sponsored 3-D or other similar seismic geophysical shoots without surface owner's prior written consent.

9. In the event any well drilled on the leased premises is abandoned as a dry hole or shall cease to produce in paying quantities, Lessee agrees, before plugging such well, to tender such well to the surface owner, and if such surface owner shall elect to accept same for completion as a water well, Lessee agrees to install a cement plug in the bottom of such well, at such depth as such surface owner shall designate, and a removable swage at the top, and shall turn over such well to such surface owner for completion as a water well; but such surface owner shall first execute the necessary forms and applications to the Railroad Commission of Texas or other regulatory agencies relieving Lessee of any further liabilities. If such surface owner shall not accept such well, Lessee shall plug, and abandon such well in accordance with Rules and Regulations of the Railroad Commission of Texas,

10. USE OF WATER. Lessee shall not have the right to use water produced on said land.

11. PIPELINE DEPTH. When requested by surface owner, Lessee shall bury its pipeline below plow depth.

12. REMOVAL OF EQUIPMENT. Lessee shall remove machinery and fixtures placed by Lessee on the leased premises, excluding casing, within one hundred twenty (120) days after the expiration or the termination of this lease unless Lessor grants Lessee an extension of this 120 day period.

13. SURFACE USE AGREEMENT. There is no surface use agreement for this lease.

14. At the end of the primary term, this lease shall terminate as to all of the above described land, except as to each proration unit allocated for production allowable purposes under the rules and regulations of the Railroad Commission of the State of Texas, or other governmental authority having jurisdiction to each well producing oil and/or gas in commercial quantities, and



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as to each such proration unit, as to all depths 100 feet below the base of the deepest formation from which such production is being obtained on such proration unit unless Lessee commences that actual drilling of an additional well within one hundred eighty (180) days of the last to occur of (i) the expiration of the primary term (only if a well was completed prior to the expiration of the primary term) or, (ii) the date that any well actually being drilling at the expiration of the primary term is completed as a well capable or producing oil and/or gas in commercial quantities or as a dry hole, and thereafter Lessee shall continuously develop the above described land with no more than one hundred eighty days elapsing between the date one well is completed as a well capable of producing oil and/or gas in commercial quantities or as a dry hole and the date the actual drilling of the next succeeding well commences, until said land has been drilled to the density necessary to obtain the maximum production allowable per well under the rules and regulations of the Railroad Commission of Texas, or other governmental authority having jurisdiction. Upon the cessation of such continuous development, this lease shall terminate except as to each proration unit allocated as aforesaid upon which a well is producing oil and/or gas in commercial quantities. At the end of the primary term or the date that this lease shall expire as to any part hereon, whichever is later, Lessee shall select and designate a producing unit around each producing oil and gas well. The acres in each unit are to be limited to or expanded to conform with the minimum area provided for or established directly or indirectly, in the applicable rules and regulations of the regulatory authority having jurisdiction of the premises with reference to the spacing of wells or the size of producing wells. A well shall be deemed to have been completed on the first to occur of (i) the date the completion or plugging report required by the Railroad Commission of the State of Texas or other governmental authority having jurisdiction is filed, or, (ii) thirty (30) days after the completion rig that drilled the relevant well is released from the well location.

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15. Notwithstanding any herein to the contrary in the above Oil and Gas Lease, it is agreed and understood as follows to wit:

- A. OIL AND GAS ONLY. This lease covers only oil and gas and associated hydrocarbons. No fresh or potable water may be taken from surface owner's land without the surface owner's prior written consent.
- B. NO PETS, FIREARMS OR RECREATION. Lessee shall keep its employees from hunting, fishing and carrying firearms on the leased premises at all times. During the recognized deer hunting season, all pumpers shall exit the premises prior to 4:00 o'clock p.m. unless on an emergency basis to avoid harm to any well or during actual drilling operations. Lessee shall use its best effort to ensure that no arrowhead and/or other artifacts are removed from the leased premises.
- C. COPIES OF REPORTS. Lessee agrees to furnish surface owner with copies of any and all reports filed with the Railroad Commission of Texas, well logs and surveys within thirty (30) days of receipt by Lessee of a written request from Lessor which written request shall specify the type of report requested by surface owner. Lessee agrees to furnish its proprietary seismic data acquired over the leased premises after the date of this lease for review at Lessee's designated offices, during regular office hours and with prior notice of not less than ten (10) days and surface owner agrees to keep said data



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confidential. Lessee may show the seismic data to a partner or potential investor during the six (6) month period, but agrees not to release it to the public.

- D. METERS. Surface owner shall have the right and option to place its own measuring and metering devices on wells on the leased premises. Any such measuring of metering devices shall be constructed and installed by Lessee at surface owner's sole risk, cost and expense.
- E. AGENT OR EMPLOYEE. Surface owner shall have the right, at surface owner's risk and expense, to place an employee or agent on the leased premises to observe all operations for drilling, testing, plugging and abandoning or completing and equipping any and all wells on the leased premises.
- F. RELEASE. After the end of the primary term, Lessee, its successor or assigns, shall deliver a release to Lessor within ninety (90) days of plugging and abandoning any well located in the leased premises. Such release shall cover such portions of the leased premises of the leased premises as were included within the proration unit established or drilling unit established as the case may be for such a well. If Lessee wrongfully withholds any release, Lessor shall be entitled to recover its cost in obtaining same, including reasonable attorney's fees.
- G. TANKS. All tanks will be reasonably placed as near as possible to the wellhead and will be constructed of fiberglass or other material to prevent leakage.
- H. FENCES. Fences shall be placed around all pits and tanks; such shall be constructed and removed in accordance with surface owner's specifications.
- I. PAINT. Lessee will paint all of the Lessee's equipment with non-toxic paint and will police each well site to remove all trash there from.
- J. FOREIGN PLANTS PREVENTION. Lessee agrees, at surface owner's request, to wash all vehicles and equipment used for drilling, workover or seismic, prior to entry of said premises in such a manner to free all vehicles and equipment from bitterweed, grass, burrs, cockleburs, horehound and other foreign plants.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR:

HARRISON TRUST UNDER TRUST
INDENTURE DATED 04/25/96, AS
AMENDED

By: _____

Roddy L. Harrison, Trustee



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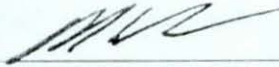
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LESSEE:

THREE RIVERS ACQUISITION II, LLC

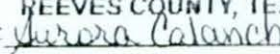
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Mike Wichterich, CEO

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Inst No. 13-05111
DIANNE O. FLOREZ
COUNTY CLERK
2013 Jul 18 at 09:29 AM
REEVES COUNTY, TEXAS
By: AC  DEPUTY



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Reeves County
Clerks Office

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File No. MF-15616
Lease

Date Filed: 7-12-13
Jerry E. Patterson, Commissioner
By aw

2013 AUG 5

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1012, PAGE 116, THRU 131.

I hereby certified on AUGUST 5, 2013



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Aurora Calanchi DEPUTY
AURORA CALANCHI

Clay Johnson Oil & Gas Properties

1603 N. BIG SPRING STREET * MIDLAND, TEXAS 79701 * (432) 684-4110 * FAX (432) 684-5166



AAPL-CPL

September 9, 2013

GENERAL LAND OFFICE

Mr. Drew Reid
Stephen F. Austin Bldg.
1700 North Congress Ave.
Austin, TX 78701

Re: Relinquishment Act Lease
Reeves County, Texas

Dear Drew:

MF-115616

Find enclosed for your files and further handling a certified copy of the following described Relinquishment Act Oil and Gas Lease:

Oil and Gas Lease dated June 1, 2013, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust Under Trust Indenture Dated 4/25/96, as Amended, as Lessor and Three Rivers Acquisition II, LLC, as Lessee, File Stamp 13-05111, Reeves County, Texas.

I believe that all of the necessary fees have been paid and processed, however I do not have a Mineral File Number to reference in this letter for you. If you have any questions, please do not hesitate to give me a call.

Respectfully

Nate Sykes

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MF115616

File No.

Transmittal Ltr.

9.12.13

Date Filed:

Jerry E. Patterson, Commissioner

By



2013.09.13

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 11, 2013

Nate Sykes
Clay Johnson Oil & Gas
1603 N. Big Spring
Midland, Texas 79701

Re: **State Lease MF 115616**

RAL Lease dated June 1, 2013 recorded in V. 1012, P. 116,
covering 640 ac., Sec. 37, 38, Blk. 56, PSL Survey, Reeves Co.,
TX, Harrison Trust, agent for State of TX, Lessor

Dear Mr. Sykes:

The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File numbers **MF-115616**. **Please refer to this lease number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

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

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

The remittance by Three Rivers Acquisition Inc. of **\$576,640.00** has been applied to the State's portion of the cash bonus. In addition, we are in receipt of the filing and processing fees.

Sincerely yours,

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

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

5.

File No. MF 115616
Fms 2hr

Date Filed: 60-11-13
Jerry E. Patterson, Commissioner
By wa



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 5, 2015

Erin Pettigrew, Land Records Supervisor
Resolute Natural Resources Southwest, LLC
1675 Broadway, Ste 1950
Denver, CO 80202

RE: GLO Assignment ID #9448 - MF115616 - Reeves County

Dear Ms. Pettigrew:

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

Assignment of Oil and Gas Lease, effective March 14, 2014, from Three Rivers Acquisition II LLC, as assignor to Resolute Natural Resources Southwest, LLC, as assignee. As filed for record in Reeves County under Doc #14-02650.

Filing fees of \$25.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing
Energy Resources
512-463-5407
Email - carl.bonn@glo.texas.gov

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

Resolute

April 15, 2014

MF 115616

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

RE: Document for your Files

Gentlemen:

Enclosed please find the following certified copy for your files, along with our check in the amount of \$25.00.

RSW File #	Document	Min File #	Amount
TX01150.000	Assignment - O&G Lease – Harrison Trust	Pending	\$25.00

Should you have any questions concerning the enclosed document or the fee submitted, please feel free to contact the undersigned at either 303-573-4886 x1185, or by e-mail at EPettigrew@ResoluteEnergy.com.

Very truly yours,

RESOLUTE NATURAL RESOURCES COMPANY
on behalf of Resolute Natural Resources Southwest, LLC



Erin Pettigrew
Supervisor, Land Records

/ep
enclosures

cc: Three Rivers Acquisition II LLC

From: Carl Bonn
To: epettigrew@resoluteenergy.com
BC Bonn, Carl
Date: 10/9/2015 2:48 PM
Subject: TX01150.000 Our Mineral File number not provided
Attachments: TAC Rules ASSIGNMENTS.pdf; Bonn, Carl.vcf

MF115616

Erin,

Thank you for your letter of 4/15/14 and certified copy of Assignment with insufficient filing fee of \$25. Please furnish the mineral file number for the GLO lease assigned from Three Rivers to Resolute and the additional filing fee of \$25.00.

Attached are the TAC rules for filing assignments with the GLO.

After 90 days the fee is \$50/lease.

Feel free to give me a call if you have any questions.

Carl

Carl Bonn, CPL
Landman
Permanent School Fund - Income Division
Asset Enhancement
Texas General Land Office
Ph: 512.463.5407
carl.bonn@glo.texas.gov
PO Box 12873 Austin, TX 78711-2873

ID # 9448

MF 115616

eff 3-14-14

ASSIGNMENT, CONVEYANCE AND BILL OF SALE

STATE OF TEXAS

§

COUNTY OF REEVES

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For Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged **THREE RIVERS ACQUISITION II LLC**, of 5301 Southwest Parkway, Austin, Texas 78735 ("Assignor"), does hereby sell, transfer, assign and convey to **RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC** of 1675 Broadway, Suite 1950, Denver, CO 80202 ("Assignee") (each a "Party" and sometimes collectively called the "Parties" herein), all of Assignor's right, title and interest in and to the oil, gas and other mineral lease, leasehold estates, related royalty interests, and/or overriding royalty interests, if any, covering the lease and/or lands, further referred herein to as the "Assigned Premises" and more fully described on Exhibit "A", attached hereto and made a part hereof for all purposes.

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THIS ASSIGNMENT, CONVEYANCE AND BILL OF SALE conveys All of ASSIGNOR'S right, title, and interest in the Exhibit "A" lease to the ASSIGNEE in the following proportions:

P
G

Resolute Natural Resources Southwest, LLC 100.00%
1675 Broadway, Suite 1950
Denver, CO 80202

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The sale, transfer, assignment and conveyance hereby made is effective as of 12:00 a.m. central standard time on March 14, 2014 (the "Effective Time"); and, it is executed in concert with and subject to that certain **Purchase and Sale Letter Agreement** dated February 26, 2014 (the "PSA") regarding the Assigned Premises.

TO HAVE AND TO HOLD such property, together with all and singular the rights and privileges in any way pertaining thereto, unto Assignee and the heirs, successors, and assigns of Assignee, forever. Assignor represents and warrants the Assets are free and clear of all liens, encumbrances, security interests or other adverse claims arising by, through or under Assignor, but not otherwise. Assignor shall warrant and defend the title to the Asset conveyed to Assignee against every person whomsoever lawfully claims the Asset or any part thereof by, through and under Assignor, but not otherwise.

Assignee is liable for and must bear all sales and use taxes, conveyance, transfer and recording fees and real estate transfer stamps or taxes, if any, imposes on any transfer of property pursuant to the Assignment, Conveyance and Bill of Sale.

This Assignment, Conveyance and Bill of Sale binds and inures to the benefit of the heirs, successors and assigns of the Parties.



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

IN WITNESS WHEREOF, this Assignment, Conveyance and Bill of Sale is executed this 19th day of March, 2014, but effective as the Effective Time.

ASSIGNOR:

THREE RIVERS ACQUISITION II LLC

By: [Signature]
Mike Wichterich, Chief Executive Officer

ASSIGNEE:

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC

By: [Signature]
Name and Title: Bill Allemen, Vice President - Land

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

ACKNOWLEDGMENTS

STATE OF TEXAS

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COUNTY OF TRAVIS

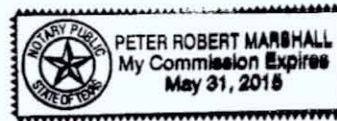
§

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This instrument was acknowledged before me on the 19th day of March, 2014, by Mike Wichterich, Chief Executive Officer of Three Rivers Acquisition II LLC, on behalf of said limited liability company.

Peter Marshall
Notary Public, State of Texas

My Commission Expires: May 31, 2015



STATE OF COLORADO

§

COUNTY OF DENVER

§

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This instrument was acknowledged before me on the 19th day of March, 2014, by Bill Allenman, VP-LAND of Resolute Natural Resources Southwest, LLC, on behalf of said limited liability company.

Erin K Pettigrew
Notary Public, State of Colorado

My Commission Expires: 04.30.15



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

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ERIN K PETTIGREW
1050 SOUTH MONACO PARKWAY NO 24
DENVER, CO 80224-1615
303-399-6050

14710977

8661

15 APR 14

Date

Pay to the Order of TEXAS GEN'L LAND OFFICE - \$ 25.00

- Twenty-five dollars even - Dollars



WHITE CROWN
FEDERAL CREDIT UNION
Trusted Service - Loan Experts - Since 1951
www.WhiteCrown.org (303) 534-5449

For fitting - 1069-4

Erin K Pettigrew NP

8661

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EXHIBIT "A"

Attached to and made part of that certain Assignment and Conveyance dated
The ____ day of March, 2014, but effective as the Effective Time between Three Rivers Acquisition II LLC ("Assignor")
and Resolute Natural Resources Southwest, LLC ("Assignee")

Lease Description

LEASE NO	LESSOR	LESSEE	LEASE DATE	VOLUME	PAGE	COUNTY	STATE	NET ACRES	NRI	LEGAL DESCRIPTION
TX20160001-000	STATE OF TEXAS, ACTING BY AND THROUGH ITS AGENT, RODDY L HARRISON, TRUSTEE OF THE HARRISON TRUST	THREE RIVERS ACQUISITION II LLC	6/1/2013	1012	116	REEVES	TEXAS	640.0000	0.75	W/2 SECTION 37, BLOCK 56, PUBLIC SCHOOL LAND SURVEY W/2 SECTION 38, BLOCK 56, PUBLIC SCHOOL LAND SURVEY

MK115616

END EXHIBIT "A"



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

Inst No. 14-02650
DIANNE O. FLOREZ
COUNTY CLERK
2014 Mar 26 at 04:05 PM
REEVES COUNTY, TEXAS
By: AC [Signature] Calancha, DEPUTY

VOL 1064 PG 0094

6

File No. MF 115616
Assn 209448
Reverts To Resolute National
Date Filed: 4-21-14
By George P. Bush, Commissioner

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1064 PAGE 91 THRU 94



I hereby certified on 04/10/2014

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Aurora Calanchi DEPUTY
Aurora Calanchi

MEGO IV, LLC
1200 17TH STREET, SUITE 975 • DENVER, CO 80202

CHECK NO.

013394

Reference	Inv date	Invoice No.	Invoice Amt	Prior Pmt	Discount	Amount Paid
1605-AP-10	05/24/16	052416	576320.00	0.00		576320.00
RENTAL PAYMENT - MF115616						

16711257

121

Vendor

5320 COMMISSIONER OF THE

Ck date

05/25/16

576,320.00

2010
2011
2012
2013
2014
2015



May 26, 2016

Texas General Land Office
Attn: Brandon Nicholson, Energy Resources
1700 N. Congress Ave., Suite 840
Austin, TX 78701-1495

RE: Lease Rental Payment
MF115616
Block 56, PSL, Reeves Co., TX

Dear Mr. Nicholson:

I've enclosed MECO's check in the amount of \$576,320.00 payable to the GLO in accordance with the terms of Paragraph 41 of the above-referenced Oil and Gas Lease dated June 1, 2013. Roddy Harrison, as Trustee of the Harrison Trust, has been sent a check in the same amount for its 50% share of the total amount due.

Please acknowledge receipt of this payment by signing below and returning one copy to me in the enclosed self addressed envelope. Please do not hesitate to contact me at rdeimer@mecoiv.com should you have any questions.

Sincerely

Rhonda Deimer
Land Administration Manager

Received check #013394 in the amount of \$576,320.00 on this _____ day of May, 2016.

File No. MF ~~127~~ 115616
Rentals 4th yr County

Date Filed: 5/27/16
George P. Bush, Commissioner
By BN

2016



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 7, 2016

Rhonda Deimer, Land Administration Manager
MECO IV, LLC
1200 17th Street, Suite 975
Denver, CO 80202

Re: *GLO Assignment ID #9883, Reeves County*
MF- 115616

Dear Ms. Deimer:

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

Assignment, Conveyance and Bill of Sale, effective 05/20/16 from Resolute Natural Resources Southwest, LLC, Assignor to MECO IV, LLC, Assignee. Filed for record under Vol. 1274, Pg. 0720.

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

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

Best Regards,


Carl Bonn, CPL
Mineral Leasing-Energy Resources



July 19, 2016

ZO 9883
MF=115616
Reever
✓ pd \$25

Carl Bonn, CPL
Texas General Land Office
1700 North Congress Ave.
Austin, TX 78711-1495

RE: Assignments from Resolute to MECO IV
Reeves County, Texas

Dear Carl:

I've enclosed a certified copy of the Assignment from Resolute Natural Resources Southwest, LLC into MECO IV, LLC covering GLO Lease MF115616 in Reeves County and have attached a GLO Assignment Summary form for same. I've also enclosed our check in the amount of \$25.00 to cover the filing fee.

Please do not hesitate to contact me if you need anything further in this regard or if you have any questions. I can be reached at 720-932-0220, ext. 101 or at rdeimer@mecoiv.com. Thank you very much.

Sincerely,

Rhonda Deimer
Land Administration Manager

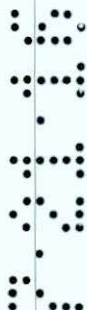
MECO IV, LLC
1200 17TH STREET, SUITE 975 • DENVER, CO 80202

CHECK NO.

013732

Reference	Inv date	Invoice No.	Invoice Amt	Prior	Pmt	Discount	Amount Paid
1606-AP-15	06/30/16	063016	25.00		0.00		25.00

16714032



Vendor

5320 COMMISSIONER OF THE

Ck date

07/11/16

129

25.00

7.21.16

Mail to: Texas General Land Office

Attn: Energy Resources

P.O. 12873

Austin, Texas 78711-2873

Texas General Land Office

ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

☒ Assignment☐ Deed of Trust☐ Merger/Name Change

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

County	Volume	Page	Execution Date/Effective Date
Reeves			5-20-2016

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)

INTEREST BEING CONVEYED: (mark one)

☒ Working Interest:☐ Overriding Royalty Interest:☐ Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1. Resolute Natural Resources	MECO IV, LLC	100 %	100 %	- 0 -
2. Southwest, LLC				
3.				
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. MF45616	Reeves	56	37, 38	W/2 + W/2	None
2.					
3.					
4.					

Rhonda Deimer

Preparer's Signature

Rhonda Deimer

Name (please print)

rdeimer@mecov.com

E-Mail Address

720-932-0220 x101

Telephone Number

Land Admin. Mgr.

Title

7-19-2016

Date

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

Company Name

MECO IV, LLC

Mailing Address

AMERITAGE COMPANY

1200 17th Street

Suite 975

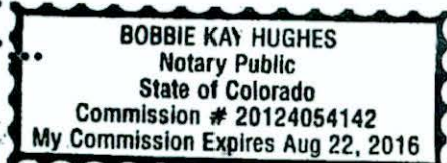
Denver, CO 80202

City/State/Zip

TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

This instrument was acknowledged before me on this 19th day of May, 2016, by
Bobbie Kay Hughes, as Notary for Resolute Natural Resources
Southwest, LLC, on behalf of said limited liability company.



Bobbie Kay Hughes
Notary Public, State of Colorado

My commission expires: 8/22/2016

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STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

This instrument was acknowledged before me on this 18th day of May, 2016, by Sam D.
Winegrad, as Manager for MECO IV, LLC, on behalf of said limited liability company.

Rhonda Deimer
Notary Public, State of Colorado

My commission expires: _____



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TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

EXHIBIT "A"

Attached to and made part of that certain Assignment and Conveyance dated
The 19th day of May, 2016, but effective as the Effective Time between Resolute Natural Resources Southwest, LLC ("Assignor")
and MECO IV, LLC ("Assignee")

Lease Description

LESSOR	LESSEE	LEASE DATE	VOLUME	PAGE	COUNTY	STATE	NET ACRES	NRI	LEGAL DESCRIPTION
TEXAS, ACTING THROUGH ITS HARRISON, OF THE N TRUST	THREE RIVERS ACQUISITION II LLC	6/1/2013	1012	116	REEVES	TEXAS	640.0000	0.75	W/2 SECTION 37, BLOCK 56, PUBLIC SCHOOL LAND SURVEY W/2 SECTION 38, BLOCK 56, PUBLIC SCHOOL LAND SURVEY

END EXHIBIT "A"

Inst No. 16-06511
DIANNE O. FLOREZ
COUNTY CLERK
2016 May 27 at 09:59 AM
REEVES COUNTY, TEXAS
By: BA *[Signature]*



97.13.2

8

File No. MF115616
Assign ID #9883
Resolute to RECO
Date Filed: 11-8-16
George P. Bush, Commissioner
By: AA

2016

CLERK'S OFFICE
REEVES COUNTY
RECEIVED
NOV 10 2016
TRUE & CORRECT
COUNTY CLERK

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1274
PAGE 720 THRU 722



I hereby certified on 7 12 16
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Myra Aranda DEPUTY



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 16, 2016

Atlantic Energy Holdings, LLC
Attn: Mary Quintana, Sr. Lease/Division Order Analyst
300 North Marienfeld Street, Suite 600
Midland, Texas 79701-4345

Re: *GLO Assignment ID #10086, Reeves County
MF-115616*

Dear Ms. Quintana:

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

Assignment, Conveyance and Bill of Sale , effective 09/27/16 from MECO IV, LLC, Assignor to MECO Exchange Properties, LLC, Assignee. Filed for record under Vol. 1322, Pg. 0417.

Filing fees in the amount of \$50.00 were received in connection with the above assignment.

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

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

November 11, 2016

IN 10086
10087
10088

VIA FED-EX

Texas General Land Office
Mineral Leasing Division
Attn: Drew Reid
1700 N. Congress Ave., Room 600
Austin, Texas 78701-1495

RE: Partial Release – MECO IV LLC Wells Fargo Bank
Assignments and Bill of Sale - MECO IV, LLC to Atlantic Exchange
Assignment and Bill of Sale - MECO Exchange to Atlantic Exchange
Assignment – MECO IV, LLC to MECO Exchange Properties
Culberson and Reeves Counties, Texas

Dear Mr. Reid:

Pursuant to the requirements set forth by Status and in the State Surveyed School Land Lease Form Revised September 1997 please find enclosed a certified copy of that certain:

- 1). Partial Release from MECO IV, LLC ("Mortgagor"), to Johnathan Herrick, as trustee for the benefit of Wells Fargo Bank, N.A. ("Agent"), Filed for Record 16-14974 on November 10, 2016 in Reeves County, Texas and Financing Statement dated September 23, 2015, recorded as Document No. 00000000593, Volume 5, Page 404 recorded September 25, 2015, in Culberson County, Texas and Document No. 15-08829, Volume 1199, Page 486, Recorded September 28, 2015 in Reeves County, Texas;
- 2). Assignment and Bill of Sale between MECO IV, LLC, as Assignor to Atlantic Exchange Properties LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14975 of the Official Public Records of Reeves County, Texas, filed of record on November 10, 2016, covering that certain Oil and gas Leases listed on Exhibit A;
- 3). Assignment and Bill of Sale between MECO Exchange Properties, LLC, as Assignor to Atlantic Exchange Properties LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14976 of the Official Public Records of Reeves County, Texas, filed of record on November 10, 2016, covering that certain Oil and gas Lease dated June 1, 2013, between Harrison Trust as Agent for the State of Texas as Lessor and Three Rivers Acquisition II, LLC as, Lessee, recorded Volume 1012, Page 116, of the Official Public Records of Reeves County, Texas.
- 4). Assignment, Conveyance and Bill of Sale between MECO IV, LLC, as Assignor to MECO Exchange Properties, LLC, as Assignee, effective September 28, 2016, recorded as Instrument No. 16-12853 of the Official Public Records of Reeves County recorded in Volume 1322, Page 417, covering Oil and Gas Lease, Roddy L. Harrison, Trustee of the Harrison Trust, As Amended as Lessor and Three Rivers Acquisition II, LLC, as Lessee,

to Deb Cantu

914711

effective June 1, 2013, recorded in Volume 1012, Page 116, covering the W/2 of Section 37 and W/2 of Section 38, Block 56, PSL Survey, Reeves County, Texas

Also enclosed is check No. 2078 in amount of \$275.00 for filing fee for certified copies. Please let me know if you require further information by contacting me at 432-683-3272 or by email at mquintana@arcoperating.com.

Sincerely,

Atlantic Resources Company, LLC


Mary Quintana
Sr. Lease/Division Order Analyst

/mq

Enclosure

Atlantic Resources Holding Company, LLC - P.O. Box 3759 - Midland, TX 79702

To: **Texas General Land Office**
1700 N. Congress Avenue
Austin, TX 78701

Vendor Code
TEX160

Check Date
11/11/2016

Check Amount
\$275.00

002078
Check Number
1075-2078

Invoice #	Invoice Amt
11/10/2016-TEX160	X 275.00
Assignment fees	
MECO Prospect	

129

17703640

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

Texas General Land Office
ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

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

County	File No.	Page	Execution Date/Effective Date
Reeves	16-14974		Nov. 7, 2016/Oct. 1, 2016
Reeves	16-14975		Nov. 7, 2016/Oct. 1, 2016
Reeves	16-14976		Nov. 7, 2016/Oct. 1, 2016

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

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1. MECO IV, LLC (Partial Release)	Jonathan Herrick, as Trustee Wells Fargo Bk.	See Attached		
2. MECO Exchange Properties, LLC	Atlantic Exchange Properties LLC	See Attached		
3. MECO IV, LLC	Atlantic Exchange Properties LLC	See Attached		
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1.	See Attachment				
2.					
3.					
4.					

Mary Quintana
Preparer's Signature
Mary Quintana
Name (please print)

mquintana@arcoperating.com
E-Mail Address
432-683.3272
Telephone Number

Lease Analyst

Title

11-10-16

Date

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

Atlantic Resources Holding Co., LLC

Company Name

Mailing Address

P.O. Box 3759

Midland, Texas 79702

City/State/Zip

Leases Covered by this Transfer

State Lease #	County	Block	Section	Part of Section	Depth Restriction
MF-104183	Culberson	62	4	E2 E2 W2 & W2W2E2	From the surface down to 9,300' feet below the surface, Abstract 5301, T-1, T&P RR Co. Survey
MF-107071	Culberson	63	2		From the surface down to 10,074' feet below the surface, Abstract 5295, T-1, T&P RR Co. Survey
Didn't Fine	Culberson	63	3	107071	From the surface down to 6,393 feet below the surface, <u>Abstract 3089</u> , T-1, T&P RR Co. Survey
MF-104182	Culberson	63	12		From the surface down to 9,220' feet from the surface, Abstract 5298, T-1, T&P RR Co. Survey
Expired	Culberson	63	1		From the surface down to the bottom of the Morrow Formation, being 8,941' feet.
Surface Lease	Culberson	63	11	Not Recorded Surface Lease	for a roadway traversing a total distance of 5603 feet, being 30 feet wide and containing 3.86 acres, more or less
MF-116656	Reeves	56	37	E/2	As to depths from the surface down to 18,800' feet being 100' below the total depth drilled in the Harrison State 56-37#1 - Abstract 4577, PSL Survey
MF-116656	Reeves	56	38	E/2	As to depths from the surface down to 18,464' being 100' below the total depth drilled in the Harrison State 56-38 #3 - Abstract 2181, PSL Survey
MF-105848	Reeves	57	44	E/2	As to depth from the surface down to 18,800' feet being 100' below the total depth drilled in the Brackenridge 57-44 #1, Abstract 5053, PSL Survey



Leases Covered by this Transfer

B/K Sec

MF-115616	Reeves	56	37	✓	W/2	PSL Survey, Abstract 4577, All Depths
MF-115617	Reeves	56	38	✓	W/2	PSL Survey, Abstract 2181, All Depths

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11.14.16

Lesses Covered by this Transfer - TO and FROM Leases on Assignment

Filed of Record 16-14974 and 14975					
State Lease No.	LESSES IN ASSIGNMENT		% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	Note
MF-104183 ✓	TX560.0500	DF Ranch Partners, L.P. as Agent for the State of Texas	100%	100%	
MF-107071 ✓	TX560.0501	DF Ranch Partners, L.P. as Agent for the State of Texas	100%	100%	
<u>Didn't Find</u>	TX560.0502	DF Ranch Partners, LP .	100%	100%	
MF-104182	TX560.0503	DF Ranch Partners, L.P. as Agent for the State of Texas	100%	100%	
Expired	TX560.0504	DF Ranch Partners, LP .	EXPIRED	EXPIRED	Plugging Liabilty -to be plugged in the near furture
Surface	TX560.R001	Texas Pacific Land Trust	Surface Lease	Surface Lease	
MF-116656	TX570.0505	Harrison Trust as Agent of the State of Texas	60%	60%	
MF-105848	TX570.0506	George W. Brackenridge as Agent of the State of Texas	60%	60%	
Filed of Record - 16-14976					
MF-115616	TX-570.0520	Harrison Trust as Agent for the State of Texas	100%	100%	

11.14.16

2024

✓ 115 616 ✓
✓ 959 911 ✓
✓ ~~107071~~ ✓
✓ 105848 ✓
✓ 104183 ✓
✓ 104182 ✓

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MF 115616
ePf 9-27-16

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IN WITNESS WHEREOF, this Assignment, Conveyance and Bill of Sale is executed this 27th day of September, 2016 but effective as the Effective Time.

By: Thomas J. Corley
Thomas J. Corley, Manager

By: Alan J. Brown
Alan J. Brown, Vice President

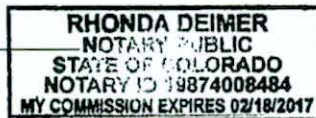
97.47.13

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

This instrument was acknowledged before me on this 27th day of September, 2016, by Thomas J. Corley as Manager of MECO IV, LLC, a Delaware limited liability company, on behalf of said limited liability company.

Rhonda Deimer
Notary Public, State of Colorado

My commission expires: _____

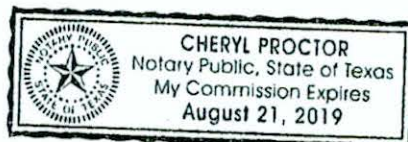


STATE OF TEXAS)
) ss.
COUNTY OF Midland)

This instrument was acknowledged before me on this 27th day of September, 2016, by Alan J. Brown, as Vice President of MECO EXCHANGE PROPERTIES, LLC, a Texas limited liability company, on behalf of said limited liability company.

Cheryl Proctor
Notary Public, State of Texas

My commission expires: 8/21/19



974117

EXHIBIT A

Attached to and made a part of that certain Assignment, Conveyance and Bill of Sale effective 9/28/16 between MECO IV, LLC (Assignor) and MECO EXCHANGE PROPERTIES, LLC (Assignee)

MI-115616

Lessor: Roddy L. Harrison, Trustee of the Harrison Trust, As Amended
Lessee: Three Rivers Acquisition II, LLC.
Date: June 1, 2013
Recorded: Volume 1012, Page 116
Legal Description: W/2 Sec. 37 and W/2 Sec. 38, Block 56, PSL Survey, Reeves County, Texas

115616

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Return To: MecO IV, LLC
1200 17th St.
Suite 975
Denver, CO 80202

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

115616

Inst No. 16-12853
DIANNE O. FLOREZ
COUNTY CLERK
2016 Oct 04 at 12:24 PM
REEVES COUNTY, TEXAS
By: RL Bouena Ayler, DEPUTY

31.11.11

9

File No. MF 115616
Assign ID # 10086
MECO IV TO MECO EXCHNG
Date Filed: 12-16-16
George P. Bush, Commissioner
By: AA

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1328
PAGE 417, THRU 419

I hereby certified on 10 Nov. 2016



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY: E. Rayps

DEPUTY

11.11.11



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 16, 2016

Atlantic Energy Holdings, LLC
Attn: Mary Quintana, Sr. Lease/Division Order Analyst
300 North Marienfeld Street, Suite 600
Midland, Texas 79701-4345

*Re: GLO Assignment ID #10087, Reeves County
MF-115616*

Dear Ms. Quintana:

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

Assignment and Bill of Sale, effective 10/01/16 from MECO Exchange Properties, LLC, Assignor to Atlantic Exchange Properties LLC, Assignee. Filed for record under Doc. #16-14976.

Filing fees in the amount of \$50.00 were received in connection with the above assignment.

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

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

November 11, 2016

IN 10086
10087
10088

VIA FED-EX

Texas General Land Office
Mineral Leasing Division
Attn: Drew Reid
1700 N. Congress Ave., Room 600
Austin, Texas 78701-1495

RE: Partial Release – MECO IV LLC Wells Fargo Bank
Assignments and Bill of Sale - MECO IV, LLC to Atlantic Exchange
Assignment and Bill of Sale - MECO Exchange to Atlantic Exchange
Assignment – MECO IV, LLC to MECO Exchange Properties
Culberson and Reeves Counties, Texas

Dear Mr. Reid:

Pursuant to the requirements set forth by Status and in the State Surveyed School Land Lease Form Revised September 1997 please find enclosed a certified copy of that certain:

- to Deb Cantu →
- 1). Partial Release from MECO IV, LLC (“Mortgagor”), to Johnathan Herrick, as trustee for the benefit of Wells Fargo Bank, N.A. (“Agent”), Filed for Record 16-14974 on November 10, 2016 in Reeves County, Texas and Financing Statement dated September 23, 2015, recorded as Document No. 00000000593, Volume 5, Page 404 recorded September 25, 2015, in Culberson County, Texas and Document No. 15-08829, Volume 1199, Page 486, Recorded September 28, 2015 in Reeves County, Texas;
 - 2). Assignment and Bill of Sale between MECO IV, LLC, as Assignor to Atlantic Exchange Properties LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14975 of the Official Public Records of Reeves County, Texas, filed of record on November 10, 2016, covering that certain Oil and gas Leases listed on Exhibit A;
 - 3). Assignment and Bill of Sale between MECO Exchange Properties, LLC, as Assignor to Atlantic Exchange Properties LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14976 of the Official Public Records of Reeves County, Texas, filed of record on November 10, 2016, covering that certain Oil and gas Lease dated June 1, 2013, between Harrison Trust as Agent for the State of Texas as Lessor and Three Rivers Acquisition II, LLC as, Lessee, recorded Volume 1012, Page 116, of the Official Public Records of Reeves County, Texas.
 - 4). Assignment, Conveyance and Bill of Sale between MECO IV, LLC, as Assignor to MECO Exchange Properties, LLC, as Assignee, effective September 28, 2016, recorded as Instrument No. 16-12853 of the Official Public Records of Reeves County recorded in Volume 1322, Page 417, covering Oil and Gas Lease, Roddy L. Harrison, Trustee of the Harrison Trust, As Amended as Lessor and Three Rivers Acquisition II, LLC. as Lessee,

effective June 1, 2013, recorded in Volume 1012, Page 116, covering the W/2 of Section 37 and W/2 of Section 38, Block 56, PSL Survey, Reeves County, Texas

Also enclosed is check No. 2078 in amount of \$275.00 for filing fee for certified copies. Please let me know if you require further information by contacting me at 432-683-3272 or by email at mquintana@arcoperating.com.

Sincerely,

Atlantic Resources Company, LLC


Mary Quintana
Sr. Lease/Division Order Analyst

/mq

Enclosure

Atlantic Resources Holding Company, LLC - P.O. Box 3759 - Midland, TX 79702

To: Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701

Vendor Code
TEX160

Check Date
11/11/2016

Check Amount
\$275.00

002078
Check Number
1075-2078

Invoice #	Invoice Amt
11/10/2016-TEX160	X 275.00
Assignment fees	
MECO Prospect	

129

17703640

STATE OF TEXAS
COUNTY OF REEVES

§
§
§

ID 10087
MF 115616
c/f 10-1-16

ASSIGNMENT AND BILL OF SALE

This Assignment and Bill of Sale (this "Assignment"), from MECO Exchange Properties, LLC with offices at 303 W. Wall Street, Suite 1500, Midland, Texas 79701 ("Assignor") to Atlantic Exchange Properties LLC, with offices at 303 West Wall Street, Suite 2400, Midland, Texas 79701 ("Assignee") is effective for all purposes as of 7:00 a.m. at the location of the Assets on October 1, 2016 (the "Effective Time").

RECITALS

WHEREAS, Assignor owns certain undivided interests in and to the Assets (as defined below); and

WHEREAS, pursuant to that certain Purchase and Sale Agreement by and among Assignor and Assignee dated October 26, 2016 (the "Agreement"), Assignor has agreed to assign to Assignee all of Assignor's interests in and to the Assets;

ASSIGNMENT

NOW THEREFORE, Assignor, for and in consideration of the sum of One Hundred Dollars (\$100) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, bargains, sells, transfers, conveys and assigns to Assignee, all of Assignor's right, title and interest in and to the following (hereinafter the "Assets"):

(a) all oil and gas leases, oil, gas, and mineral leases and subleases, and, without limiting the foregoing, other rights (of whatever character, whether legal or equitable, and whether vested or contingent and whether or not the same have expired or terminated) to the hydrocarbons in, on, under, and that may be produced therefrom and the lands described therein, in each case, insofar but only insofar as each such lease or other rights cover the lands set forth with respect to such leases or other interests on Exhibit A (collectively, the "Leases");

(b) any and all oil, gas, water, CO2 or injection wells located on the property subject to the Leases or on pooled, communitized, or unitized acreage that includes all or any part of the Leases, including, without limiting the foregoing, the interests in the wells shown on Exhibit A, whether producing, non-producing, temporarily or permanently plugged and abandoned, and whether or not fully described on any exhibit or schedule hereto (the "Wells");

(c) all pooled, communitized, or unitized acreage which includes all or part of any Leases, and all tenements, hereditaments, and appurtenances belonging thereto (the "Units," and, together with the Wells and Leases, the "Properties");

(d) all rights and obligations existing under all contracts, agreements and instruments which relate, but only in so far as they relate, to the Properties (the "Contracts") including those listed on Exhibit B, but excluding drilling contracts, master service agreements or consulting agreements unless listed on Exhibit B;

97.47.77

(e) all easements, permits, licenses, servitudes, rights-of-way, surface leases, right of use and easement, and other rights to access and use the surface and subsurface appurtenant to, and used or held for use in connection with, the Properties;

(f) all equipment, machinery, fixtures, and other tangible personal property and improvements located on the Properties and/or used or held for use in connection with the operation of the Properties or the production, storage, transportation, treatment, or processing, marketing, or disposition of hydrocarbons from the Properties (the "Equipment");

(g) all hydrocarbons produced from, or attributable to, the Properties from and after the Effective Time; all hydrocarbon inventories from and attributable to the Properties that are in storage on the Effective Time; and, to the extent related or attributable to the Properties, all production, plant, and transportation imbalances as of the Effective Time; and all make-up rights with respect to take-or-pay payments (the "Production");

(h) all licenses, permits, approvals, consents, certificates and other authorizations, and other rights granted by third persons, and all certificates of convenience or necessity, immunities, privileges, grants, and other such rights that relate to, or arise from, the other items included in the definition of "Assets" or the ownership or operation thereof;

(i) all files, records, and data maintained by, or to which Assignor is entitled, regarding the Properties, the Contracts and the Production, to the extent the transfer of such data is not prohibited under any related contracts, nor protected by attorney client privilege (except title opinions), specifically excluding however geophysical and seismic data and other documentary information related thereto (the "Records");

(j) all (i) trade credits, accounts receivable, notes receivable, take-or-pay amounts receivable, and other receivables and general intangibles, attributable to the Assets with respect to periods of time from and after the Effective Time; and (ii) liens and security interests in favor of Assignor or any affiliate thereof, whether choate or inchoate under any law or contract to the extent arising from, or relating to, the ownership, operation, or sale or other disposition on or after the Effective Time of any of the Assets or to the extent arising in favor of Assignor as operator or non-operator of any Property; and

(k) all rights of Assignor to audit the records of any person or entity and to receive funds or payments of any nature, and all amounts of money relating thereto, whether before, on or after the Effective Time, to the extent relating to obligations assumed by Assignee pursuant to this agreement, provided that such audit right shall not preclude or inhibit Assignor's own audit rights, or rights of recovery with respect to pre Effective Time periods.

TO HAVE AND TO HOLD the Assets unto Assignee, its successors and assigns, forever, subject, however, to the terms and conditions of this Assignment.

This Assignment is made without warranty of title, either express or implied, except that Assignor shall, subject to Permitted Encumbrances and the terms and conditions of the Agreement, warrant and defend title to the Assets in the amounts of working interest, net revenue interest and net mineral acres stated in the Exhibit A to this Assignment against all persons claiming or to claim the same, or any part thereof, by, through or under Assignor, but not otherwise. **EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE OR IN THE AGREEMENT (AS DEFINED HEREIN), ASSIGNOR MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS AS TO TITLE OR ANY OTHER MATTER, INCLUDING THE QUALITY, MERCHANTABILITY, OR FITNESS OF THE ASSETS FOR ASSIGNEE'S INTENDED USE OR FOR ANY USE WHATSOEVER AND ASSIGNEE ACCEPTS THE ASSETS "AS IS", "WHERE IS", "WITH ALL FAULTS", IN THEIR PRESENT CONDITION AND STATE OF REPAIR.** Assignor hereby assigns to Assignee all rights of substitution and subrogation in and to any and all rights, actions and claims of warranty which Assignor has against any and all preceding owners of the Assets to the extent Assignor may

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

914711

legally transfer such rights and grant such subrogation. This Assignment is made and accepted subject to, and Assignee hereby assumes, all burdens, encumbrances, contracts and agreements of record to the extent that same are in force and effect or affect the Assets. The specific amounts of working interests, net revenue interest and net mineral acres set forth on Exhibit A to this Assignment are included for warranty purposes only and shall not expand or limit the interests hereby conveyed, it being the intent of Assignor to convey to Assignee all of its undivided interest in and to the Assets.

This Assignment is made subject to the terms and provisions of the Agreement, which terms and provisions are hereby incorporated by reference into this Assignment for all purposes, provided, however, third parties may conclusively rely upon this Assignment to vest title to the Assets in Assignee. In the event of a conflict between the terms of this Assignment and the terms of the Agreement, the terms of the Agreement shall control. Capitalized terms used in this Assignment but not defined herein shall have the meanings assigned to such terms in the Agreement. Pursuant to the Agreement, Assignee assumes and agrees to perform the Assumed Obligations.

This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

This Assignment and the rights of the parties hereto shall be governed by, and construed in accordance with, the laws of the State of Texas.

This Assignment may be executed in any number of counterparts, and by different parties in separate counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument

To facilitate recordation, there are omitted from the Exhibits to this Assignment, in certain counterparts, descriptions of property located in recording jurisdictions other than the jurisdiction (county, parish, state, or federal agency) in which the particular counterpart is to be filed or recorded.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

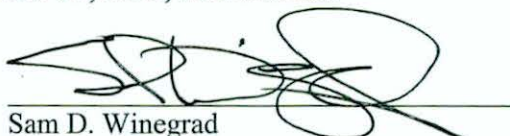
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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 3 of 6

91.47.11

IN WITNESS WHEREOF, the Assignor and Assignee have caused this Assignment to be executed on the date of their respective acknowledgments set forth below, to be effective, however, as of the Effective Time.

ASSIGNOR:

MECO EXCHANGE PROPERTIES, LLC
BY: MECO IV, LLC, MANAGER

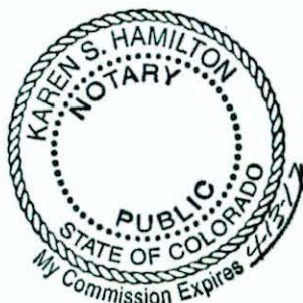
By: 
Name: Sam D. Winegrad
Title: Manager

014777

ACKNOWLEDGEMENT

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

The foregoing instrument was acknowledged before me this 7th day of November, 2016, by Sam D. Winegrad, Manager of MECO, IV, LLC, a Delaware limited liability company, as Manager of MECO Exchange Properties, LLC, a Texas limited liability company, on behalf of said limited liability company.




Notary Public, State of Colorado
My Commission Expires: April 13, 2017

Signature Page – Assignment and Bill of Sale

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Reeves County Texas,
Dianne O. Florez, County Clerk
Page 4 of 6

014777

ASSIGNEE:

ATLANTIC EXCHANGE PROPERTIES LLC

By:
Name:
Title:

William Abney
Attorney in Fact

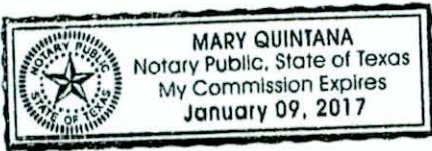
ACKNOWLEDGEMENT

THE STATE OF TEXAS

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§

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 7th day of November, 2016, by William Abney as Attorney in Fact of Atlantic Exchange Properties LLC, a Texas limited liability company, on behalf of said limited liability company.



Mary Quintana
Notary Public, State of Texas

Signature Page – Assignment and Bill of Sale

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 5 of 6

974777

Seller Lease #	Lessor Name	Original Lessee	Lease Date	Lease Gross Acres	Seller Net Acres	Legal Description	Recording Info Volume/Page	Associated Well(s)	Lease GWT % (including in any wells located on thereon)	Lease NRI % (including in any wells located thereon)	Seller NRI % (including in any wells located thereon)	County
TX570.0520	Harrison Trust as Agent for the State of Texas	Three Rivers Acquisition II, LLC	6/1/2013	640.00	640.00	W/2 of Section 37, Block 56, PSL Survey, Abstract 4577, all depths W/2 of Section 38, Block 56, PSL Survey, Abstract 2181, all depths both in Reeves County, Texas	Volume 1012/Page 116	No Wells	100.00%	75.00%	75.00%	Reeves

MF 115616

INST NO. 16-14976
 DIANNE O. FLOREZ
 COUNTY CLERK
 2016 Nov 10 at 10:18 AM
 REEVES COUNTY, TEXAS
 BY: RL Espinoza DEPUTY

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 document on file at
 Reeves County Texas,
 Dianne O. Florez, County Clerk
 Page 6 of 6

11-4-16

George F. Bush, Commissioner



ATLANTIC
RESOURCES COMPANY

1.17.17

PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

J. Daryl Morgan, CPL
1700 North Congress Ave.
Austin, Texas 78701

RE: Pooling Agreements
State Dagger 37-48 Unit
State Clark 38-47 Unit
Reeves County, Texas

Dear Mr. Morgan:

Please find enclosed duplicate originals of the referenced Pooling Agreements executed by representatives of Atlantic Resources Company, LLC.

Once the Commissioner executes the same, I would appreciate it if you would send a fully executed original version to my attention.

If you have any questions, please feel free to contact me by e-mail or at 432-683-3272.

Sincerely,

Travis Hutt
Senior Landman

72541

File No. M-115616
Ltr. From Atlantic County
Date Filed: 1/17/16
George P. Bush, Commissioner
By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 20, 2017

Mr. Travis Hutt
Atlantic Resource Company
300 North Marienfeld, Suite 600
Midland, Texas 79701

Re: Pooling Agreements
State Clark 38-47 Unit - GLO Unit No. 8275
State Dagger 37-48 Unit - GLO Unit No. 8276
Reeves County, Texas

Dear Mr. Hutt:

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

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

Sincerely,


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

Enclosures

(12)

File No. M-115616

County

Ltr. to Atlantic County

Date Filed: 1/20/17

George P. Bush, Commissioner

George P. Bush, Commissioner
By 

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA169361

Unit Number 8275
Operator Name Atlantic Resources Company, LLC Effective Date 12/15/2016
Customer ID C000089494 Unitized For Oil And Gas
Unit Name State Clark 38-47 Unit Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths Well
From Depth Surface Formation
To Depth 11880 Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF116656	1	320.000000	1,280.000000	0.25000000	O/G	0.12500000	0.03125000	No
MF115616	2	320.000000	1,280.000000	0.25000000	O/G	0.12500000	0.03125000	No
MF118155	3	640.000000	1,280.000000	0.50000000	O/G	0.12500000	0.06250000	

API Number

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

12/15/2016

12/15/2016

12-28-16

2-7-17

12/15/2016

Pooling Committee Report

To: School Land Board

UPA169361

Date of Board Meeting: 12/15/2016

Unit Number: 8275

Effective Date: 12/15/2016

Unit Expiration Date:

Applicant: Atlantic Resources Company, LLC

Attorney Rep:

Operator: Atlantic Resources Company, LLC

Unit Name: State Clark 38-47 Unit

Field Name: FORD, WEST (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF115616	0.12500000	06/01/2018	5 years	640.000000	320.000000	0.03125000
RAL	MF116656	0.12500000	04/01/2014	1 years	640.000000	320.000000	0.03125000
RAL	MF118155	0.12500000	07/05/2019	3 years	1,280.000000	640.000000	0.06250000

Private Acres: 0.000000
State Acres: 1280.000000
Total Unit Acres: 1280.000000

Participation Basis: Surface Acreage
Surface Acreage
State Acreage: 100.00%
State Net Revenue Interest: 12.50%

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

RRC Rules: Yes
Spacing Acres: 1,280 acres for a 10,000 foot lateral (FTP to LTP).

Working File Number: **UPA169361**

REMARKS:

- Atlantic Resources Company, LLC is requesting permanent oil and gas pooling from the Surface to 11,880 feet as seen on the Chesapeake Harrison State 56-38, # 3 well log (API 42-389-32425) in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on March 8, 2017 with a proposed total depth of 21,000 feet MD. A 10,000 foot lateral is expected to be drilled.
- With Board approval of the unit the State's unit royalty participation will be 12.5%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to commence actual drilling operation on three additional wells by or before July 5, 2021 or the unit will decrease in size to 320 acres per unit well drilled.

POOLING COMMITTEE RECOMMENDATION:

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



Mary Smith - Office of the Attorney General



Date



Robert Hatter - General Land Office



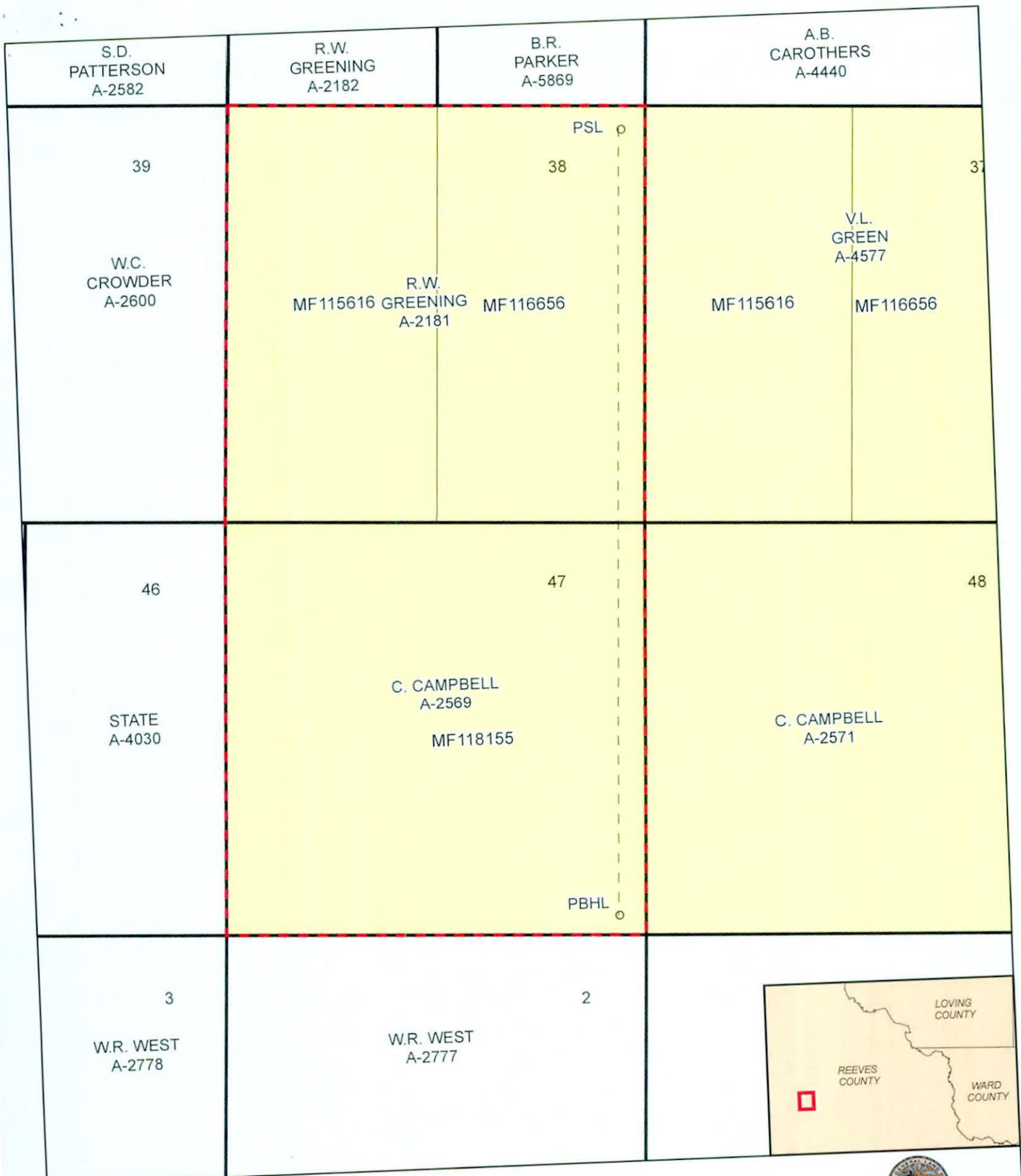
Date



Diane Morris - Office of the Governor



Date



Unit #8275
 Atlantic Resources Company, LLC.
 State Clark 38-47 Unit
 Ford West (Wolfcamp) Field
 Reeves County, Texas

1,500 750 0 1,500 Feet



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



Map Generated by:
 Mark Conway
 Enterprise Technology Solutions/GIS
 December 2016

POOLING AGREEMENT
ATLANTIC RESOURCES COMPANY, LLC
STATE CLARK 38-47 UNIT
GLO UNIT NO. 8275
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the stratigraphic equivalent of 11,880 feet as seen on the log of the Chesapeake, Harrison State 56-38, #3 well, API No. 42-389-32425 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

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

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of December 15, 2016.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

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

11717

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed

1/18/17

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

STATE OF TEXAS

By:

[Signature]

George P. Bush, Commissioner
of the General Land Office

Date Executed

1-13-17

ATLANTIC RESOURCES COMPANY, LLC

By:

[Signature]

Its:

Douglas Prieto
Vice President

11717

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 15th day of December, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

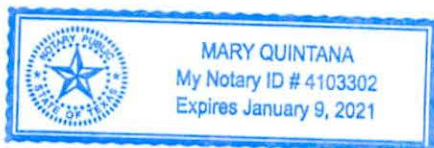
IN TESTIMONY WHEREOF, witness my hand this the 15th day of January, 2017.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Midland

This instrument was acknowledged before me on January 13, 2017, by Douglas Pinto
as Vice President of Atlantic Resources Company, LLC, a Delaware
limited liability company, on behalf of said company.



Mary Quintana
Notary Public in and for the
State of Texas

Addendum "A"**To that certain Pooling Agreement for the State Clark 38-47 Unit**

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

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

Drilling Obligation Timeframe:

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

First well	spud on or before August 1, 2017
Second, Third and Fourth wells –	spud on or before July 5, 2021

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

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder as provided above and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph eight (8) of this Agreement.

End of Addendum "A"

EXHIBIT "A"
STATE CLARK 38-47 UNIT
GLO UNIT 8275
REEVES COUNTY, TEXAS

Tract 1

Lease 1:

Mineral File: 116656

Date: April 1, 2013

Recorded: Volume 1084, Page 531, Official Public Records of Reeves County, Texas

Lessor: Harrison Trust, herein represented by Roddy L. Harrison, as Trustee

Lessee: SWEPI LP

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: The East Half (E/2) of Section 38, Block 56, PSL Survey, A-2181, Reeves County, Texas, insofar as to only cover the depths from the surface down to 18,464', being 100' below the total depth drilled in the Harrison State 56-38 #3 (API 42-389-32425) and containing 320 acres, more or less, among other lands

Tract 2

Lease 2:

Mineral File: 115616

Date: June 1, 2013

Recorded: Volume 1012, Page 116, Official Public Records of Reeves County, Texas

Lessor: Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 04/25/96, as amended

Lessee: Three Rivers Acquisition II, LLC

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: The West One-Half (W/2) of Section 38, Block 56, Public School Land Survey, Reeves County, Texas, among other lands

Tract 3

Lease 3:

Mineral File: 118155A

Date: July 5, 2016

Recorded: Volume 1294, Page 71, Official Public Records of Reeves County, Texas

Lessor: The State of Texas, acting by and through its agent, Jane Ann Bickham

Lessee: Wildhorse Interest, LLC

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: All of Section 47, A-2569, Block 56, PSL Survey, Reeves County, Texas, containing 640 acres, more or less, among other lands

Lease 4:

Mineral File: 118155B

Date: July 5, 2016

Recorded: Volume 1294, Page 84, Official Public Records of Reeves County, Texas

Lessor: The State of Texas, acting by and through its agent, Monte E. Carmichael, Jr.

Lessee: Wildhorse Interest, LLC

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: All of Section 47, A-2569, Block 56, PSL Survey, Reeves County, Texas, containing 640 acres, more or less, among other lands

Lease 5:

Mineral File: 118155C

Date: July 5, 2016

Recorded: Volume 1294, Page 58, Official Public Records of Reeves County, Texas

Lessor: The State of Texas, acting by and through its agent, Troy A. Carmichael Trust International Bank of Commerce - Trustee

Lessee: Wildhorse Interest, LLC

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: All of Section 47, A-2569, Block 56, PSL Survey, Reeves County, Texas, containing 640 acres, more or less, among other lands

EXHIBIT "B"
STATE CLARK 38-47 UNIT
GLO UNIT 8275
REEVES COUNTY, TEXAS

Tract 1: The East Half (E/2) of Section 38, Block 56, PSL Survey, A-2181, Reeves County, Texas

Tract 2: The West Half (W/2) of Section 38, Block 56, PSL Survey, A-2181, Reeves County, Texas

Tract 3: All of Section 47, Block 56, PSL Survey, A-2569, Reeves County, Texas



13

File No. M-115616
Pooling Agmt. Packet # 8275
State Clerk 38-47 Unit

County

Date Filed: 1/20/17
George P. Bush, Commissioner

By: [Signature]

13

DO NOT DESTROY



Texas General Land Office UNIT AGREEMENT MEMO

UPA169362

Unit Number 8276
Operator Name Atlantic Resources Company, LLC Effective Date 12/15/2016
Customer ID C000089494 Unitized For Oil And Gas
Unit Name State Dagger 37-48 Unit Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths Well
From Depth Surface Formation
To Depth 11880 Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF116656	1	320.000000	1,280.000000	0.25000000	O/G	0.12500000	0.03125000	No
MF115616	2	320.000000	1,280.000000	0.25000000	O/G	0.12500000	0.03125000	No
MF118155	3	640.000000	1,280.000000	0.50000000	O/G	0.12500000	0.06250000	

API Number

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

12/15/2016

12/15/2016

12-28-16

12/15/2016

Pooling Committee Report

To: School Land Board

UPA169362

Date of Board Meeting: 12/15/2016

Unit Number: 8276

Effective Date: 12/15/2016

Unit Expiration Date:

Applicant: Atlantic Resources Company, LLC

Attorney Rep:

Operator: Atlantic Resources Company, LLC,

Unit Name: State Dagger 37-48 Unit

Field Name: FORD, WEST (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF115616	0.12500000	06/01/2018	5 years	640.000000	320.000000	0.03125000
RAL	MF116656	0.12500000	04/01/2014	1 years	640.000000	320.000000	0.03125000
RAL	MF118155	0.12500000	07/05/2019	3 years	1,280.000000	640.000000	0.06250000

Private Acres:	0.000000
State Acres:	1280.000000
Total Unit Acres:	1280.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	12.50%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,280 acres for a 10,000 foot lateral (FTP to LTP).

Working File Number: UPA169362

REMARKS:

- Atlantic Resources Company, LLC is requesting permanent oil and gas pooling from the Surface to 11,880 feet as seen on the Chesapeake Harrison State 56-38, # 3 well log (API 42-389-32425) in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on January 25, 2017 with a proposed total depth of 21,000 feet MD. A 10,000 foot lateral is expected to be drilled.
- With Board approval of the unit the State's unit royalty participation will be 12.5%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to commence actual drilling operation on three additional wells by or before July 5, 2021 or the unit will decrease in size to 320 acres per unit well drilled.

POOLING COMMITTEE RECOMMENDATION:

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



Mary Smith - Office of the Attorney General



Date



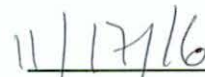
Robert Hatter - General Land Office



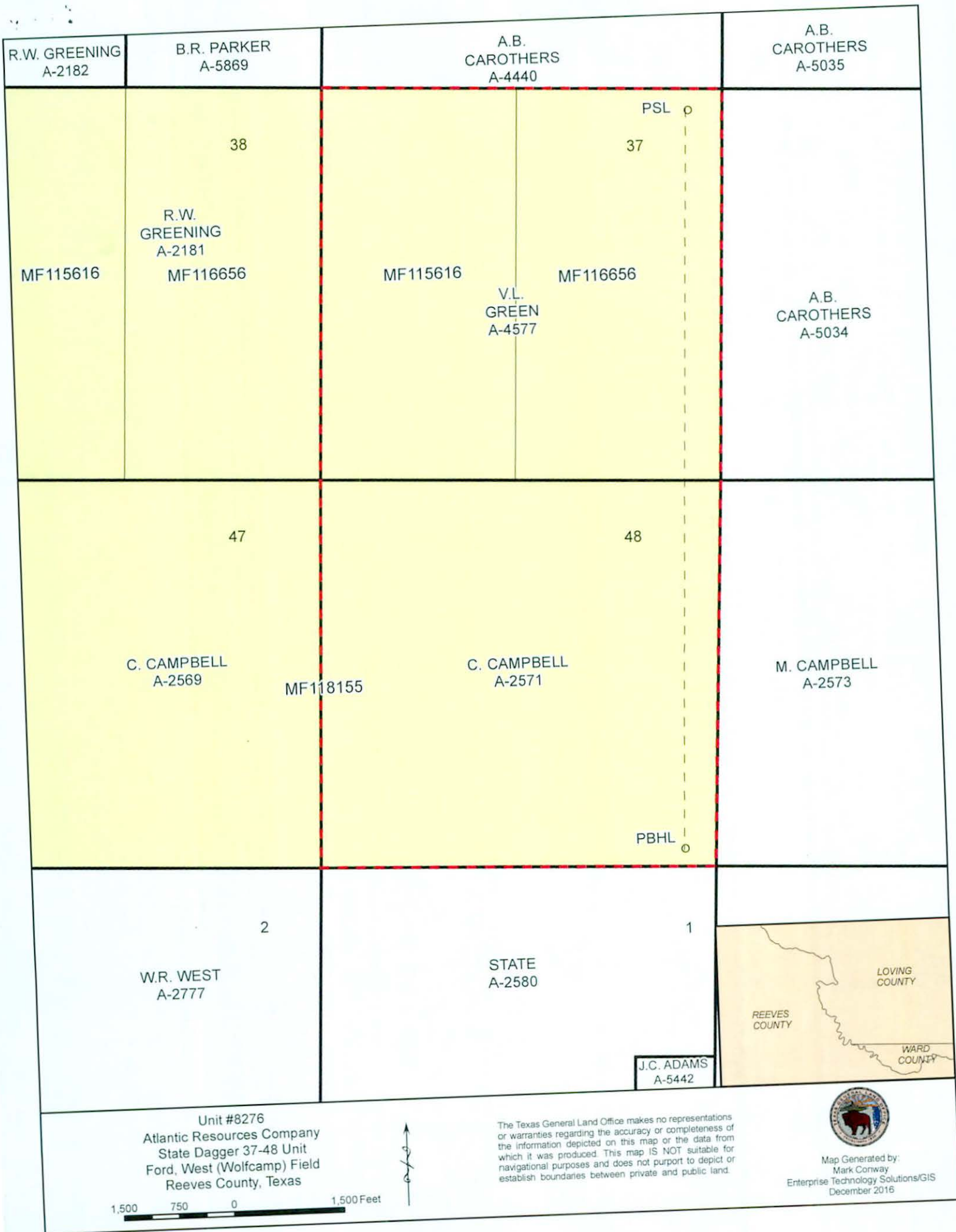
Date



Diane Morris - Office of the Governor



Date



11717

POOLING AGREEMENT
ATLANTIC RESOURCES COMPANY, LLC
STATE DAGGER 37-48 UNIT
GLO UNIT NO. 8276
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the stratigraphic equivalent of 11,880 feet as seen on the log of the Chesapeake, Harrison State 56-38, #3 well, API No. 42-389-32425 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

11717

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

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of December 15, 2016.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

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

11717

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed

1/18/17

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

STATE OF TEXAS

By:

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

Date Executed

1-13-17

ATLANTIC RESOURCES COMPANY, LLC

By:

[Signature]
Douglas Prieto
Vice President

Its:

1.17.17

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 15th day of December, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

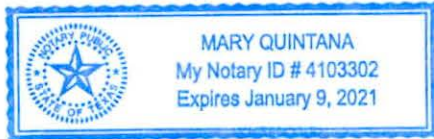
IN TESTIMONY WHEREOF, witness my hand this the 15th day of January, 2017.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Midland

This instrument was acknowledged before me on January 13, 2017, by Douglas Picto
as Vice President of Atlantic Resources Company, LLC, a Delaware
limited liability company, on behalf of said company.



Mary Quintana
Notary Public in and for the
State of Texas



Addendum "A"

To that certain Pooling Agreement for the State Dagger 37-48 Unit

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

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

Drilling Obligation Timeframe:

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

- First well — spud on or before March 1, 2017;
- Second, Third and Fourth wells — spud on or before July 5, 2021.

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

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder as provided above and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph eight (8) of this Agreement.

End of Addendum "A"

11717

EXHIBIT "A"
STATE DAGGER 37-48 UNIT
GLO UNIT 8276
REEVES COUNTY, TEXAS

Tract 1

Lease 1:

Mineral File: 116656

Date: April 1, 2013

Recorded: Volume 1084, Page 531, Official Public Records of Reeves County, Texas

Lessor: Harrison Trust, herein represented by Roddy L. Harrison, as Trustee

Lessee: SWEPI LP

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: The East Half (E/2) of Section 37, Block 56, PSL Survey, A-4577, Reeves County, Texas, insofar as to only cover the depths from the surface down to 18,800', being 100' below the total depth drilled in the Harrison State 56-37 #1 (API 42-389-32460) and containing 320 acres, more or less, among other lands

Tract 2

Lease 2:

Mineral File: 115616

Date: June 1, 2013

Recorded: Volume 1012, Page 116, Official Public Records of Reeves County, Texas

Lessor: Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 04/25/96, as amended

Lessee: Three Rivers Acquisition II, LLC

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: The West One-Half (W/2) of Section 37, Block 56, Public School Land Survey, Reeves County, Texas, among other lands

Tract 3

Lease 3:

Mineral File: 118155A

Date: July 5, 2016

11717

Recorded: Volume 1294, Page 71, Official Public Records of Reeves County, Texas

Lessor: The State of Texas, acting by and through its agent, Jane Ann Bickham

Lessee: Wildhorse Interest, LLC

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: All of Section 48, A-2571, Block 56, PSL Survey, Reeves County, Texas, containing 640 acres, more or less, among other lands

Lease 4:

Mineral File: 118155B

Date: July 5, 2016

Recorded: Volume 1294, Page 84, Official Public Records of Reeves County, Texas

Lessor: The State of Texas, acting by and through its agent, Monte E. Carmichael, Jr.

Lessee: Wildhorse Interest, LLC

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: All of Section 48, A-2571, Block 56, PSL Survey, Reeves County, Texas, containing 640 acres, more or less, among other lands

Lease 5:

Mineral File: 118155C

Date: July 5, 2016

Recorded: Volume 1294, Page 58, Official Public Records of Reeves County, Texas

Lessor: The State of Texas, acting by and through its agent, Troy A. Carmichael Trust International Bank of Commerce - Trustee

Lessee: Wildhorse Interest, LLC

Current Lessee: Atlantic Resources Holding Co., LLC

Legal Description: All of Section 48, A-2571, Block 56, PSL Survey, Reeves County, Texas, containing 640 acres, more or less, among other lands

11717

EXHIBIT "B"
STATE DAGGER 37-48 UNIT
GLO UNIT 8276
REEVES COUNTY, TEXAS

Tract 1: The East Half (E/2) of Section 37, Block 56, PSL Survey, A-4577, Reeves County, Texas

Tract 2: The West Half (W/2) of Section 37, Block 56, PSL Survey, A-4577, Reeves County, Texas

Tract 3: All of Section 48, Block 56, PSL Survey, A-2571, Reeves County, Texas

11111



File No. M-115616
Pooling Agmt. Packet # 8276
State Dwyer 37-48 Unit
Date Filed: 1/20/17
George P. Bush, Commissioner
By [Signature]

...
...
...
...
...



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

January 11, 2017

VIA CERTIFIED MAIL AND E-MAIL

Joy McCauley
Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701
Joy.McCauley@glo.texas.gov

RE: **Notice of Commencement of Operations
State Dagger 37-48 1H (API – 42-389-35548)
MF – 115616, 116656, and 118155**

Dear Ms. McCauley:

Atlantic Resources Company, LLC, hereby gives notice of its plans to commence drilling and completion operations on the State Dagger 37-48 1H on or before February 1, 2017.

The State Dagger 37-48 1H will be drilled on the State Dagger 37-34 Pooled Unit, as approved by the School Land Board on December 15, 2016. Once I receive additional files related to these operations I will forward on to your attention.

If you have any questions, please feel free to contact me by e-mail or at 432-683-3272.

Sincerely,

Travis Hutt
Senior Landman



API No. <u>42-389-35548</u> Drilling Permit # <u>820440</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>036555</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>ATLANTIC RESOURCES COMPANY, LLC</u>		3. Operator Address (include street, city, state, zip): <u>PO BOX 3759</u> <u>MIDLAND, TX 79702-0000</u>		
4. Lease Name <u>STATE DAGGER 37-48</u>		5. Well No. <u>1H</u>				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): ☒ Vertical ☒ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack						
8. Total Depth <u>12000</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>23.2</u> miles in a <u>NW</u> direction from <u>Pecos</u> which is the nearest town in the county of the well site.						
15. Section <u>37</u>	16. Block <u>56</u>	17. Survey <u>PSL/GREEN, V L</u>		18. Abstract No. <u>A-4577</u>	19. Distance to nearest lease line: <u>200</u> ft.	
20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1294.9</u>						
21. Lease Perpendiculars: <u>225</u> ft from the <u>NORTH</u> line and <u>330</u> ft from the <u>EAST</u> line. 22. Survey Perpendiculars: <u>225</u> ft from the <u>NORTH</u> line and <u>330</u> ft from the <u>EAST</u> line.						
23. Is this a pooled unit? ☒ Yes ☐ No		24. Unitization Docket No: _____		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	
08	31913800	FORD, WEST (WOLFCAMP)		Oil or Gas Well	11000	
		< see Page 2 for additional Fields >				
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks See W1 Comments attached				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Haylie Urias, Regulatory & Production</u> <u>Nov 16, 2016</u> Name of filer Date submitted <u>(432)2538312</u> <u>hurias@arcoperating.com</u> Phone E-mail Address (OPTIONAL)		
RRC Use Only Data Validation Time Stamp: Dec 12, 2016 5:55 PM As Approved Version						

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

**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 Supplemental Field Data
07/2004

Permit #	820440
Approved Date:	Dec 12, 2016

1. RRC Operator No. 036555	2. Operator's Name (exactly as shown on form P-5, Organization Report) ATLANTIC RESOURCES COMPANY, LLC	3. Lease Name STATE DAGGER 37-48	4. County REEVES				
ADDITIONAL FIELD INFORMATION (continued from Page 1)							
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir	33. Total Acres
08	00018001	WILDCAT	Exploratory Test Well	12000	0.00	1	1294.9
Lease Name & Well Number STATE DAGGER , Well No. 1			Surface Lease/Unit Perpendiculars 225 ft from NORTH line; 330 ft from EAST line			Wellbore Profiles Vertical	

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

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

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

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 #	820440
Approved Date:	Dec 12, 2016

1. RRC Operator No. 036555	2. Operator's Name (exactly as shown on form P-5, Organization Report) ATLANTIC RESOURCES COMPANY, LLC	3. Lease Name STATE DAGGER 37-48	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 FORD, WEST (WOLFCAMP) (Field # 31913800, RRC District 08)			
6. Section 48	7. Block 56	8. Survey PSL/CAMPBELL, C	9. Abstract 2571
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 200 ft. from the South line. and 330 ft. from the East line			
12. Terminus Survey Line Perpendiculars 200 ft. from the South line. and 330 ft. from the East line			
13. Penetration Point Lease Line Perpendiculars 225 ft. from the North line. and 330 ft. from the East 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.*

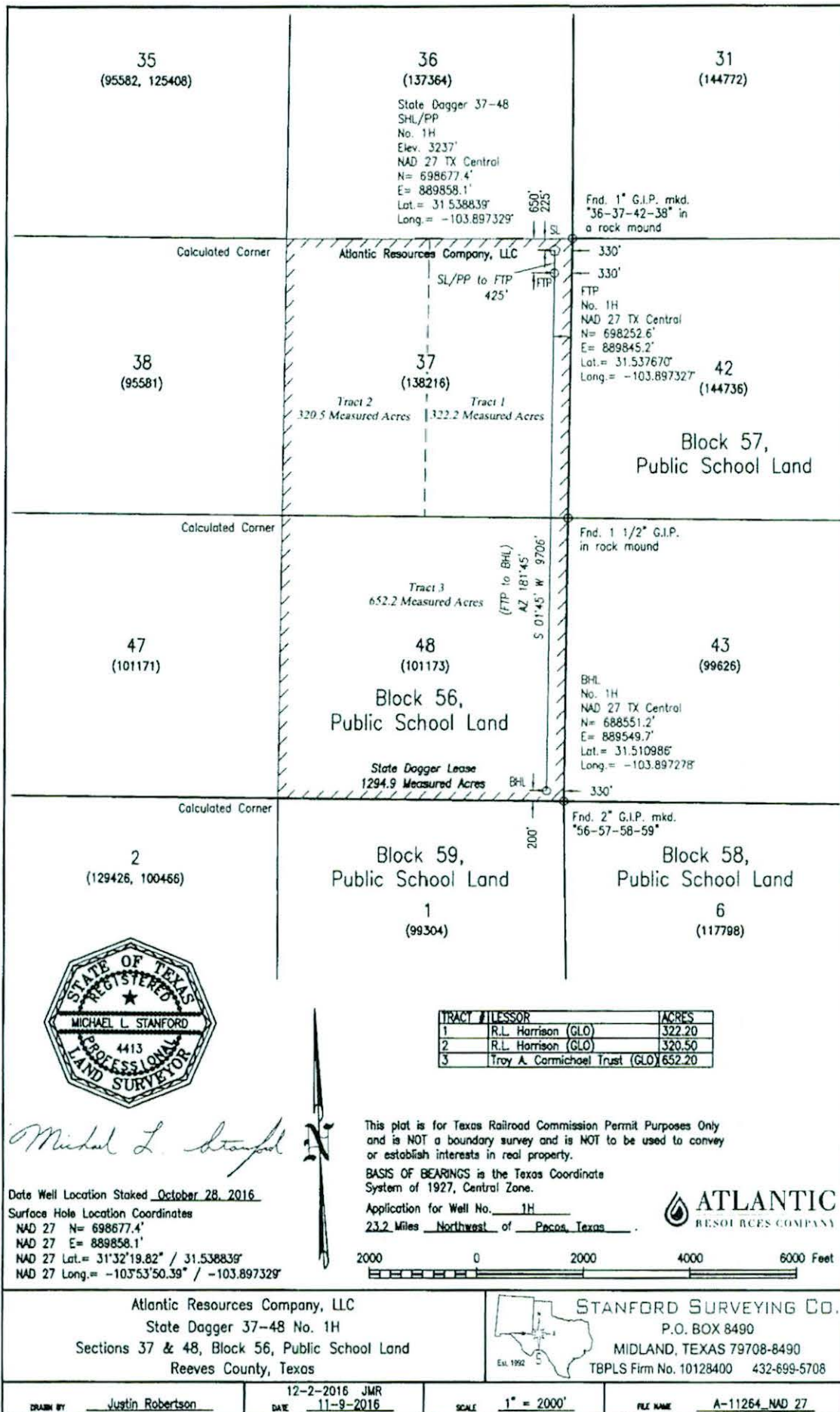
W-1 Comments

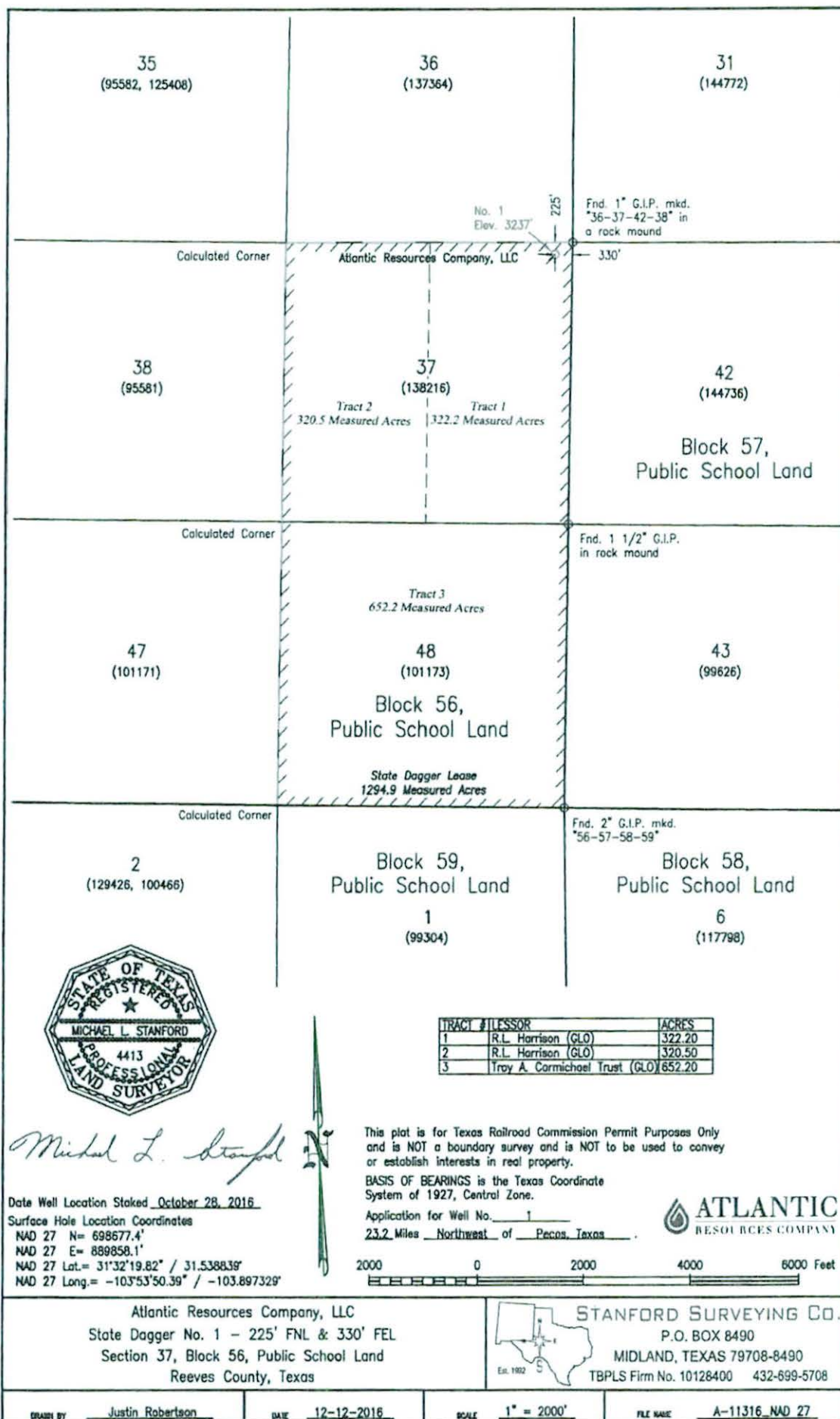
Permit # **820440**

Approved Date: **Dec 12, 2016**

[RRC STAFF Dec 7, 2016 1:37 PM]: Surface location revised per Haylie. Revised plat attached.; [RRC STAFF Dec 8, 2016 10:02 AM]: Expedite fee added as per public sales.; [RRC STAFF Dec 9, 2016 1:22 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Dec 12, 2016 1:13 PM]: Problems identified with this permit are resolved.; [RRC STAFF Dec 12, 2016 1:13 PM]: Haylie Urias sent plat for vertical portion of well.; [RRC STAFF Dec 12, 2016 3:02 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Dec 12, 2016 3:04 PM]: Changed wildcat lease name as per plat.; [RRC STAFF Dec 12, 2016 3:27 PM]: Problems identified with this permit are resolved.; [RRC STAFF Dec 12, 2016 3:27 PM]: Revised P12 attached.

47.477





71711

15.

File No. MF115616

Reeves County

Drilling Permit & Notice of Spud Unit 8276
API 389-35548

Date Filed: 03/27/2017

George P. Bush, Commissioner
By Jm



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

March 16, 2017

VIA CERTIFIED MAIL AND E-MAIL 7011-3500-0002-4955-9438

Joy McCauley
Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701
Joy.McCauley@glo.texas.gov

RE: **Notice of Commencement of Operations**
State Clark 38-47 1H (API – 42-389-35554)
MF – 115616, 116656, and 118155

Dear Ms. McCauley:

Atlantic Resources Company, LLC, hereby gives notice of its plans to commence drilling and completion operations on the State Clark 38-47 1H on or before April 1, 2017.

The State Clark 38-47 1H will be drilled on the State Clark 38-47 Pooled Unit, as approved by the School Land Board on December 15, 2016. Once I receive additional files related to these operations I will forward on to your attention.

If you have any questions, please feel free to contact me by e-mail or at 432-683-3272.

Thank you for your cooperation.

Sincerely,

Travis Hutt
Senior Landman

File No. MF115616Reeves CountyNotice of Operations Unit 8215 API 389-35554Date Filed: 4/10/2017

George P. Bush, Commissioner

By Jm

2017

Carl Bonn

From: Carl Bonn
Sent: Tuesday, May 23, 2017 2:28 PM
To: Walter Talley
Subject: MF115616 Cert of Fact
Attachments: 20170523143003064.pdf

Walter,

The attached letter dated 5/1/17 with the Certificate was sent to my attention and when I pulled MF115616 I did not find the Certificate.

Do you want me to file the attached since I already have the file checked out?

Thanks,

CB



ATLANTIC
RESOURCES COMPANY

Assign
ID 10244

PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

May 1, 2017

VIA CERTIFIED MAIL - 7016-3010-0000-0733-0092

Mr. Walter Talley
Texas General Land Office
1700 N. Congress Avenue
Room 600
Austin, Texas 78701-1495

MF 115616 W/2
116656 E/2

RE: Certificate of Fact (MF-115616) ✓
Sec. 37 & 38, Blk. 56, PSL
Reeves County, Texas ("the Lands")

Assign
MF 116656 ✓

Dear Mr. Talley:

Per our telephone conversation on Tuesday April 18, 2017, you requested a copy of the First Statement of Fact. The First Statement of Fact covers Harrison Trust to SWEPI, LP, dated April 1, 2013, recorded in Volume 1084, Page 531, covering the E/2 of Section 37 and the E/2 of Section 38, Block 56, Public School Land Survey, Reeves County, Texas. The Statement of Fact shows that this Lease and all assignments thereof, save one, are filed with the GLO.

MF 116656 → The Statement of Facts does not indicate that the Assignment from SWEPI, LP to EnerQuest Oil & Gas, LLC dated May 5, 2015, effective April 1, 2013, recorded in Volume 1165, Page 417 was filed with the GLO, therefore I have included a Certified copy of the Assignment from SWEPI, LP to EnerQuest Oil & Gas, LLC, for your records. Since this Assignment wasn't on file, we are requesting an Amended Statement of Fact.

Enclosed is check no. 2300 in the amount of \$150.00, representing (Assign) \$25.00 filing fees and \$100.00 for an amended Statement of Facts.

Feel free to let me know if you have any questions or require further information, by contacting me at 432-683-3272 ext. 8324 or by email at mquintana@arcoperating.com.

Sincerely,

ATLANTIC RESOURCES HOLDING CO., LLC

Mary Quintana
Mary Quintana
Sr. Lease/Division Order Analyst

/mq

Or i2 to Carl Bonn 5-4-17



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

MF 115616

April 10, 2017

I, George P. Bush, Commissioner of the General Land Office of the State of Texas, do hereby certify that the papers, records, and documents of said office show;

This Certificate of Fact is limited, as requested by Barbie Roach, and covers MF-115616

That on June 1, 2013, RODDEY L. HARRISON, TRUSTEE OF THE HARRISON TRUST UNDER TRUST INDENTURE DATED 04/25/96, AS AMENDED, individually, and as agent for the State of Texas, executed and delivered a PAID-UP State Relinquishment Act Oil & Gas Lease M-115616, covering "Section 37, West One-Half (W/2), Block 56, Public School Land Survey; Section 38, West One-Half (W/2), Block 56, Public School Land Survey, Reeves County, Texas, containing 640.00 acres, more or less," to THREE RIVERS ACQUISITION II, LLC, for a primary term of Five (5) years, with a cash bonus of \$1,153,280.00, with like amounts payable each to landowner and State, and a royalty of One-Fourth (1/4), one-half payable each to landowner and State, and a certified copy of said lease was filed in the Texas General Land Office on July 12, 2013, in Mineral File M-115616;

That on March 14, 2014, THREE RIVERS ACQUISITION II, LLC, assigned to RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, various interests in lease M-115616, with additional leases, and reference to said assignment ID #9448, is herein made for all purposes to the instrument which was filed of record in Volume 1064, Pages 91-94, Official Public Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on April 21, 2014, in Mineral File M-115616;

That on May 20, 2016, RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, assigned to MECO IV, LLC, various interests in lease M-115616, with additional leases, and reference to said assignment ID #9883, is herein made for all purposes to the instrument which was filed of record in Volume 1274, Pages 720-722, Official Public Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on November 8, 2016, in Mineral File M-115616;

That on September 27, 2016, MECO IV, LLC, assigned to MECO EXCHANGE PROPERTIES, LLC, various interests in lease M-115616, with additional leases, and reference to said assignment ID #10086, is herein made for all purposes to the instrument which was filed of record in Volume 1322, Pages 417-419, Official Public Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on December 16, 2016, in Mineral File M-115616;

That on October 1, 2016, MECO EXCHANGE PROPERTIES, LLC, assigned to ATLANTIC EXCHANGE PROPERTIES, LLC, various interests in lease M-115616, with additional leases, and reference to said assignment ID #10087, is herein made for all purposes to the instrument which was filed of record in Clerk's File Number 16-14476, Official Public Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on December 16, 2016, in Mineral File M-115616;

That on October 1, 2016, ATLANTIC EXCHANGE PROPERTIES LLC, assigned to ATLANTIC RESOURCES HOLDING CO., LLC., various interests in lease M-115616, with additional leases, and reference to said assignment ID #10089, is herein made for all purposes to the instrument which was filed under Clerk's File Number 02747, Official Public Records, Culberson County, and under Clerk's File Number 16-15992, Official Public Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on December 16, 2016, in Mineral File M-104182;

IN TESTIMONY WHEREOF, I hereto set my hand and seal of said office the first date above written.



GEORGE P. BUSH
COMMISSIONER OF THE GENERAL LAND OFFICE

GPB/wt

Name:	Barbie Roach/Lynch Chappell & Alsup, PC
	300 N. Marienfeld, Suite 700
	Midland, TX 79701
Dicta No.:	2017-18
Fee:	\$200.00
Files:	MF-104182, MF-116616

File No. MF 115616
email & Cert. of Fact

Date Filed: 5-23-17
George P. Bush, Commissioner
By CB



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 24, 2017

Mary Quintana, Sr. Lease/Div Order Analyst
Atlantic Resources Company, LLC
300 North Marienfeld, Ste 600
Midland, Texas 79701

RE: Assignment ID 10369 – MF115616, MF118234 A&B, MF118447 and MF118462 A-D
Reeves County

Dear Ms. Quintana:

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

Assignment, Conveyance and Bill of Sale, effective January 1, 2017, from Atlantic Exchange Properties, LLC, Assignor to Atlantic Resources Holdings Co., LLC, Assignee.
Filed for record under Doc #17-01956

Filing fees in the amount of \$200.00 were received on the referenced assignment.

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

Best regards,

Carl Bonn, CPL
Mineral Leasing – Energy Resources



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

February 8, 2017

VIA CERTIFIED MAIL – 7015-0640-0003-1211-3569

Texas General Land Office
Mineral Leasing Division
Attn: Drew Reid
1700 N. Congress Ave., Room 600
Austin, Texas 78701-1495

RE: Assignment, Conveyance and Bill of Sale
Atlantic Exchange Properties LLC to Atlantic Resources Holding, LLC
Reeves County, Texas

Dear Mr. Reid:

Pursuant to the requirements set forth by Status and in the State Surveyed School Land Lease Form Revised July, 2016, please find enclosed a certified copy of that certain:

- I. Assignment, Conveyance and Bill of Sale between Atlantic Exchange Properties LLC, as (“Assignor”) to Atlantic Resources Holding Co., LLC, as (“Assignee”) effective January 1, 2017, recorded as Instrument No. 17-01956 of the Official Public Records of Reeves County, Texas, filed of record on February 7, 2017, covering the following Oil and Gas Leases:
- II. **MECO PROSPECT**
 - a). That certain oil and gas lease dated June 1, 2013, from the State of Texas acting by and through its Agent, the Harrison Trust, as Lessor to Three Rivers Acquisition II, LLC, as Lessee, recorded in Volume 1012, Page 116 of the records of Reeves County, Texas, covering the W/2 of Section 38, Block 56, PSL Survey, Abstract 2181, Reeves County, Texas, as to all depths.
- III. **DOUBLE EAGLE PROSPECT**
 - a). That certain oil and gas lease dated September 29, 2016, from the State of Texas, acting by and through its Agent, Permico Royalties, LLC, as Lessor to Double Eagle Development, LLC, as Lessee, recorded as Instrument No. 16-13027 in the Official Public Records of Reeves County, Texas, covering All of Section 6, Block 58, Public School Land Survey, Reeves County, Texas, as to all depths;
 - b). That certain oil and gas lease dated October 21, 2016, from the State of Texas, acting by and through its Agent, Madeline Jobst and Anne Jobst Goyer, as Lessor to Double Eagle Development, LLC, as Lessee, recorded as Instrument No. 16-14104 in the Official Public Records of Reeves County, Texas, covering All of Section 6, Block 58, Public School Land Survey, Reeves County, Texas, as to all depths;



Atlantic Resources Holding Company, LLC - P.O. Box 3759 - Midland, TX 79702

To: Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701

Vendor Code
TEX160

Check Date
02/08/2017

Check Amount
+ \$200.00

002174
Check Number
1075-2174

Invoice #	Invoice Amt
02/07/2017-TEX160	200.00
Assignment Summary Fees	
MECO Prospect - W/2 Sec. 38, Blk. 56, PSL -	
\$33.34	
Double Eagle Prospect - Sec. 6, Blk. 58, PSL -	
\$33.34	
Northwestern Prospect - Sec. 5, Blk. 59, PSL -	
\$33.33	
N/4 Sec/ 8, Blk. 59, PSL - \$33.33	
E2 W2 Sec. 18, Blk. 59, PSL - \$33.33	
K9 Prospect - E/2 Sec/ 2, Blk. 58, PSL - \$33.33	

129 17707893

III. HALBOWER PROSPECT

- a). That certain oil and gas lease dated November 16, 2016, from the State of Texas, acting by and through its Agent, Susan J. Halbower, Rebecca A. Halbower and Kathryn H. Johnson as Trustees of Susan J. Halbower Trusts, the Rebecca A. Halbower Trusts and the Kathryn H. Johnson Trust, as Lessor to Atlantic Exchange Properties LLC, as Lessee, recorded as Instrument No. 16-17148 in the Official Public Records of Reeves County, Texas, covering 640 Acres of land, more or less, being all of Section 5, Block 59, Public School Lands, A-4065; 160 acres of land, more or less, being all the N/4 of Section 8, Block 59, Public School Lands, A-4064; and 160 acres of land, more or less, being all of the E/2 W/2 of Section 18, Block 59, Public School Lands, A-4066, all in Reeves County, Texas, as to all depths.

IV. K9 PROSPECT

- a). That certain oil and gas lease dated December 1, 2016, from the State of Texas, acting by and through its Agent, Abby Marie Geltemeyer, as Lessor to K9 Energy LLC, as Lessee, recorded as Instrument No. 17-00011 in the Official Public Records of Reeves County, Texas;
- b). That certain oil and gas lease dated December 1, 2016, from the State of Texas, acting by and through its Agent, Bush-Griffin Living Trust, by John W. Bush and John F. Griffin, as Co-Trustees, as Lessor to K9 Energy LLC, as Lessee, recorded as Instrument No. 17-00008 in the Official Public Records of Reeves County, Texas;
- c). That certain oil and gas lease dated December 1, 2016, from the State of Texas, acting by and through its Agent, Carrie Geltemeyer Shough, as Lessor to K9 Energy LLC, as Lessee, recorded as Instrument No. 17-00009 in the Official Public Records of Reeves County, Texas and;
- d). That certain oil and gas lease dated December 1, 2016, from the State of Texas, acting by and through its Agent, David Jess St. Clair, as Lessor to K9 Energy LLC, as Lessee, recorded as Instrument No. 17-00010 in the Official Public Records of Reeves County, Texas.

Covering the E/2 Section 2, Block 58, Public School Land Survey, Abstract No. 3799, as to all depths.

Also enclosed is check No. 2174 in amount of \$200.00 for filing fee for certified copies. Please let me know if you require further information by contacting me at 432-683-3272 or by email at mquintana@arcoperating.com.

Sincerely,

Atlantic Resources Company, LLC


Mary Quintana
Sr. Lease/Division Order Analyst

/mq
Enclosure



Mail to: Texas General Land Office

Attn: Energy Resources
P.O. 12873
Austin, Texas 78711-2873

Texas General Land Office
ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

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

County	File No.	Page	Execution Date/Effective Date
Reeves	17-01956		Feb.3,2017/ Jan. 1, 2017

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)

INTEREST BEING CONVEYED: (mark one)

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1 Atlantic Exchange Properties LLC	Atlantic Resources Holding Co., LLC	100%	100%	0
2.				
3.				
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1.	Reeves	56	38	W/2	None
2.	Reeves	58	6	All	None
3.	Reeves	59	5	All	None
4.	Reeves	59	8	N/4	None

Mary Quintana
Preparer's Signature
Mary Quintana
Name (please print)

mquintana@accompanying.com
E-Mail Address
432-683-3272

Telephone Number

Lease Analyst
Title
2-17
Date

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

Atlantic Resources Holding Co. LLC
Company Name
P.O. Box 3759
Mailing Address

Midland, Texas 79702
City/State/Zip

2101

ADDITIONAL LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
5.	Reeves	59	18	E/2 W/2	None
6.	Reeves	58	2	E/2	None

TD 10369

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

ASSIGNMENT, CONVEYANCE AND BILL OF SALE

STATE OF TEXAS §
 §
COUNTY OF REEVES §

KNOW ALL MEN BY THESE PRESENTS:

M/F 115616
118234 AB
118447
118462 ABCD
eff 1-1-17

This Assignment, Conveyance and Bill of Sale ("Assignment") is executed and delivered by ATLANTIC EXCHANGE PROPERTIES LLC, whose address is 303 West Wall Street, Suite 2400, Midland, Texas 79701 (referred to herein as "Assignor"), to ATLANTIC RESOURCES HOLDING CO., LLC, whose address is P.O. Box 3759, Midland, Texas 79702 (referred to herein as "Assignee").

all

Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, by these presents, GRANTS, BARGAINS, SELLS, CONVEYS, ASSIGNS, TRANSFERS, SETS OVER and DELIVERS unto Assignee, all of Assignor's right, title and interest in and to the following (collectively, the "Properties"):

- A. The oil, gas and/or mineral leases described or referred to in Exhibit "A" attached hereto and incorporated herein for all purposes, together with all amendments, supplements, renewals, extensions or ratifications thereof (the "Leases"), the lands and depths covered by the Leases described or referred to in Exhibit "A" (the "Lands"), all Leases and Lands related to the Wells (defined below), and all reversionary, back-in, net profits, carried, convertible, non-consent, operating rights and other interests in, incident to or appurtenant to the Lands, Leases or Wells, together with any rights that arise by operation of law or otherwise in all lands pooled, unitized, communitized or consolidated with the Lands and/or Leases (the "Oil and Gas Properties");
- B. All oil, gas, water, supply, disposal (including without limitation, salt water disposal) or injection wells located on the Oil and Gas Properties or on lands with which the Oil and Gas Properties may have been pooled, communitized or unitized, whether producing, operating, shut-in, temporarily abandoned, abandoned, standing or otherwise (the "Wells");
- C. All severed crude oil, natural gas, and other hydrocarbons and other minerals or materials of every kind and description produced from the Oil and Gas Properties and either: (i) in storage tanks on the Effective Date, or (ii) sold on or after the Effective Date (the "Substances");

- D. All equipment, fixtures, improvements, personal property and physical facilities or interests therein that are used or held for use in connection with the ownership or operation of the Oil and Gas Properties and Wells;
- E. All of the contracts, agreements and instruments by which the Properties are bound, or that relate to or are otherwise applicable to the Properties, or any of them, or the production of Hydrocarbons in association therewith, including all operating agreements, unitization, pooling and communitization agreements, declarations and orders, joint venture agreements, farmin and farmout agreements, water rights and disposal agreements, exploration agreements, participation agreements, exchange agreements, transportation or gathering agreements, agreements for the sale and purchase of oil, gas or casinghead gas, processing agreements, area of mutual interest agreements, salt water disposal agreements, equipment leases, governmental permits and licenses of Assignor (other than bonds), to the extent such permits and licenses are transferable; all easements and rights-of-way used or held for use in connection with the Oil and Gas Properties and any amendments, ratifications or extensions of the foregoing (the "**Contracts**"); and
- F. To the extent related or pertaining to the Properties: all lease files; land files; well files; sales contract files; title and contract files; gas processing files; division order files; abstracts; title opinions; and land surveys (collectively, the "**Records**").

TO HAVE AND TO HOLD all and singular the Properties, together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and its respective successors, legal representatives and assigns forever. Assignor covenants that Assignor has good right and authority to convey the same and that Assignor will warrant and defend the same to Assignee, its successors and assigns, against the lawful claims and demands of all persons by, through and under Assignor, but not otherwise.

This Assignment is made with warranty of title by, through and under Assignor but not otherwise. Assignee shall be and is hereby subrogated to all covenants and warranties of title by parties heretofore given or made to Assignor or its predecessors in title in respect of any of the Properties.

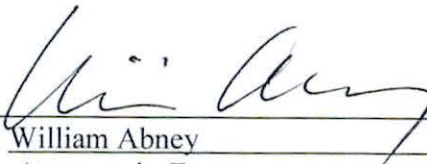
Assignor covenants and agrees to execute and deliver to Assignee such other and additional instruments and documents as may be reasonably necessary to fully convey all of Assignor's interest in the Properties to Assignee.

This Assignment may be executed in multiple counterparts, each of which is an original and all of which are substantially identical and shall together constitute but one and the same Assignment. This Assignment shall be binding and effective as to any party hereto that executes it, whether or not it is executed by all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the date of acknowledgment of Assignor's and Assignee's signatures below. This Assignment shall be effective at 7:00 a.m. (in the locale where the properties are located) on January 1, 2017 (the "Effective Date").

ASSIGNOR:

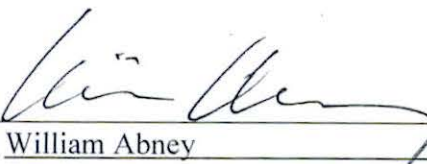
Atlantic Exchange Properties LLC

By: 
Name: William Abney
Title: Attorney-in-Fact

DTP

ASSIGNEE:

ATLANTIC RESOURCES HOLDING CO., LLC

By: 
Name: William Abney
Title: President

DTP

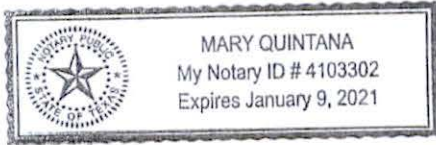
Remainder of the Page Intentionally Left Blank; Acknowledgement Page Follows

STATE OF TEXAS

§
§
§

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 3rd day of February, 2017, by William Abney, as Attorney-in-Fact for Atlantic Exchange Properties LLC, a Texas limited liability company, on behalf of the company.



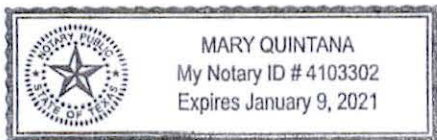
Mary Quintana
Notary Public in and for the State of Texas
My Commission Expires: 01-09-2021

STATE OF TEXAS

§
§
§

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 3rd day of February, 2017, by William Abney, as President of ATLANTIC RESOURCES HOLDING CO., LLC, a Delaware limited liability company, on behalf of the company.



Mary Quintana
Notary Public in and for the State of Texas
My Commission Expires: 01-09-2021

Exhibit "A"

to

that certain Assignment, Conveyance and Bill of Sale dated effective January 1, 2017,
by and between Atlantic Exchange Properties LLC, as Assignor and Atlantic Resources
Holding Co., LLC, as Assignee

I. MECO PROSPECT

a. LEASES:

- i. That certain oil and gas lease dated June 1, 2013, from State of Texas acting by and through its Agent, the Harrison Trust, as Lessor to Three River Acquisition II, LLC, as Lessee, recorded in Volume 1012, Page 116 of the records of Reeves County, Texas.

MF
115616

b. LANDS:

- i. W/2 of Section 38, Block 56, PSL Survey, Abstract 2181, Reeves County, Texas

c. DEPTHS:

- i. As to all depths.

II. DOUBLE EAGLE PROSPECT

a. LEASES:

- i. That certain oil and gas lease dated September 29, 2016, from the State of Texas, acting by and through its agent, Permico Royalties, LLC, as Lessor to Double Eagle Development, LLC, as Lessee, recorded as Instrument No. 16-13027 in the Official Public Records of Reeves County, Texas.
- ii. That certain oil and gas lease dated October 21, 2016, from the State of Texas, acting by and through its agent, Madeline Jobst and Anne Jobst Goyer, as Lessor, to Double Eagle Development, LLC, as Lessee, recorded as Instrument No. 16-14104 in the Official Public Records of Reeves County, Texas.

MF
118234A

118234B

b. LANDS:

- i. All of Section 6, Block 58, Public School Land Survey, Reeves County, Texas

c. DEPTHS:

- i. As to all depths.

III. HALBOWER PROSPECT

a. LEASES:

- i. That certain oil and gas lease dated November 16, 2016, from State of Texas, acting by and through its agents, Susan J. Halbower, Rebecca A. Halbower and Kathryn H. Johnson as Trustees of Susan J. Halbower Trusts, the Rebecca A. Halbower Trusts and the Kathryn H. Johnson Trust, as Lessors to Atlantic Exchange Properties LLC, as Lessor, recorded as Instrument No. 16-17148 in the Official Public Records of Reeves County, Texas.

MF
118447

b. LANDS:

- i. 640 acres of land, more or less, being all of Section 5, Block 59, Public School Lands, A-4065, Reeves County, Texas, being the same land described in Patent dated March 4, 1950 from the state of Texas to R.L. Umbenhour, recorded in Volume 6, Page 132 of the Reeves County Patent Records, being further described in that certain Deed dated December 1, 2003 from R. David Halbower, Jr. et ux to Susan J. Halbower Trust et al, recorded in Volume 674, Page 491 of the Reeves County Official Public Records.
- ii. 160 acres of land, more or less, being all of the N/4 of Section 8, Block 59, Public School Lands, A-4064, Reeves County, Texas, being the same land described in Patent dated March 4, 1950 from the state of Texas to R.L. Umbenhour, recorded in Volume 6, Page 132 of the Reeves County Patent Records, being further described in that certain Deed dated December 1, 2003 from R. David Halbower, Jr. et ux to Susan J. Halbower Trust et al, recorded in Volume 674, Page 491 of the Reeves County Official Public Records.
- iii. 160 acres of land, more or less, being all of the E/2 W/2 of Section 18, Block 59, Public School Lands, A-4066, Reeves County, Texas, being the same land described in Patent dated March 4, 1950 from the state of Texas to R.L. Umbenhour, recorded in Volume 6, Page 132 of the Reeves County Patent Records, being further described in that certain Deed dated December 1, 2003 from R. David Halbower, Jr. et ux to Susan J. Halbower Trust et al, recorded in Volume 674, Page 491 of the Reeves County Official Public Records.

c. DEPTHS:

- i. As to all depths.

IV. K9 PROSPECT

a. LEASES:

- i. That certain oil and gas lease dated December 1, 2016, from the State of Texas acting by and through its agent, Abby Marie Geltemeyer, as Lessor to K9 Energy, LLC, as Lessee, recorded as Instrument No. 17-00011 in the Official Public Records of Reeves County, Texas.
- ii. That certain oil and gas lease dated December 1, 2016, from the State of Texas acting by and through its agent, the Bush-Griffin Living Trust, by John W. Bush and John F. Griffin, as Co-Trustees, as Lessor to K-9 Energy, LLC, as Lessee, recorded as Instrument No. 17-00008 in the Official Public Records of Reeves County, Texas.
- iii. That certain oil and gas lease dated December 1, 2016, from the State of Texas acting by and through its agent, Carrie Geltemeyer Shough, as Lessor to K9 Energy, LLC, as Lessee, recorded as Instrument No. 17-00009 in the Official Public Records of Reeves County, Texas.
- iv. That certain oil and gas lease dated December 1, 2016, from the State of Texas acting by and through its agent, David Jess St. Clair, as Lessor, to K9 Energy, LLC, as Lessee, recorded as Instrument No. 17-00010 in the Official Public Records of Reeves County, Texas.

b. LANDS:

- i. E/2 Section 2, Block 58, Public School Land Survey, Abstract No. 3799

c. DEPTHS:

- i. As to all depths.

Inst No. 17-01956
DIANNE O. FLOREZ
COUNTY CLERK
2017 Feb 07 at 09:55 AM
REEVES COUNTY, TEXAS
By: RL Douglas Dyle DEPUTY

Page -7-

THIS STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
the original as the same was filed in my office this _____ day of _____, 2017.
M. under Clerk's File No. _____ to be recorded in the
_____ of the County of Reeves, Texas.
I, _____, County Clerk, do hereby certify that the foregoing is a true and correct copy of
the original as the same was filed in my office and official seal at Pecos, Texas
this _____ day of _____, 2017.
Dianne O. Florez, County Clerk
REEVES COUNTY, TEXAS

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

MF115616
File No. Assignment 10369
Atlantic Electric Atlantic
Date Filed: 8-24-17
George P. Bush, Commissioner
By [Signature]

2017

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Assignment 10369 dated Feb 3 2017 filed for record in my office this 7th day of February at 9:55 A.M. under Clerk's File No. 17-0956, to be recorded in the Official Public Records of Reeves County, Texas.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 7th day of February, 20 17.
By [Signature] Deputy.
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 5, 2018

CERTIFIED MAIL: 7016 2070 0000 7391 9875

Mr. Douglas Prieto
Chief Commercial Officer
Atlantic Resources Company
300 North Marienfield, Suite 1000
Midland, TX 79701

RE: Request to Surface Commingle Oil and Gas Production from wells Armstrong State #1, GS State #1, Roberts State #1, Brackenridge State 57-44 #1, Harrison State 56-37 #1, and Harrison State 56-38 #3ST in Conjunction with Railroad Commission of Texas Commingling Permit (Unavailable) in Reeves County, Texas

Dear Mr. Prieto

The Texas General Land Office (GLO) has received notification by letter on November 28, 2017 of your intent to surface commingle oil and gas production from the above wells. GLO staff have performed an administrative and technical review of your request.

Based on your failure to file an application as of February 5, 2018, permission to surface commingle the above leases is hereby denied.

Please be advised that GLO is providing a copy of this letter to the Railroad Commission of Texas and that any commingling permit granted by them for Exception to Statewide Rules (SWR) 26 and/or 27 associated with the above leases may be subject to forfeiture. Furthermore, any surface commingling that occurs on the above leases in the absence of GLO permission represents a breach of your State leases, and may make the leases subject to forfeiture as well.

If you have further questions, please feel free to contact me at tom.ortiz@glo.texas.gov or 512-463-5296.

Sincerely

A handwritten signature in black ink, appearing to read "Thomas M. Ortiz". The signature is fluid and cursive, with the first name "Thomas" and last name "Ortiz" clearly legible, and a middle initial "M." in between.

Thomas Manuel Ortiz, Ph.D., P.E.
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit
Darlene Williams, Railroad Commission of Texas



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 2, 2018

CERTIFIED MAIL: 7016 2070 0000 7391 9868

Mr. Douglas Prieto
Vice President
Atlantic Resources Company
300 North Marienfield, Suite 1000
Midland, TX 79701

RE: Request to Surface Commingle Oil and Gas Production from State Mineral Leases MF112682, MF112396, MF111869, MF117754, MF117755, MF117756, MF117757, MF117758, MF112451, MF112452, MF113664, MF115616, MF116656, MF118155, MF117612, MF114473, and MF116869 (Muddy Waters 30 2H, BB King 32H, Gateway 22 2H, Orbison 28 Unit, Johnny Cash 23 Unit, Gateway 38 2H, State Dagger 37-48 Unit, State Clark 38-47 Unit, State Gateway 37-48 Unit, State Pedro 9) in Conjunction with Railroad Commission of Texas Commingling Permit (Unavailable) in Reeves County, Texas

Dear Mr. Prieto

The Texas General Land Office (GLO) has received notification by letter on November 28, 2017 of your intent to surface commingle oil and gas production from State Mineral Leases MF112682, MF112396, MF111869, MF117754, MF117755, MF117756, MF117757, MF117758, MF112451, MF112452, MF113664, MF115616, MF116656, MF118155, MF117612, MF114473, and MF116869 (Muddy Waters 30 2H, BB King 32H, Gateway 22 2H, Orbison 28 Unit, Johnny Cash 23 Unit, Gateway 38 2H, State Dagger 37-48 Unit, State Clark 38-47 Unit, State Gateway 37-48 Unit, State Pedro 9), and to utilize gas lift with off-lease gas on the same State Mineral Leases. GLO staff have performed an administrative and technical review of your request.

Based on your failure to file an application as of February 2, 2018, permission to surface commingle the above leases is hereby denied.

Please be advised that GLO is providing a copy of this letter to the Railroad Commission of Texas and that any commingling permit granted by them for Exception to Statewide Rules (SWR) 26 and/or 27 associated with the above leases may be subject to forfeiture. Furthermore, any surface commingling that occurs on the above leases in the absence of GLO permission represents a breach of your State leases, and may make the leases subject to forfeiture as well.

If you have further questions, please feel free to contact me at tom.ortiz@glo.texas.gov or 512-463-5296.

Sincerely

A handwritten signature in black ink that reads "Thomas M. Ortiz". The signature is written in a cursive, flowing style.

Thomas Manuel Ortiz, Ph.D., P.E.
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit
Darlene Williams, Railroad Commission of Texas

File No. MF 115616

Reeves County

Commingling Denial

Date Filed: 2/6/2018

George P. Bush, Commissioner
By Shamir M. Ostry



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 22, 2018

CERTIFIED MAIL: 7011 1150 0001 2420 5547

Mr. Douglas Prieto
Chief Commercial Officer
Atlantic Resources Company, LLC
300 North Marienfield, Suite 1000
Midland, TX 79701

RE: Application to Surface Commingle Oil and Gas Production from State Mineral Leases MF112451, MF112452, MF113664, MF112682, MF118838, MF117754, MF117755, MF117756, MF117757, MF117758, MF112396, MF111869, MF114473, MF116893, MF117612, MF115616, MF116656, and MF118155 (Orbison 28 Unit, BB King 32 2H, State Clark 38-47 Unit, State Dagger 37-48 Unit, State Gateway 22 2H, State Gateway 37-48 #3H Unit, State Gateway 38 #2H, Johnny Cash 23 Unit, State Muddy Waters 30 2H) in Conjunction with Railroad Commission of Texas Commingling Permit N/A in Reeves County, Texas

Dear Mr. Prieto

The Texas General Land Office (GLO) received your application, dated March 2, 2018 as revised on May 4, 2018, to surface commingle oil and gas production from and to utilize gas lift with off-lease gas on the above State Mineral Leases. GLO staff have performed an administrative and technical review of your application.

On the condition that Atlantic Resources Company, LLC first satisfies all of the requirements set out in #1 - #15 on p.1 - 3 of this letter, then, in that event, the application is approved.

1. Per 31 Texas Administrative Code (TAC) §9.35(a)(2), all fluids produced from the wells to be commingled must flow "through oil and gas separators of ample capacity and in good working order...before sale or surface commingling with production from any other lease and/or pooled unit". Gross production shall be measured by single-phase oil, gas, and water meters installed at the separator outlets prior to sale or surface commingling.

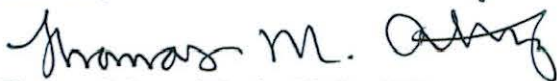
2. Per 31 TAC §9.35(a)(2), you are required to conduct all measurement “in accordance with the American Gas Association (AGA) standards and all applicable chapters of the American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS)”. Measurement shall be conducted, per those standards, for both the quantity and quality of all fluid streams.
3. Sampling frequency shall be equal to or greater than the recommendation in MPMS 20.1 §1.11.3, as required for accurate allocation. Samples shall be taken at the outlets of each first separator stage, at each gas lift supply and distribution meter, and at all points of custody transfer. Industry standard laboratory analysis shall be performed on each sample, with sampling and analysis performed in compliance with MPMS 8.1, 8.2, 9.1, 14.1 and any other applicable chapters.
4. Meter proving, testing and calibration plans as required per MPMS 20.2 §5, §6.5.1, §7.5.1 and §7.5.3 shall be made available to GLO staff for inspection upon request.
5. All lease oil and gas production royalties shall be due based upon the terms in your lease, and royalty payments shall be made per 31 TAC §9.51. Note that royalty is also due on all non-sales hydrocarbon dispositions (e.g. flare, fuel, instrument, lift, and vent gas).
6. Processed gas allocation factors shall be calculated on a mass (molecular) balance basis, i.e. each processed gas component shall be allocated individually in accordance with the requirements in MPMS 20.1 §1.15.3. Non-processed gas allocation factors shall be calculated on an energy balance basis.
7. You shall retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas sample/stream analysis reports, shrinkage/flash calculation reports, and any other documents within the scope of this commingling approval for a period of at least seven (7) years after creation of each document.
8. You shall obtain permission from GLO before making any changes to the flow process or metering scheme, adding leases or wells to the list of those being commingled, or making any other material change to the commingling application as approved by this letter.
9. You shall obtain approval of your pending surface commingling permit application from the Railroad Commission of Texas, if applicable, and provide GLO with a copy within ten days of its approval.
10. You shall calculate all allocation factors on a proportional basis, i.e. gross (metered) lease production divided by gross (metered) commingled production. You shall not allocate by difference. The term production as used in this condition shall be defined as appropriate (i.e. volume, mass, energy) for each allocated phase (e.g. see Condition 6).

11. You shall continuously meter the gas lift supply to each well and the gas that passes through any other gas lift supply and distribution meter.
12. You shall account for the presence of any lift and/or buyback gas that is produced along with in situ reservoir gas at the allocation meters when calculating gas allocation factors: this accounting shall be by mass balance (processed gas components) and by energy balance (non-processed gas) as appropriate (see also Condition 6).
13. You shall sample and analyze, in the manner specified by Condition 3, the flare on each lease for which gas is not being sold through the allocation meter until such time as sufficient gas is being sold through the allocation meter to allow sampling at that location. At that time, the allocation meter analysis may be used for the flare.
14. You shall allocate and pay royalty on hydrocarbon liquids collected at the Lowe Compressor Station ("Lowe liquids") as oil.
15. You shall allocate all buyback, fuel and lift gas in the manner specified by Condition 6. Shrink shall be subtracted from gross energy content before computing residue allocation factors. Total residue to be allocated shall be the quantity reported on the processing plant settlement statement. Buyback allocation factors shall be determined using the quantities and analyses measured at the individual lease meters.

Please be advised that you have an ongoing obligation to maintain compliance with these standards and conditions. GLO staff will verify compliance during periodic financial audits, which will include, but are not limited to, independent allocation verification studies. GLO reserves the right to validate or question your measurement and detailed allocation methodology based on our own analysis.

If you have further questions, please feel free to contact me at tom.ortiz@glo.texas.gov or 512-463-5296.

Sincerely



Thomas Manuel Ortiz, Ph.D., P.E.
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit

File No. MF 115 616Reeves CountyCommingling ApprovalDate Filed: 5/22/2016By George P. Bush, Commissioner,
Shirley M. Cating

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Submitted
Date: 01/19/2018
Tracking No.: 178213

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG**OPERATOR INFORMATION**

Operator Name: ATLANTIC RESOURCES COMPANY, LLC Operator No.: 036555
Operator Address: PO BOX 3759 MIDLAND, TX 79702-0000

WELL INFORMATION

API No.: 42-389-35548 County: REEVES
Well No.: 1H RRC District No.: 08
Lease Name: STATE DAGGER 37-48 Field Name: FORD, WEST (WOLFCAMP)
RRC Gas ID No.: Field No.: 31913800
Location: Section: 37, Block: 56, Survey: PSL/GREEN, V L, Abstract: 4577
Latitude: 31.53883 Longitude: -103.89732
This well is located 23.2 miles in a NW direction from PECOS, which is the nearest town in the county.

FILING INFORMATION

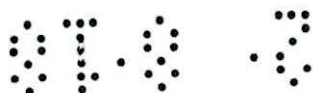
Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing Completion or Recompletion Date: 08/07/2017
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or Deepen 12/12/2016 820440
Rule 37 Exception
Fluid Injection Permit
O&G Waste Disposal Permit
Other:

COMPLETION INFORMATION

Spud date: 01/28/2017 Date of first production after rig released: 08/07/2017
Date plug back, deepening, recompletion, or drilling operation commenced: 01/28/2017 Date plug back, deepening, recompletion, or drilling operation ended: 02/26/2017
Number of producing wells on this lease in this field (reservoir) including this well: 1 Distance to nearest well in lease & reservoir (ft.): 0.0
Total number of acres in lease: 1294.90 Elevation (ft.): 3238 GR
Total depth TVD (ft.): 10252 Total depth MD (ft.): 18181
Plug back depth TVD (ft.): Plug back depth MD (ft.):
Was directional survey made other than inclination (Form W-12)? Yes Rotation time within surface casing (hours): 24.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No Multiple completion? No
Type(s) of electric or other log(s) run: Combo of Induction/Neutron/Density
Electric Log Other Description:
Location of well, relative to nearest lease boundaries of lease on which this well is located: Off Lease: No
228.0 Feet from the North Line and
330.0 Feet from the East Line of the
STATE DAGGER 37-48 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type
-------------------	-------------------------	----------	--------------------



G1: N/A
 PACKET FORD, WEST (WOLFCAMP) 1H Producing

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination Depth (ft.): 1600.0 Date: 11/30/2016
 SWR 13 Exception Depth (ft.):

GAS MEASUREMENT DATA

Date of test: 08/31/2017 Gas measurement method(s):
 Gas production during test (MCF): 3105 Orifice Meter, Flange Taps
 Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	4.026	2.00	26235.75	107.2	26.8	107.6	0.9568	0.8827	1.011	1035.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.768 Gravity (liquid hydrocarbons) (Deg. API): 51.6
 Gas-Liquid Hydro Ratio (CF/Bbl): 7961 Gravity (mixture): Gmix= 1.064
 Avg. shut in temp. (°F): 129.0 Bottom hole temp. and depth: 199.0 °F@ 10252.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	1440	0.00	850	70.0
1	4320	2.00	660	110.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	13 3/8	17 1/2	1765		1759	C	1475	2469.0	SURF	Circulated to Surface ACE
2	Intermediate	9 5/8	12 1/4	9840		9844	C	815	2359.0	SURF	Circulated to Surface ACE
3	Conventional Production	5 1/2	8 1/2	21622		18181	H	2810	4953.0	SURF	Circulated to Surface ACE

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
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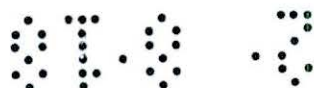
N/A

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 7/8	9909	9900 / 2 7/8" X 5 1/2" AS-X

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 10516	18090



ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed?

Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 9800

Actual maximum pressure (PSIG) during hydraulic fracturing: 9500

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)?

Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)
1	Fracture	369,251 BBLS (15% HCL ACID; 10# LINEAR GEL; FRESH WATER, SLICKWATER)	10516.0 18090.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	3724.0	3724.0	Yes	
CASTILLE	Yes	1870.0	1870.0	Yes	
BELL CANYON	Yes	3724.0	3724.0	Yes	
DELAWARE	Yes	3690.0	3690.0	Yes	
DELAWARE CONSOLIDATED GAS	Yes	3690.0	3690.0	Yes	
CHERRY CANYON	Yes	4688.0	4688.0	Yes	
BONE SPRINGS	Yes	7130.0	7130.0	Yes	
PERMIAN	Yes	3690.0	3690.0	Yes	
WOLFCAMP	Yes	10125.0	10125.0	Yes	
PENNSYLVANIAN	No			No	NOT DEEP ENOUGH
MISSISSIPPIAN	No			No	NOT DEEP ENOUGH
DEVONIAN	No			No	NOT DEEP ENOUGH
FUSSELMAN	No			No	NOT DEEP ENOUGH
ELLENBURGER	No			No	NOT DEEP ENOUGH

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)?

Yes

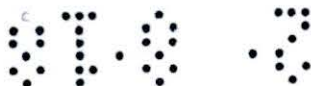
Is the completion being downhole commingled (SWR 10)?

No

REMARKS

RRC REMARKS**PUBLIC COMMENTS:****CASING RECORD :****TUBING RECORD:****PRODUCING/INJECTION/DISPOSAL INTERVAL :****ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :****GAS MEASUREMENT DATE REMARK:**

GAS PRODUCED DURING TEST (3105 MCF) IS A 72 HR TEST.

OPERATOR'S CERTIFICATION**Printed Name:** Cayli Bergman**Title:** Production Analyst**Telephone No.:** (432) 253-8321**Date Certified:** 01/19/2018

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

ELECTRIC LOG
STATUS REPORT

FORM L-1

Tracking No.: 178213

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: ATLANTIC RESOURCES COMPANY, LLC	District No. 08	Completion Date: 08/07/2017
Field Name FORD, WEST (WOLFCAMP)	Drilling Permit No. 820440	
Lease Name STATE DAGGER 37-48	Lease/ID No.	Well No. 1H
County REEVES	API No. 42- 389-35548	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential. ☐

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion:

Lease or ID No(s). _____

Well No(s). _____

Haylie Urias

Signature

Name (print)

Regulatory & Production

Title

(432) 253-8312

Phone

11/07/2017

Date

-FOR RAILROAD COMMISSION USE ONLY-



Company: Atlantic Resources Company, LLC

Well: State Dagger 37-48 1H

Field: Ford, West (Wolfcamp)

County: Reeves State: Texas

Spectral Gamma Ray

CCL

County: Reeves
 Field: Ford, West (Wolfcamp)
 Location: 225' FNL & 330' FEL
 Well: State Dagger 37-48 1H
 Company: Atlantic Resources Company, LLC

Location:	225' FNL & 330' FEL		Elev.:	K.B.	3262.00 ft
	Section: 37, Block: 56, Abstract: 4577			G.L.	3237.00 ft
	Public School Land/Green, V L Survey			D.F.	3261.00 ft
	Permanent Datum:		Ground Level	Elev.:	3237.00 f
	Log Measured From:		Kelly Bushing	25.00 ft	above Perm.Datur
	Drilling Measured From:		Kelly Bushing		
	API Serial No.	Section:	Block:	Survey:	
	42-389-35548	37	56	PSL/Green	

Logging Date	05-Apr-2017	
Run Number	2A	
Depth Driller	18181.00 ft	
Schlumberger Depth	16710.00 ft	
Bottom Log Interval	16710.00 ft	
Top Log Interval	9500.00 ft	
Casing Fluid Type	Fresh Water	
Salinity		
Density	9 lbm/gal	
Fluid Level	25.00 ft	
BIT/CASING/TUBING STRING		
Bit Size	8.50 in	
From	9836.00 ft	
To	18181.00 ft	
Casing/Tubing Size	5.5 in	
Weight	20 lbm/ft	
Grade	P110	
From	25.00 ft	
To	18181.00 ft	
Max Recorded Temperatures	177 degF	
Logger on Bottom	Time	06-Apr-2017 00:08:00
Unit Number	Location:	9101 Midland, TX
Recorded By	C. Henson	
Witnessed By	Evan Wauhob	

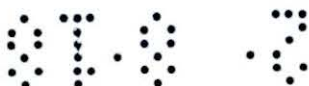
CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 178213

1. Field name exactly as shown on proration schedule FORD, WEST (WOLFCAMP)		2. Lease name as shown on proration schedule STATE DAGGER 37-48					
3. Current operator name exactly as shown on P-5 Organization Report ATLANTIC RESOURCES COMPANY, LLC		4. Operator P-5 no. 036555	5. Oil Lse/Gas ID no	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code PO BOX 3759 MIDLAND, TX 79702		9. Well no(s) (see instruction E) 1H					
		10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)			11. Effective Date 08/07/2017		
12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G) a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code ☐ field name from _____ ☐ lease name from _____ OR b. New RRC Number for: ☐ oil lease ☒ gas well ☐ other well (specify) _____ Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)							
13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X	X	EAGLECLAW MIDSTREAM VENTURES, LLC(238465)			0001	100.0	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)						Percent of Take	
ENTERPRISE CRUDE OIL LLC(253117)						100.0	
RRC USE ONLY: Reviewer's initials: _____ Approval date: _____							
15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission. Name of Previous Operator _____ Signature _____ Name (print) _____ ☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G) Title _____ Date _____ Phone with area code _____							
16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission. Name (print) _____ Signature _____ Regulatory & Production ☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G) Title _____ hurias@arcoperating.com 11/07/2017 (432) 253-8312 E-mail Address (optional) _____ Date _____ Phone with area code _____							



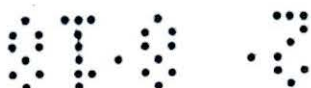
RAILROAD COMMISSION OF TEXAS
Oil and Gas DivisionGAS WELL
CLASSIFICATION REPORT

Form G-5

Tracking No.: 178213

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report) ATLANTIC RESOURCES COMPANY, LLC		3. RRC DISTRICT NO. 08	4. OIL LEASE NO OR GAS WELL ID NO.
2. MAILING ADDRESS PO BOX 3759 MIDLAND, TX 79702		5. WELL NO. 1H	6. API NO. 42- 389-35548
		7. COUNTY OF WELL SITE REEVES	
8. FIELD NAME (as per RRC Records) FORD, WEST (WOLFCAMP)		9. LEASE NAME STATE DAGGER 37-48	
10. LOCATION (Section, Block and Survey) 37 , 56 , PSL/GREEN, V L , A-4577		11. PIPELINE CONNECTION OR USE OF GAS EAGLECLAW MIDSTREAM	
PRODUCTION TEST AT RATE ELECTED BY OPERATOR (data on 24-hour basis)		A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.	
A. Date of Test 08/31/2017		Date Liquid Sample Obtained 09/08/2017	
B. Gas Volume 1035.0 (Mcf)		Where Obtained: ☐ Separator ☒ Stock Tank	
C. Oil or Condensate Volume 130.0 (Bbl)		% Over Temp. (deg. F)	
D. Water Volume 3163.0 (Bbl)		Initial Boiling Temp. 119.0 60 442.0	
E. Gas/Liquid Hydrocarbon Ratio 7961 (Cf/Bbl)		10 223.0 70 504.0	
F. Flowing Tubing Pressure 660 (psia)		20 259.0 80 582.0	
G. Choke Size 2.00 (in.)		30 293.0 90 687.0	
H. Casing Pressure 1115.0 (psia)		40 332.0 95 718.0	
I. Shut-in Wellhead Pressure-- Tubing 850 (psia)		50 385.0 End Point 772.0	
J. Separator Operating Pressure 120.0 (psia)		Total Recovery 95.3 percent	
K. Color of Stock Tank Liquid Light Straw		Residue 4.2 percent	
L. Gravity of Separator Liquid 51.6 °API		Loss 0.5 percent	
M. Gravity of Stock Tank Liquid 51.6 °API			
N. Specific Gravity of the Gas (Air = 1) 0.768			
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge. 01/18/2018 DATE		RRC USE ONLY	
		NAME (Type or Print)	
		Cayli Bergman SIGNATURE	
		Production Analyst TITLE	
		(432) 253-8321 PHONE NUMBER	
		CONTACT PERSON	



Tracking No.: 178213

OPERATOR NAME AND ADDRESS including city, state and zip

ATLANTIC RESOURCES COMPANY, LLC

PO BOX 3759

MIDLAND, TX 79702

**GAS WELL
STATUS REPORT**

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

P.O. Box 12967

Austin, Texas 78711-2967

*This facsimile G-10 was generated electronically
from data submitted to the RRC.*

Reason for Filing

☐

Survey

☐

Retest

☒

Initial Test

☐

Correction

Operator P-5 Organization No.

036555

RRC Dist. No.

08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME * LEASE NAME	RRC IDENT NO.	DATE TESTED MO/DAY/YR	GAS PRODUCED MCF/DAY **	CONDENSATE PRODUCED	WATER PROD BBL/DAY	***SIWH PRESSURE PSIA
	WELL NO.	MARK X FOR SHUT-IN WELL	GAS SPEC. GRAVITY	CONDENSATE GRAVITY (API)	X BOTTOMHOLE PRESSURE PSIA	***FLOWING PRESSURE PSIA
FORD, WEST (WOLFCAMP)		08/31/2017	3105 MCF	130.0 BBL	3163.0 BBL	850
STATE DAGGER 37-48	1H		0.768	51.6	660	660
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

ATLANTIC RESOURCES COMPANY LLC

Signature: JONAH MELANCON

Title:

Phone: (432) 683-3272

Date: 01/18/2018

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-Well STREAM, INCLUDING
CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 30 November 2016**GAU Number:** 163378**Attention:** ATLANTIC RESOURCES
PO BOX 3759
MIDLAND, TX 79702**Operator No.:** 036555**API Number:**
County: REEVES
Lease Name: State Dagger 37-48
Lease Number:
Well Number: 1H
Total Vertical Depth: 12000
Latitude: 31.539045
Longitude: -103.897330
Datum: NAD27**Purpose:** New Drill**Location:** Survey-PSL; Abstract-4577; Block-56; Section-37

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

Water-bearing strata from the land surface to a depth of 400 feet and the Rustler, which is estimated to occur from 1100 to 1600 feet must be protected.

Please send Gamma Ray/Porosity log of this well when it is available.

This recommendation is applicable to all wells within a radius of 200 feet of this location.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 11/28/2016. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014





RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev 08/2014

CEMENTING REPORT

Cementer: Fill in shade areas.
Operator: Fill in other items.

OPERATOR INFORMATION

Operator Name: Atlantic Resources Operator P-5 No.:
Cementer Name: Crest Pumping Technologies Cementer P-5 No.: 189898

WELL INFORMATION

District No.: County:
Well No.: 1H API No.: Drilling Permit No.:
Lease Name: State Dagger 37-48 Lease No.:
Field Name: Field No.:

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☒ Surface ☐ Intermediate ☐ Liner ☐ Production
Drilled hole size (in.): 17 1/2 Depth of drilled hole (ft.): 1,765 Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): 13 3/8 Casing weight (lbs/ft) and grade: 54.5# No. of centralizers used:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks. Setting depth shoe (ft.): 1,759 Top of liner (ft.):
Setting depth liner (ft.):
Hrs. waiting on cement before drill-out: Calculated top of cement (ft.): Cementing date: 1/29/2017

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	975	Class C 65/35	Remarks 1	1,804	2,597
2	500	Class C	Remarks 2	665	957
3					
Total	1,475			2,469	3,554

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.): Depth of drilled hole (ft.): Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): Casing weight (lbs/ft) and grade: No. of centralizers used:
Tapered string drilled hole size (in.) Tapered string depth of drilled hole (ft.)
Upper: Lower: Upper: Lower:
Tapered string size of casing in O.D. (in.) Tapered string casing weight(lbs/ft) and grade Tapered string no. of centralizers used
Upper: Lower: Upper: Lower: Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO Setting depth shoe (ft.):
Hrs. waiting on cement before drill-out: Calculated top of cement (ft.): Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.): Depth of drilled hole (ft.): Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): Casing weight (lbs/ft) and grade: No. of centralizers used:
Tapered string drilled hole size (in.) Tapered string depth of drilled hole (ft.)
Upper: Lower: Upper: Lower:
Tapered string size of casing in O.D. (in.) Tapered string casing weight(lbs/ft) and grade Tapered string no. of centralizers used
Upper: Lower: Upper: Lower: Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO Setting depth tool (ft.):
Hrs. waiting on cement before drill-out: Calculated top of cement (ft.): Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					



CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON

	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS

- 1 3% Salt, 6% Bentonite Gel, 0.4% CPT-503p, 0.25# Cellophane Flakes
- 2 0.2% CPT-19, 0.25% Cellophane Flakes
- 3
- 4

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Clayton Greene / Cementer

Crest Pumping Technologies



Name and title of cementer's representative

Cementing Company

Signature

P.O. Box 117 Jacksboro, TX 76458

940-567-3392

1/30/2017

Address City, State, Zip Code

Tel Area Code Number

Date mo day yr

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that the data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Typed or printed name of operator's representative

Title

Signature

Address City, State, Zip Code

Tel Area Code

Number

Date

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- A. **What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.

The Form W-15 should be filed with the form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

- B. **How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).

- C. **Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?si=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&ptac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?si=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&ptac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

- D. **Estimated % wash-out:** If the estimated % wash-outs less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as caliper log to show how the estimated % wash-out was obtained.
- E. **Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- F. **Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W15's to show all data for multiple parallel strings.
- G. **Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.





RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

Form W-15

Rev 08/2014

CEMENTING REPORT

Cementor: Fill in shade areas.

Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: Atlantic Resources			Operator P-5 No.: 036555		
Cementor Name: Crest Pumping Technologies			Cementor P-6 No.: 188898		

WELL INFORMATION					
District No.: 08		County: Reeves			
Well No.: 1H		API No.: 42-389-35548		Drilling Permit No.: 820440	
Lease Name: State Dagger 37-48		Lease No.:			
Field Name: Ford, West (Wolfcamp)		Field No.: 31913900			

I. CASING CEMENTING DATA					
Type of casing:	☐ Conductor	☐ Surface	☐ Intermediate	☐ Liner	☐ Production
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:		
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):		Top of liner (ft.):
Hrs. waiting on cement before drill-out:			Calculated top of cement (ft.):		Cementing date:

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

II. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☒ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.): 12 1/4"	Depth of drilled hole (ft.): 9036'		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.): 9 5/8"	Casing weight (lbs/ft) and grade: 43# HCL-80		No. of centralizers used: 42		
Tapered string drilled hole size (in.):		Tapered string depth of drilled hole (ft.):			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.):		Tapered string casing weight (lbs/ft) and grade:		Tapered string no. of centralizers used:	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out: 29		Calculated top of cement (ft.): 4973'		Cementing date: 2/10/2017	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	850	Class C	See Remarks	2,003	6,683
2	165	Class C	See Remarks	288	848
3					
Total	815			2,359	7,531

III. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☒ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.): 12 1/4"	Depth of drilled hole (ft.): 9036'		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.): 9 5/8"	Casing weight (lbs/ft) and grade: 43# HCL-80		No. of centralizers used: 41		
Tapered string drilled hole size (in.):		Tapered string depth of drilled hole (ft.):			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.):		Tapered string casing weight (lbs/ft) and grade:		Tapered string no. of centralizers used:	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO			Setting depth tool (ft.): 4973'		
Hrs. waiting on cement before drill-out: 29		Calculated top of cement (ft.): 0		Cementing date: 2/10/2017	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	570	Class C	See Remarks	1,830	5,842
2	100	Class C		133	425
3					
Total	670			1,963	6,267

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lb/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS	
1	5% Salt, 3% CPT-45, 0.4% CPT-503p, 0.6% CPT-19, 5% Gypsum, 4# Kol Seal, 0.125# Celophane Flakes, 0.2% CPT-20A, 0.2% Citric Acid
2	3% Salt, 1% Bentonite Gel, 0.5% CPT-19, 0.25% CD-3, 3# Kol Seal, 0.2% CPT-20A
3	5% Salt, 3% CPT-45, 0.4% CPT-503p, 0.6% CPT-19, 5% Gypsum, 4# Kol Seal, 0.125# Celophane Flakes
4	

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Steven Edmonson / Cementer	Crest Pumping Technologies	
Name and title of cementer's representative	Cementing Company	Signature
P.O. Box 117 Jacksboro, TX 76458	940-567-3392	2/10/2017
Address City, State, Zip Code	Tel. Area Code Number	Date mo day yr

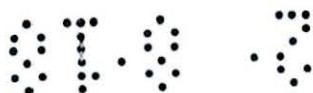
OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that the data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

	Drilling	
Typed or printed name of operator's representative	Title	Signature
P.O. Box 3759	Midland TX 79702	432-683-3272
Address City, State, Zip Code	Tel. Area Code Number	Date
		11-7-17

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.nrc.state.tx.us/security/login.do>), or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readac\\$extl.TacPage?st=R&app=98p_dir=&p_noc=&p_hoc=&p_ploc=&pg=1&ptac=&bi=16&pi=1&ch=3&i=14](http://info.sos.state.tx.us/pls/pub/readac$extl.TacPage?st=R&app=98p_dir=&p_noc=&p_hoc=&p_ploc=&pg=1&ptac=&bi=16&pi=1&ch=3&i=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-outs less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15's to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three sluries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.





RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

MAR 24 2017

CEMENTING REPORT

Cementer: Fill in
Operator: Fill in other

OPERATOR INFORMATION					
Operator Name: Atlantic Resources Company			Operator P-5 No.:		
Cementer Name: Crest Pumping Technologies			Cementer P-5 No.: 189898		
WELL INFORMATION					
District No.:		County: Reeves			
Well No.: 1H		API No.:		Drilling Permit No.:	
Lease Name: State Dagger 37-48		Lease No.:		Field No.:	
Field Name:					
I. CASING CEMENTING DATA					
Type of Casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☒ Production					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.				Setting depth shoe (ft.):	
				Top of liner (ft.):	
				Setting depth liner (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date: 02/25/17	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	750	Class H	See Remarks	2,378	10,381
2	2060	Class H	See Remarks	2,575	11,241
Total	2,810			4,953	21,622
II. CASING CEMENTING DATA					
Type of Casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered Production ☐ Multi-stage cement shoe ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.) Upper: Lower:		Tapered string depth of drilled hole (ft.) Upper: Lower:			
Tapered string size of casing in O.D. (in.) Upper: Lower:		Tapered string casing weight (lbs/ft) and grade Upper: Lower:		Tapered string no. of centralizers used Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks.				Setting depth shoe (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
Total					
III. CASING CEMENTING DATA					
Type of Casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered Production ☐ Multi-stage cement/DV Tool ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.) Upper: Lower:		Tapered string depth of drilled hole (ft.) Upper: Lower:			
Tapered string size of casing in O.D. (in.) Upper: Lower:		Tapered string casing weight (lbs/ft) and grade Upper: Lower:		Tapered string no. of centralizers used Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks.				Setting depth shoe (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
Total					

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							
REMARKS							

5 bwow Sodium Chloride, 5 % Cal Seal, 0.6 % CPT-19, 1.5 % CPT-45, 0.4 % CPT-503P, 0.125 lbs/sk Cellophane Flake, 3 lbs/sk Kol Seal, 0.1 % Citric Acid, 5 bwow Sodium Chloride, 2 % Bentonite Gel, 0.3 % CPT-19, 0.4 % CD-3, 0.4 % CPT-49, 0.2 % CPT-20A.

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Nathan Hall Crest Pumping Technologies Nathan Hall
 Name and title of cementer's representative Cementing Company Signature

P.O. Box 117 Jacksboro, TX 76458

940-567-3392

02/25/2017

Address City, State, Zip Code

Tel: Area Code Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Typed or printed name of operator's representative

Title

Signature

Address City, State, Zip Code

Tel: Area Code Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

A. What to file: An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.

The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. How to file: An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).

C. Surface casing: An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

D. Estimated % wash-out: If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.

E. Multi-stage cement: An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool. and Multi-stage cement shoe. The operator must

F. Multiple parallel strings: An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.

G. Slurry data: If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

**RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
CERTIFICATE OF COMPLIANCE STATEWIDE RULE 36**

FORM H-9
12/12/77
DBC0697
FILE WITH
DISTRICT OFFICE
IN TRIPLICATE

1. Operator Atlantic Resources Company, LLC			2. Operator Number (See Instruction 13) 036555			3. RRC Dist.					
4. Street or P.O. Box No. P.O. Box 3759			5. City Midland			6. State TX					
7. Zip Code 79702			8. Name of Lease, Facility or Operation Allman 24			9. Field or Area Name Ford, West (Wolfcamp)					
10. County Reeves			11. General Operation Type - Circle One: A - Oil Field Production C - Pipeline or Gathering Sys. ☒ E - Drilling or Workover G - Combination (explain) ☒ B - Gas Field Production D - Gasoline Plant F - Sweetening Unit H - Other (explain)			Other Explanation API#42-389-36164					
12. RRC ID# of Operation(s) to be Covered by This Certificate Pending			Type ID Code (See Instruction 12) 2			Indicate if Filing for Storage Facility Only YES ☐ NO ☒					
13. Hydrogen Sulfide Concentration 250 PPM			14. Maximum Escape Volume 3365 MCF/Day								
15. 100 PPM Radius of Exposure (ROE) 836 Ft.			16. 500 PPM Radius of Exposure (ROE) 239 Ft.								
17. Operation is Existing ☐ New ☒			18. Modification Resulting in Certificate Change Yes ☐ No ☒								
19. Workover or Drilling Well with 100 PPM ROE Greater than 3000 feet on Rule 36 Certified Well/Lease ☐ Yes ☒ No											
20. Previous Certificate Number if Available (For Amended Certificates)											
21. The 100 PPM ROE includes any part of a public area except a public road Yes ☐ No ☒											
22. The 500 PPM ROE includes any part of a public road Yes ☐ No ☒											
23. Injection of fluid containing Hydrogen Sulfide (See Instruction 14) Yes ☐ No ☒											
24. Date (or Depth) of Compliance with all applicable provisions of Rule 36 04/09/2017 Mo / Day / Year											
Depth of Compliance for Drilling Operation Ft. From Surface											
25. Contingency Plan Location of Plan (See Instruction 15) 300 N. Marienfeld, Ste 1000; Midland, TX 79702			Has been prepared Yes ☒ No ☐								
26. Location of data used to prepare this certificate (See Instruction 15) Atlantic Resources Company LLC 300 N. Marienfeld, Ste 1000; Midland, TX 79702											

CERTIFICATE

I declare under penalties prescribed in section 91.143, Natural Resource Code, that I am authorized to make this report, that this report was prepared by me or under my supervision, and that I am qualified to make this certification by virtue of my training and experience, and by my analysis of the operation being certified, or by the analysis of qualified person working under my supervision, and that the data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Representative of Company

(432) 683-3272

Title

08/18/2017

Phone No. Date

RAILROAD COMMISSION USE ONLY

This operation and the equipment used therein is approved on the basis of the above certification and is subject to further Commission audit for compliance with the required provisions of Statewide Rule 36. This approval may be cancelled if investigation determines that the operation does not comply with the provisions of Statewide Rule 36.

APPROVED BY: _____ DATE: _____

REMARKS: _____ CERTIFICATION NUMBER: _____



**CERTIFICATE OF
POOLING AUTHORITY**

Revised 05/2001

P-12
DBC1001

1. Field Name(s) All Fields	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name Atlantic Resources Company, LLC	5. Operator P-5 Number 036555	6. Well Number 1H
7. Pooled Unit Name State Dagger 37-48	8. API Number	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County Reeves	11. Total acres in pooled unit 1294.9	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS UNLEASED NON-POOLED	
1	R. L. Harrison (GLO)	322.2	☐	☐
2	R. L. Harrison (GLO)	320.5	☐	☐
3	Troy A. Carmichael Trust (GLO)	652.2	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

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.

Signature

Travis Hutt

Print Name

Landman

thutt@arcoperating.com

11/14/2016

(432)683-3272

Title

E-Mail (if available)

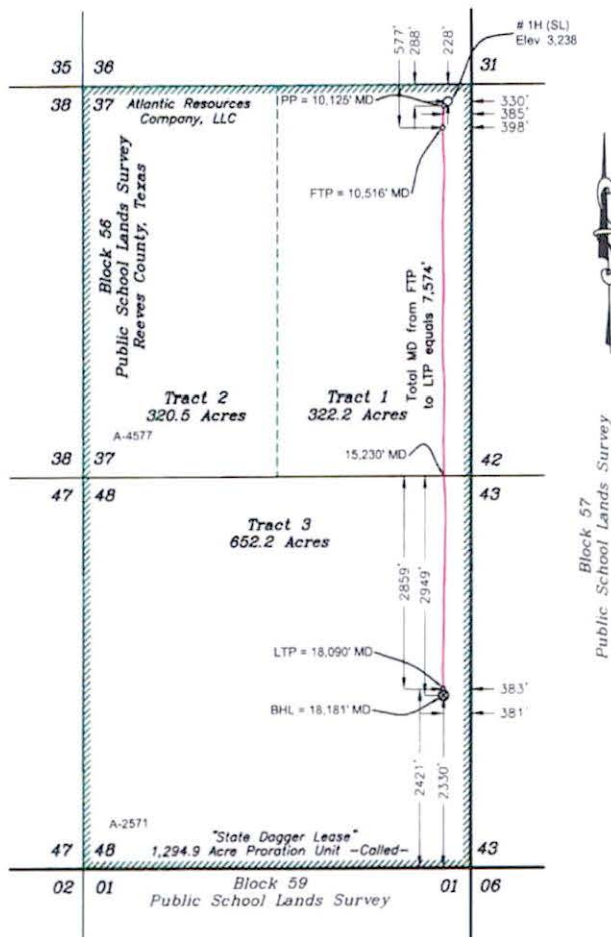
Date

Phone

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

- 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.
- 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.
- If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
- 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.
- If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
- Identify the drill site tract with an * to the left of the tract identifier.
- The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

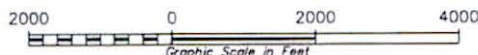




Tract #	Lessor	Acres
1	R.L. Harrison (GLO)	322.2
2	R.L. Harrison (GLO)	320.5
3	Troy A. Carmichael Trust (GLO)	652.2
Total		1294.9

	State Plane Coordinate		Geodetic (D.M.S.)		Geodetic (D.D.)	
Surface Location	X = 889,858.24	Y = 698,677.38	Lat = 31°32'19.82" N	Long = 103°53'50.38" W	Lat = 31°53'38.44" N	Long = 103°53'32.91" W
Penetration Point	X = 889,800.93	Y = 698,619.11	Lat = 31°32'19.22" N	Long = 103°53'51.03" W	Lat = 31°53'38.72" N	Long = 103°53'50.70" W
First Take Point	X = 889,779.16	Y = 698,330.28	Lat = 31°32'16.36" N	Long = 103°53'51.17" W	Lat = 31°53'38.77" N	Long = 103°53'50.71" W
Last Take Point	X = 889,564.04	Y = 699,773.09	Lat = 31°31'01.53" N	Long = 103°53'50.86" W	Lat = 31°51'09.27" N	Long = 103°53'46.02" W
Bottom Hole Location	X = 889,563.24	Y = 699,682.10	Lat = 31°31'00.63" N	Long = 103°53'50.83" W	Lat = 31°51'08.42" N	Long = 103°53'45.35" W

The State Dagger 37-48 #1H is located approximately 23± miles Northwest of Pecos, Texas



NOTE:

- 1) Plane Coordinates shown hereon are Lambert Grid and Conform to the "Texas Coordinate System", Texas Central Zone, North American Datum of 1927, unless otherwise noted.
- 2) Geodetic Coordinate shown hereon references the North American Datum of 1927, unless otherwise noted.
- 3) This plat is provided only for filing purposes with the Texas Railroad Commission and should not be construed as a boundary survey.
- 4) As-Drilled path based on Atlantic Resources Co. report dated 02-12-2017

Legend

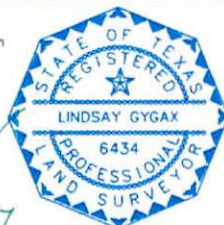
- Denotes Well Bore
- Denotes Unit Boundary
- Denotes Tract Line
- Denotes Proposed Well Location
- Denotes Plugged Oil Well Location
- Denotes Producing Oil Well Location

CERTIFICATION:

I hereby certify that this plat was made from notes taken in the field in a bona fide survey made under my supervision.

Lindsay Gyax

Texas R.P.L.S. No. 6434



WEST COMPANY
Land Surveyors & Civil Engineers

SURVEYORS - ENGINEERS - PLANNERS
ENGINEERS REGISTRATION: FIRM 2184
SURVEYORS REGISTRATION: FIRM 100682-00
110 W. LOUISIANA AVE., SUITE 110
MIDLAND, TEXAS 79701
(432) 687-0865 - FAX (432) 687-0868



ATLANTIC
RESOURCES COMPANY

As-Drilled Report of the
STATE DAGGER 37-48 #1H
Crossing Section 37 and Section 48
Block 56, Public School Lands Survey
Reeves County, Texas

Scale: 1" = 1000'

W.O.: 2017-0642

Surveyed:

Drawn By: AW

File: J:\2017\2017-0642\2017-0642 NAD27.dwg

File No. ME115616 21

Roooves County

Completion Report API 389-35548
(Unit 8276)

Date Filed: 6/11/18

George P. Bush, Commissioner

By Jm

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Submitted
Date: 01/19/2018
Tracking No.: 180233

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG**OPERATOR INFORMATION**

Operator Name: ATLANTIC RESOURCES COMPANY, LLC Operator No.: 036555
Operator Address: PO BOX 3759 MIDLAND, TX 79702-0000

WELL INFORMATION

API No.: 42-389-35554 County: REEVES
Well No.: 1H RRC District No.: 08
Lease Name: STATE CLARK 38-47 Field Name: FORD, WEST (WOLFCAMP)
RRC Gas ID No.: Field No.: 31913800
Location: Section: 38, Block: 56, Survey: PSL/GREENING, R W, Abstract: 2181
Latitude: 31.53852 Longitude: -103.91459
This well is located 20 miles in a SOUTHWEST
direction from ORLA,
which is the nearest town in the county.

FILING INFORMATION

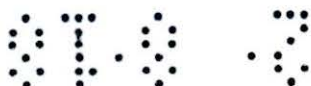
Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing Completion or Recompletion Date: 08/12/2017
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or Deepen 03/24/2017 820484
Rule 37 Exception
Fluid Injection Permit
O&G Waste Disposal Permit
Other:

COMPLETION INFORMATION

Spud date: 04/13/2017 Date of first production after rig released: 08/12/2017
Date plug back, deepening, recompletion, or drilling operation commenced: 04/13/2017 Date plug back, deepening, recompletion, or drilling operation ended: 06/06/2017
Number of producing wells on this lease in this field (reservoir) including this well: 1 Distance to nearest well in lease & reservoir (ft.): 0.0
Total number of acres in lease: 1273.00 Elevation (ft.): 3228 GR
Total depth TVD (ft.): 9978 Total depth MD (ft.): 17445
Plug back depth TVD (ft.): Plug back depth MD (ft.):
Was directional survey made other than inclination (Form W-12)? Yes Rotation time within surface casing (hours): 24.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No Multiple completion? No
Type(s) of electric or other log(s) run: Combo of Induction/Neutron/Density
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: No
of lease on which this well is located: 367.0 Feet from the East Line and
324.0 Feet from the North Line of the
STATE CLARK 38-47 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type
-------------------	-------------------------	----------	--------------------



G1: N/A
 PACKET: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination Depth (ft.): 1550.0 Date: 11/30/2016
 SWR 13 Exception Depth (ft.):

GAS MEASUREMENT DATA

Date of test: 10/23/2017 Gas measurement method(s):
 Gas production during test (MCF): 2562 Orifice Meter, Flange Taps
 Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	4.026	2.00	26235.75	109.4	27.8	110.0	0.9531	0.8130	1.011	854.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.738 Gravity (liquid hydrocarbons) (Deg. API): 52.9
 Gas-Liquid Hydro Ratio (CF/Bbl): 7557 Gravity (mixture): Gmix= 1.048
 Avg. shut in temp. (°F): 132.5 Bottom hole temp. and depth: 205.0 °F@ 9978.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	1440	0.00	550	70.0
1	4320	2.00	460	110.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Depth (ft.)	Multi - Stage Shoe Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	13 3/8	17 1/2	1598		C	1200	2089.0	SURF ACE	Circulated to Surface
2	Intermediate	9 5/8	12 1/4	9635	9593	C	700	1947.0	5514	Calculation
3	Intermediate	9 5/8	12 1/4	9635	5514	C	990	2954.0	SURF ACE	Circulated to Surface
4	Conventional Production	5 1/2	8 1/2	17402		H	2458	4145.0	SURF ACE	Circulated to Surface

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
-----	------------------	-----------------	-----------------	--------------------	--------------	-----------------------	-------------------------	---------------------	-------------------

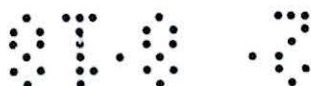
N/A

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 7/8	9716	9712 / ARROWSET 1-X

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 10399	17215



ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 9800

Actual maximum pressure (PSIG) during hydraulic fracturing: 9500

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)
1	Fracture	360,471 BBLS (15% HCL ACID; 10# LINEAR GEL; FRESH WATER, SLICKWATER)	10399.0 17215.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	3676.0	3676.0	Yes	
CASTILLE	Yes	1838.0	1838.0	Yes	
BELL CANYON	Yes	3676.0	3676.0	Yes	
DELAWARE	Yes	3624.0	3624.0	Yes	
DELAWARE CONSOLIDATED GAS	Yes	3624.0	3624.0	Yes	
CHERRY CANYON	Yes	4628.0	4628.0	Yes	
BONE SPRINGS	Yes	7591.0	7591.0	Yes	
PERMIAN	Yes	3624.0	3624.0	Yes	
WOLFCAMP	Yes	9994.0	9994.0	Yes	
PENNSYLVANIAN	No			No	NOT DEEP ENOUGH
MISSISSIPPIAN	No			No	NOT DEEP ENOUGH
DEVONIAN	No			No	NOT DEEP ENOUGH
FUSSELMAN	No			No	NOT DEEP ENOUGH
ELLENBURGER	No			No	NOT DEEP ENOUGH

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)?

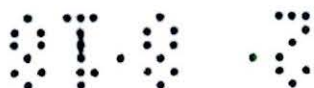
Yes

Is the completion being downhole commingled (SWR 10)? No

REMARKS

RRC REMARKS**PUBLIC COMMENTS:****CASING RECORD :****TUBING RECORD:****PRODUCING/INJECTION/DISPOSAL INTERVAL :****ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :****GAS MEASUREMENT DATE REMARK:**

GAS PRODUCED DURING TEST (2562 MCF) IS A 72 HR TEST.

OPERATOR'S CERTIFICATION**Printed Name:** Cayli Bergman**Title:** Production Analyst**Telephone No.:** (432) 253-8321**Date Certified:** 01/19/2018

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

ELECTRIC LOG
STATUS REPORT

FORM L-1

Tracking No.: 180233

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: ATLANTIC RESOURCES COMPANY, LLC	District No. 08	Completion Date: 08/12/2017
Field Name FORD, WEST (WOLFCAMP)	Drilling Permit No. 820484	
Lease Name STATE CLARK 38-47	Lease/ID No.	Well No. 1H
County REEVES	API No. 42- 389-35554	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential. ☐

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion:

Lease or ID No(s). _____

Well No(s). _____

Haylie Urias

Signature

Name (print)

Regulatory & Production

Title

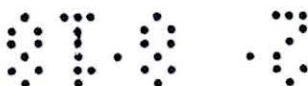
(432) 253-8312

Phone

11/07/2017

Date

-FOR RAILROAD COMMISSION USE ONLY-



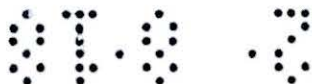
Company: ATLANTIC RESOURCES COMPANY,LLC
 Well: STATE CLARK 38-47 1H
 Field: FORD, WEST (WOLFCAMP)
 County: REEVES State: TEXAS

REEVES County: Field: Location: Well: Company:	FORD, WEST (WOLFCAMP) 275' FNL & 330" FEL STATE CLARK 38-47 1H ATLANTIC RESOURCES COMPANY,LLC	Platform Express			
		Compensated Neutron Log			
		Three Detector Litho-Density			
		Location:		275' FNL & 330" FEL	
		Section: 38, Block:56, Abstract: 2181		G.L. 3237.00 ft	
		Survey: PSL/ CAMPBELL,C		D.F. 3261.00 ft	
		Permanent Datum:	Ground Level	Elev.: 3237.00 f	
		Log Measured From:	Kelly Bushing	25.00 ft	above Perm.Datum
		Drilling Measured From:	Kelly Bushing		
		API Serial No.	Section:	Block:	Abstract:
		42-389-35554	38	56	2181
Logging Date		11-May-2017			
Run Number		1A			
Depth Driller		11670.00 ft			
Schlumberger Depth		11675.00 ft			
Bottom Log Interval		11675.00 ft			
Top Log Interval		9634.00 ft			
Casing Driller Size @ Depth		9.625 in @ 9634.00 ft			
Casing Schlumberger		9626 ft			
Bit Size		8.5 in			
Type Fluid In Hole		Fresh Water			
MUD	Density	Viscosity	9.8 lbm/gal	52 s	
	Fluid Loss	PH		11	
	Source of Sample		Active Tank		
RM @ Meas Temp		0.2 ohm.m @ 68 degF			
RMF @ Meas Temp		0.15 ohm.m @ 68 degF			
RMC @ Meas Temp					
Source RMF		RMC	Calculated	Calculated	
RM @ BHT		RMF @ BHT	0.08 @ 173	0.06 @ 173	
Max Recorded Temperatures		173 degF			
Circulation Stopped Time		11-May-2017 03:00:00			
Logger on Bottom Time		11-May-2017 14:51:00			
Unit Number		Location:	9105	MIDLAND	
Recorded By		M.DIEZ/D.KREBS			
Witnessed By		JOHN LEONE			



This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 180233

[illegible]

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL
CLASSIFICATION REPORT

Form G-5

Tracking No.: 180233

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report) ATLANTIC RESOURCES COMPANY, LLC		3. RRC DISTRICT NO. 08	4. OIL LEASE NO OR GAS WELL ID NO.								
2. MAILING ADDRESS PO BOX 3759 MIDLAND, TX 79702		5. WELL NO. 1H	6. API NO. 42- 389-35554								
		7. COUNTY OF WELL SITE REEVES									
8. FIELD NAME (as per RRC Records) FORD, WEST (WOLFCAMP)		9. LEASE NAME STATE CLARK 38-47									
10. LOCATION (Section, Block and Survey) 38 , 56 , PSL/GREENING, R W , A-2181		11. PIPELINE CONNECTION OR USE OF GAS EAGLECLAW MIDSTREAM									
PRODUCTION TEST AT RATE ELECTED BY OPERATOR (data on 24-hour basis)		A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.									
A. Date of Test <u>10/23/2017</u> B. Gas Volume <u>854.0</u> (Mcf) C. Oil or Condensate Volume <u>113.0</u> (Bbl) D. Water Volume <u>2169.0</u> (Bbl) E. Gas/Liquid Hydrocarbon Ratio <u>7557</u> (Cf/Bbl) F. Flowing Tubing Pressure <u>460</u> (psia) G. Choke Size <u>2.00</u> (in.) H. Casing Pressure <u>1055.0</u> (psia) I. Shut-in Wellhead Pressure-- Tubing <u>550</u> (psia) J. Separator Operating Pressure <u>120.0</u> (psia) K. Color of Stock Tank Liquid <u>Light Straw</u> L. Gravity of Separator Liquid <u>52.9</u> °API M. Gravity of Stock Tank Liquid <u>52.9</u> °API N. Specific Gravity of the Gas (Air = 1) <u>0.738</u>		Date Liquid Sample Obtained <u>09/08/2017</u> Where Obtained: ☐ Separator ☒ Stock Tank <table style="width:100%;"> <tr> <td style="width:50%;"> % Over Temp. (deg. F) Initial Boiling Temp. <u>113.0</u> 10 <u>223.0</u> 20 <u>259.0</u> 30 <u>291.0</u> 40 <u>329.0</u> 50 <u>379.0</u> </td> <td style="width:50%;"> % Over Temp. (deg. F) 60 <u>434.0</u> 70 <u>496.0</u> 80 <u>572.0</u> 90 <u>679.0</u> 95 <u>714.0</u> End Point <u>717.0</u> </td> </tr> </table> Total Recovery <u>95.1</u> percent Residue <u>3.8</u> percent Loss <u>1.1</u> percent		% Over Temp. (deg. F) Initial Boiling Temp. <u>113.0</u> 10 <u>223.0</u> 20 <u>259.0</u> 30 <u>291.0</u> 40 <u>329.0</u> 50 <u>379.0</u>	% Over Temp. (deg. F) 60 <u>434.0</u> 70 <u>496.0</u> 80 <u>572.0</u> 90 <u>679.0</u> 95 <u>714.0</u> End Point <u>717.0</u>						
% Over Temp. (deg. F) Initial Boiling Temp. <u>113.0</u> 10 <u>223.0</u> 20 <u>259.0</u> 30 <u>291.0</u> 40 <u>329.0</u> 50 <u>379.0</u>	% Over Temp. (deg. F) 60 <u>434.0</u> 70 <u>496.0</u> 80 <u>572.0</u> 90 <u>679.0</u> 95 <u>714.0</u> End Point <u>717.0</u>										
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge. <u>01/18/2018</u> DATE		RRC USE ONLY <table style="width:100%;"> <tr> <td style="width:50%;">NAME (Type or Print) <u>Cayli Bergman</u></td> <td style="width:50%;"></td> </tr> <tr> <td>SIGNATURE <u>Production Analyst</u></td> <td></td> </tr> <tr> <td>TITLE</td> <td></td> </tr> <tr> <td>CONTACT PERSON</td> <td>PHONE NUMBER <u>(432) 253-8321</u></td> </tr> </table>		NAME (Type or Print) <u>Cayli Bergman</u>		SIGNATURE <u>Production Analyst</u>		TITLE		CONTACT PERSON	PHONE NUMBER <u>(432) 253-8321</u>
NAME (Type or Print) <u>Cayli Bergman</u>											
SIGNATURE <u>Production Analyst</u>											
TITLE											
CONTACT PERSON	PHONE NUMBER <u>(432) 253-8321</u>										



Tracking No.: 180233

OPERATOR NAME AND ADDRESS including city, state and zip
 ATLANTIC RESOURCES COMPANY, LLC
 PO BOX 3759
 MIDLAND, TX 79702

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
 Oil and Gas Division
 P.O. Box 12967
 Austin, Texas 78711-2967

*This facsimile G-10 was generated electronically
 from data submitted to the RRC.*

Reason for Filing

☐

Survey

☐

Retest

☒

Initial Test

☐

Correction

Operator P-5 Organization No.

036555

RRC Dist. No.

08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME * LEASE NAME	RRC IDENT NO.	DATE TESTED MO/DAY/YR	GAS PRODUCED MCF/DAY **	CONDENSATE PRODUCED	WATER PROD BBL/DAY	***SIWH PRESSURE PSIA
	WELL NO.	MARK X FOR SHUT-IN WELL	GAS SPEC. GRAVITY	CONDENSATE GRAVITY (API)	X BOTTOMHOLE PRESSURE PSIA	***FLOWING PRESSURE PSIA
FORD, WEST (WOLFCAMP)		10/23/2017	2562 MCF	258.0 BBL	2169.0 BBL	550
STATE CLARK 38-47	1H		0.738	52.9	460	460
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

ATLANTIC RESOURCES COMPANY LLC

Signature: JONAH MELANCON

Title:

Phone: (432) 683-3272

Date: 01/18/2018

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-Well STREAM, INCLUDING
 CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 30 November 2016**GAU Number:** 163394**Attention:** ATLANTIC RESOURCES
PO BOX 3759
MIDLAND, TX 79702**Operator No.:** 036555**API Number:**
County: REEVES
Lease Name: State Clark 38-47
Lease Number:
Well Number: 1H
Total Vertical Depth: 12000
Latitude: 31.538870
Longitude: -103.914511
Datum: NAD27**Purpose:** New Drill**Location:** Survey-PSL; Abstract-2181; Block-56; Section-38

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

Water-bearing strata from the land surface to a depth of 400 feet and the Rustler, which is estimated to occur from 950 to 1550 feet must be protected.

Please send Gamma Ray/Porosity log of this well when it is available.

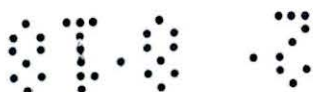
This recommendation is applicable to all wells within a radius of 200 feet of this location.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 11/28/2016. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014





RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementor: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: ATLANTIC (ARC)			Operator P-5 No.: 026555		
Cementor Name: RTS ENERGY SERVICES LLC			Cementor P-5 No.: 732292		
WELL INFORMATION					
District No.: 8		County: Reeves			
Well No.: 1H		API No.: 42-389-35554		Drilling Permit No.: 320484	
Lease Name: State Clark 38-47		Lease No.:			
Field Name: Ford, West (Wellcamp)		Field No.: 31913800			
I. CASING CEMENTING DATA					
Type of casing: ☐ Conductor ☒ Surface ☐ Intermediate ☐ Liner ☐ Production					
Drilled hole size (in.): 17 1/2"		Depth of drilled hole (ft.): 1602'		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.): 13 3/8"		Casing weight (lbs/ft) and grade: 54.5		No. of centralizers used: 15	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.		Setting depth shoe (ft.): 1590'		Top of liner (ft.):	
				Setting depth liner (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date: 4/14/17	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	875	C	See Remarks	1654	2381'
2	325	C	See Remarks	435	626'
3					
Total	1200	C	See Remarks	2089	3007'
II. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO		Setting depth shoe (ft.):			
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
III. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO		Setting depth tool (ft.):			
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					



CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS
Lead 65/35 Class C + 4%Gel + 0.005gps C-41L + 52C-45 + 0.005# stat free + 1/4 Cello-Flake + 5% Salt. Tail Class C + 1%CaCl2 + 0.005gpsC-41L + 0.005# stat free. Circulated 237sx (80 BBLs) to Surface

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Marco Flores, Engineer **RTS Energy Services LL**
 Name and title of cementer's representative Cementing Company Signature
P.O. Box 11342 **Midland TX, 79702** **(432) 617-4753** **4/17/2017**
 Address City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

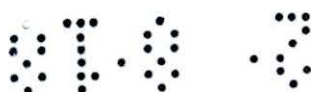
OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Josh Sperry **Drilling Engineer**
 Typed or printed name of operator's representative Title Signature
P.O. Box 3759 **Midland TX 79702** **432-683-3272** **11/7/17**
 Address City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.





RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: Atlantic Resources			Operator P-5 No.: 036555		
Cementer Name: BJ Services, LLC			Cementer P-5 No.: 403101		
WELL INFORMATION					
District No.: 08		County: REEVES			
Well No.: 1H		API No.: 42389355540000		Drilling Permit No.: 820484	
Lease Name: State Clark 38-47		Lease No.:			
Field Name: Ford, West (Wolfcamp)		Field No.: 31913800			
I. CASING CEMENTING DATA					
Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☐ Production					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):		Top of liner (ft.):
					Setting depth liner (ft.):
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
II. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☒ Multi-stage cement shoe ☐ Multiple parallel strings					
Drilled hole size (in.): 12.26		Depth of drilled hole (ft.): 9.635'		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.): 9.625		Casing weight (lbs/ft) and grade: 47# LCL80		No. of centralizers used: 41	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:		Lower:	
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:		Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO				Setting depth shoe (ft.): 9.593'	
Hrs. waiting on cement before drill-out: 29		Calculated top of cement (ft.): 5514'		Cementing date: 4/25/2017	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	500	C	SEE REMARKS	1,644	5,249'
2	200	C	SEE REMARKS	303	967'
3					
Total	700	C		1,947	6,216'
III. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☒ Multi-stage cement/DV tool ☐ Multiple parallel strings					
Drilled hole size (in.): 12.25		Depth of drilled hole (ft.): 9.635'		Est. % wash-out or hole enlargement: 122%	
Size of casing in O.D. (in.): 9.625		Casing weight (lbs/ft) and grade: 47# LCL80		No. of centralizers used: 41	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:		Lower:	
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:		Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☒ NO				Setting depth tool (ft.): 5,514'	
Hrs. waiting on cement before drill-out: 29		Calculated top of cement (ft.): 5		Cementing date: 4/26/2017	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	840	C	see remarks	2,755	8,798'
2	150	C	SEE REMARK	199	635'
3					
Total	990	C		2,954	9,431'

A. **What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.

The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. **How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).

C. **Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement must be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&ri=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&ri=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

D. **Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.

E. **Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.

F. **Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.

G. **Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: Atlantic			Operator P-5 No.: 036555		
Cementer Name: BJ SERVICES, LLC			Cementer P-5 No.: 403101		
WELL INFORMATION					
District No.: Odessa 08			County: Reeves		
Well No.: 38-47			API No.: 42-389-35554		Drilling Permit No.: 820484
Lease Name: State Clark			Lease No.:		
Field Name: Ford West (Wolfcamp)			Field No.: 31913800		
I. CASING CEMENTING DATA					
Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☒ Production					
Drilled hole size (in.): 8.5		Depth of drilled hole (ft.): 17445		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.): 5.5		Casing weight (lbs/ft) and grade: 20		No. of centralizers used: 75	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.): 17402.51		Top of liner (ft.):
					Setting depth liner (ft.):
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date: 6-5-2017	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	676	H	Remarks#1	2007	8169
2	1782	H	Remarks#2	2138	9190
3					
Total	2458			4145	17359
II. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
III. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO			Setting depth tool (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					



CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS
Remarks#1-Premium Plus H + .005pps Static Free + 2.25%R-3 + .125pps Cello-Flake + .04%CD-32 + 8%ASA-301 + 5%A-10 + 3% Sodium Metasilicate + 1% BA-10A + .005gps FP-6L, 256gal tote. Remarks#2-Premium Plus H + .005pps Static Free + .1%R-3 + .125pps Cello Flake + .2%CD-32 + 1.2%FL-62 + .2%ASA-301 + .3% Sodium Metasilicate + .005gpsFP-6L, 256gal tote

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Marco A. Herrera- Field Specialist

BJ SERVICES, LLC

Name and title of cementer's representative

Cementing Company

Signature

11211 FM 2920 RD.

TOMBALL, TEXAS 77375

(281) 408-2361

6-5-17

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Josh Sperry
Typed or printed name of operator's representative

Drilling Eng
Title

Signature

P.O. Box 3759
Address

Midland
City

TX 79702-4322
State, Zip Code

683-3272
Tel: Area Code

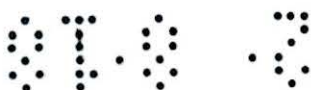
Number

11/7/17
Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.





RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION

Operator Name: ATLANTIC RESOURCES COMPANY
Cementer Name: BJ SERVICES, LLC

Operator P-5 No.: 036555
Cementer P-5 No.: 403101

WELL INFORMATION

District No.: 08 County: REEVES
Well No.: 1H API No.: 4238935540000 Drilling Permit No.: 820484
Lease Name: STATE CLARK 38-47 Lease No.:
Field Name: Ford, West (Wolfcamp) Field No.: 31913800

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☐ Production
Drilled hole size (in.): Depth of drilled hole (ft.): Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): Casing weight (lbs/ft) and grade: No. of centralizers used:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks. Setting depth shoe (ft.): Top of liner (ft.):
Setting depth liner (ft.):
Hrs. waiting on cement before drill-out: Calculated top of cement (ft.): Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.): Depth of drilled hole (ft.): Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): Casing weight (lbs/ft) and grade: No. of centralizers used:
Tapered string drilled hole size (in.) Tapered string depth of drilled hole (ft.)
Upper: Lower: Upper: Lower:
Tapered string size of casing in O.D. (in.) Tapered string casing weight (lbs/ft) and grade Tapered string no. of centralizers used
Upper: Lower: Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO Setting depth shoe (ft.):
Hrs. waiting on cement before drill-out: Calculated top of cement (ft.): Cementing date:

SLURRY

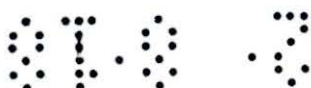
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.): Depth of drilled hole (ft.): Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): Casing weight (lbs/ft) and grade: No. of centralizers used:
Tapered string drilled hole size (in.) Tapered string depth of drilled hole (ft.)
Upper: Lower: Upper: Lower:
Tapered string size of casing in O.D. (in.) Tapered string casing weight (lbs/ft) and grade Tapered string no. of centralizers used
Upper: Lower: Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO Setting depth tool (ft.):
Hrs. waiting on cement before drill-out: Calculated top of cement (ft.): Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					



CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date	05/15/2017						
Size of hole or pipe (in.)	8.5						
Depth to bottom of tubing or drill pipe (ft.)	10,066						
Cement retainer setting depth (ft.)	N/A						
CIBP setting depth (ft.)	N/A						
Amount of cement on top of CIBP (ft.)	N/A						
Sacks of cement used	200						
Slurry volume pumped (cu. ft.)	238						
Calculated top of plug (ft.)	9,468						
Measured top of plug, if tagged (ft.)	N/A						
Slurry weight (lbs/gal)	15.6						
Class/type of cement	H						
Perforate and squeeze (YES/NO)	NO						

REMARKS

CEMENT SLURRY: H+ 0.3% FL-52+ 0.15% R-3+ 0.005 GAL/SK FP-6L

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

JESUS ALFREDO ESPARZA

BJ SERVICES, LLC

Alberto Esparza
Signature

Name and title of cementer's representative

Cementing Company

11211 FM 2920 RD.

TOMBALL, TX 77375

(281) 408-2361

05/15/2017

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Josh Sperry

Drilling Eng

[Signature]
Signature

Typed or printed name of operator's representative

Title

D.C. Box 3759

Midland TX 79702

432-603-3272

11/7/17

Address

City, State, Zip Code

Tel: Area Code

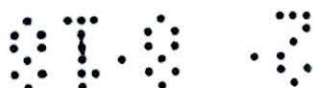
Number

Date: mo. day yr.

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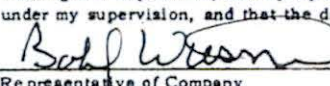
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To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 (http://info.sos.state.tx.us/pls/pub/readtacSext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
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- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.



RECEIVED
RRC OF TEXAS

SEP 26 2017

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
CERTIFICATE OF COMPLIANCE STATEWIDE RULE 36FORM H-9 O&G
12/12/77 MidlandFILE WITH
DISTRICT OFFICE
IN TRIPLICATE

1. Operator Atlantic Resources Company			2. Operator Number (See Instruction 13) 36555		3. RRC Dist. 8	
4. Street or P. O. Box No. P. O. Box 3759			5. City Midland		6. State TX	
7. Zip Code 79702			8. Name of Lease, Facility or Operation State Clark 38 - 47 #1H		9. Field or Area Name Ford, West (Wolfcamp)	
10. County Reeves			11. General Operation Type - Circle One: A - Oil Field Production B - Gas Field Production ☒ C - Pipeline or Gathering Sys. D - Gasoline Plant E - Drilling or Workover F - Sweetening Unit G - Combination (explain) H - Other (explain)			
12. RRC ID# of Operation(s) to be Covered by This Certificate 820484			Type ID Code (See Instruction 12) 5		Indicate if Filing for Storage Facility Only YES ☒ NO ☐	
13. Hydrogen Sulfide Concentration 1,200 PPM			14. Maximum Escape Volume 16 MCF/Day			
15. 100 PPM Radius of Exposure (ROE) 640 Ft.			16. 500 PPM Radius of Exposure (ROE) 293 Ft.			
17. Operation is Existing ☒ New ☐			18. Modification Resulting in Certificate Change Yes ☐ No ☒			
19. Workover or Drilling Well with 100 PPM ROE Greater than 3000 feet on Rule 36 Certified Well/Lease ☐ Yes ☒ No			20. Previous Certificate Number if Available (For Amended Certificates) N/A			
21. The 100 PPM ROE includes any part of a public area except a public road ☐ Yes ☒ No			22. The 500 PPM ROE includes any part of a public road ☐ Yes ☒ No			
23. Injection of fluid containing Hydrogen Sulfide (See Instruction 14) ☐ Yes ☒ No			24. Date (or Depth) of Compliance with all applicable provisions of Rule 36 09/26/17 Mo Day Year N/A Ft. from Surface			
25. Contingency Plan Location of Plan (See Instruction 15)			Has been prepared ☐ Yes ☒ No			
26. Location of data used to prepare this certificate (See Instruction 15) 300 N. Marienfeld, ST. Ste. 1000 Midland, Texas 79701						
CERTIFICATE I declare under penalties prescribed in Section 91.143, Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision, and that I am qualified to make this certification by virtue of my training and experience, and by my analysis of the operation being certified, or by the analysis of qualified person working under my supervision, and that the data and facts stated therein are true, correct, and complete, to the best of my knowledge.  Bob Wiesman Field Technician (432) 520-8725 09/26/17 Representative of Company Title Phone No. Date						

RAILROAD COMMISSION USE ONLY

This operation and the equipment used therein is approved on the basis of the above certification and is subject to further Commission audit for compliance with the required provisions of Statewide Rule 36. This approval may be cancelled if investigation determines that the operation does not comply with the provisions of Statewide Rule 36.

APPROVED BY: _____

DATE: _____

REMARKS:

CERTIFICATION NUMBER: _____



**CERTIFICATE OF
POOLING AUTHORITY**

Revised 05/2001

P-12

1. Field Name(s) Ford, West (Wolfcamp)	2. Lease/D Number (if assigned)	3. RRC District Number 08
4. Operator Name Atlantic Resources Company, LLC	5. Operator P-5 Number 036555	6. Well Number 1H
7. Pooled Unit Name State Clark 38-47	8. API Number	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County Reeves	11. Total acres in pooled unit 1273.0	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1	R.L. Harrison (GLO)	315.3	☐	☐
2	R.L. Harrison (GLO)	315.4	☐	☐
3	Troy A Carmichael Trust (GLO)	642.3	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

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.

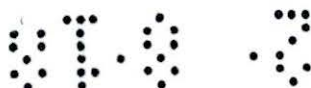
Signature 	Travis Hutt
Landman	thutt@arcoperating.com
Title	E-mail (if available)
	11/08/2016
	Date
	(432) 683-3272
	Phone

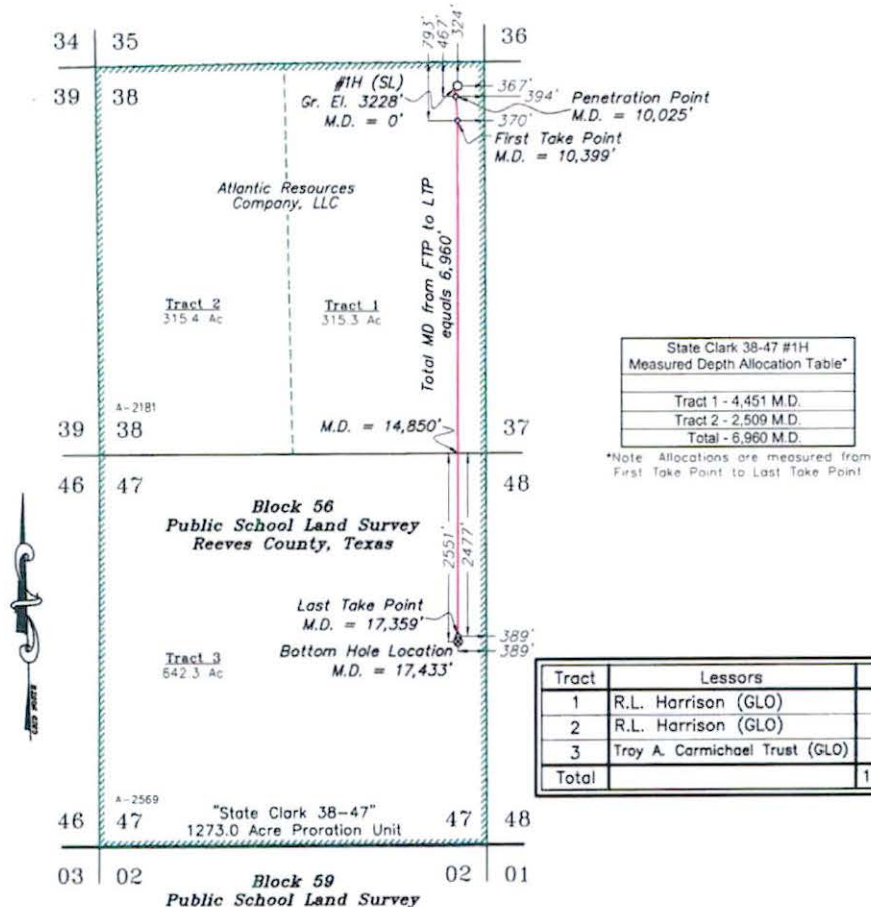
INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

- 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.
- 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.
- If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
- 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.
- If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
- Identify the drill site tract with an * to the left of the tract identifier.
- 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

Page ____ of ____

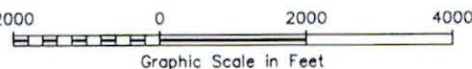




	State Plane Coordinate		Geodetic (D.M.S.)		Geodetic (D.D.)	
Surface Location	x = 884,504.48	y = 698,735.53	Lat = 31°32'18.69" N	Long = 103°54'52.24" W	Lat = 31.53852561° N	Long = 103.91451101° W
Penetration Point	x = 884,474.18	y = 698,593.00	Lat = 31°32'17.27" N	Long = 103°54'52.54" W	Lat = 31.53813127° N	Long = 103.91459347° W
First Take Point	x = 884,489.33	y = 698,266.34	Lat = 31°32'14.05" N	Long = 103°54'52.24" W	Lat = 31.53723502° N	Long = 103.91451112° W
Last Take Point	x = 884,275.02	y = 691,312.71	Lat = 31°31'05.19" N	Long = 103°54'52.13" W	Lat = 31.51810860° N	Long = 103.91448027° W
Bottom Hole Location	x = 884,272.75	y = 691,239.26	Lat = 31°31'04.46" N	Long = 103°54'52.13" W	Lat = 31.51790659° N	Long = 103.91447995° W

The State Clark 38-47 #1H is located approximately
20 miles Southwest of Orla, Texas.

Downhole Path provided by Quintana Energy Services
received September 6, 2017.



NOTE:

- 1) Plane Coordinates shown hereon are Lambert Grid and Conform to the "Texas Coordinate System", Texas Central Zone, North American Datum of 1927, unless otherwise noted. Scale factor is 1.000224330.
- 2) Geodetic Coordinate shown hereon references the North American Datum of 1927, unless otherwise noted.
- 3) This plat is provided only for filing purposes with the Texas Railroad Commission and should not be construed as a boundary survey.
- 4) Measured Depth allocation is approximate and based on downhole report and take points as provided by client.

Legend

- Denotes Downhole Directional Well Path
- Denotes Unit Boundary
- Denotes Tract Line
- Denotes Surface Well Location
- Denotes Penetration/ Take Points
- Denotes Bottom Hole Location

CERTIFICATION:

I hereby certify that this plat was made from notes taken in
the field in a bona fide survey made under my supervision.

Lindsay Gyax

Texas R.P.L.S. No. 6434



WEST COMPANY

Land Surveyors ■ Civil Engineers

110 W. Louisiana Ave., Suite 110, Midland, Texas 79701
(432) 687-0885 - FAX (432) 687-0888
FIRM Registration Number: 100882-00

ATLANTIC
RESOURCES COMPANY

STATE CLARK 38-47 #1H
AS-DRILLED

Crossing
Sections 38 and 47
All in Block 56
Public School Land Survey
Reeves County, Texas

Scale: 1" = 2000'

W.O.: 2017-0649

Surveyed:

Drawn By: SC

File: J:\2017\2017-0649\2017-0649 State Clark 38-47 #1H As-Drilled.dwg

22

File No. MF115616

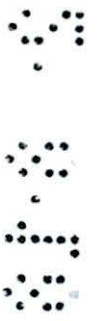
Reeves County

Completion Report API 389-35554
(Unit 8275)

Date Filed: 6/14/18

George P. Bush, Commissioner

By Jm

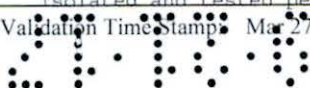


RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

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

PERMIT NUMBER 820484	DATE PERMIT ISSUED OR AMENDED (AMENDED) Mar 24, 2017	DISTRICT * 08		
API NUMBER 42-389-35554	FORM W-1 RECEIVED Mar 16, 2017	COUNTY REEVES		
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal, Vertical	ACRES 1273		
OPERATOR ATLANTIC RESOURCES COMPANY, LLC PO BOX 3759 MIDLAND, TX 79702-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581		
LEASE NAME STATE CLARK 38-47		WELL NUMBER 1H		
LOCATION 23.2 miles NW direction from PECOS		TOTAL DEPTH 12000		
Section, Block and/or Survey SECTION 38 BLOCK 56 ABSTRACT 2181 SURVEY PSL/GREENING, R W				
DISTANCE TO SURVEY LINES 275 ft. NORTH 330 ft. EAST		DISTANCE TO NEAREST LEASE LINE 200 ft.		
DISTANCE TO LEASE LINES 275 ft. NORTH 330 ft. EAST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below		
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *				
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST
FORD, WEST (WOLFCAMP) STATE CLARK 38-47	1273.00 200	11,000	1H 0	08
WELLBORE PROFILE(s) FOR FIELD: Horizontal, Vertical				
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 275.0 F NORTH L 330.0 F EAST L Terminus Location BH County: REEVES Section: 47 Block: 56 Abstract: 2569 Survey: PSL/CAMPBELL, C Lease Lines: 200.0 F SOUTH L 330.0 F EAST L Survey Lines: 200.0 F SOUTH L 330.0 F EAST L				
WILDCAT STATE CLARK 38-47	1273.00 275	12,000	1H 0	08
WELLBORE PROFILE(s) FOR FIELD: Vertical				
RESTRICTIONS: For exploratory test only This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office				



RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

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

PERMIT NUMBER 820484	DATE PERMIT ISSUED OR AMENDED (AMENDED) Mar 24, 2017	DISTRICT * 08										
API NUMBER 42-389-35554	FORM W-1 RECEIVED Mar 16, 2017	COUNTY REEVES										
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal, Vertical	ACRES 1273										
OPERATOR ATLANTIC RESOURCES COMPANY, LLC PO BOX 3759 MIDLAND, TX 79702-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581										
LEASE NAME STATE CLARK 38-47		WELL NUMBER 1H										
LOCATION 23.2 miles NW direction from PECOS		TOTAL DEPTH 12000										
Section, Block and/or Survey SECTION ◀ 38 BLOCK ◀ 56 ABSTRACT ◀ 2181 SURVEY ◀ PSL/GREENING, R W												
DISTANCE TO SURVEY LINES 275 ft. NORTH 330 ft. EAST		DISTANCE TO NEAREST LEASE LINE 200 ft.										
DISTANCE TO LEASE LINES 275 ft. NORTH 330 ft. EAST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below										
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *												
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">FIELD NAME</td> <td style="width: 10%;">ACRES</td> <td style="width: 10%;">DEPTH</td> <td style="width: 10%;">WELL #</td> <td style="width: 10%;">DIST</td> </tr> <tr> <td>LEASE NAME</td> <td>NEAREST LEASE</td> <td></td> <td>NEAREST WE</td> <td></td> </tr> </table> Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.			FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE	
FIELD NAME	ACRES	DEPTH	WELL #	DIST								
LEASE NAME	NEAREST LEASE		NEAREST WE									
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.												

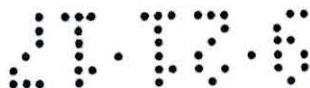


**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data**

REEVES (389) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
FORD-DELAWARE	2,500	2,500		1	12/17/2013
CASTILLE	2,800	2,800		2	12/17/2013
BELL CANYON	4,800	5,000		3	12/17/2013
DELAWARE	2,500	5,700		4	12/17/2013
DELAWARE CONSOLIDATED GAS	6,500	6,500		5	12/17/2013
CHERRY CANYON	3,800	7,800		6	12/17/2013
BONE SPRINGS	7,500	9,800		7	12/17/2013
PERMIAN	11,300	11,300		8	12/17/2013
WOLFCAMP	10,000	12,300		9	12/17/2013
PENNSYLVANIAN	11,000	14,900		10	12/17/2013
MISSISSIPPIAN	10,000	16,000		11	12/17/2013
DEVONIAN	13,600	17,800		12	12/17/2013
FUSSELMAN	14,000	17,800		13	12/17/2013
ELLENBURGER	15,000	20,800		14	12/17/2013

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>



CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

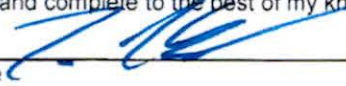
1. Field Name(s) Ford, West (Wolfcamp)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name Atlantic Resources Company, LLC	5. Operator P-5 Number 036555	6. Well Number 1H
7. Pooled Unit Name State Clark 38-47	8. API Number	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County Reeves	11. Total acres in pooled unit 1273.0	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1	R.L. Harrison (GLO)	315.3	☐	☐
2	R.L. Harrison (GLO)	315.4	☐	☐
3	Troy A Carmichael Trust (GLO)	642.3	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

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.

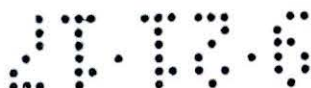
Signature 	Travis Hutt
Landman	Print Name
thutt@arcoperating.com	11/08/2016
Title	Date
	(432) 683-3272
	Phone

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

- 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.
- 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.
- If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
- 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.
- If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
- Identify the drill site tract with an * to the left of the tract identifier.
- 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

Page ____ of ____





API No. <u>42-389-35554</u> Application Status # <u>820484</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>				FORM W-1 07/2004 Permit Status: As Submitted <i>The RRC has not approved this application.</i> <i>Duplication or distribution of information is at the user's own risk.</i>	
1. RRC Operator No. <u>036555</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>ATLANTIC RESOURCES COMPANY, LLC</u>		3. Operator Address (include street, city, state, zip): <u>PO BOX 3759</u> <u>MIDLAND, TX 79702-0000</u>			
4. Lease Name <u>STATE CLARK 38-47</u>		5. Well No. <u>1H</u>					
GENERAL INFORMATION							
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☒ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)							
7. Wellbore Profile (mark ALL appropriate boxes): ☒ Vertical ☒ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack							
8. Total Depth <u>12000</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore			
14. This well is to be located <u>23.2</u> miles in a <u>NW</u> direction from <u>Pecos</u> which is the nearest town in the county of the well site.							
15. Section <u>38</u>	16. Block <u>56</u>	17. Survey <u>PSL/GREENING, R W</u>		18. Abstract No. <u>A-2181</u>	19. Distance to nearest lease line: <u>200</u> ft	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1273</u>	
21. Lease Perpendiculars: <u>275</u> ft from the <u>NORTH</u> line and <u>330</u> ft from the <u>EAST</u> line.							
22. Survey Perpendiculars: <u>275</u> ft from the <u>NORTH</u> line and <u>330</u> ft from the <u>EAST</u> line.							
23. Is this a pooled unit? ☒ Yes ☐ No		24. Unitization Docket No.: _____		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No			
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.							
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	31913800	FORD, WEST (WOLFCAMP)		Oil or Gas Well	11000	0.00	
08	00018001	WILDCAT		Exploratory Test Well	12000	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [FILER Mar 16, 2017 11:33 AM]: Amended permit to add pilot hole.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Haylie Urias, Regulatory & Production</u> <u>Mar 16, 2017</u> Name of filer Date submitted <u>(432)2538312</u> <u>hurias@arcoperating.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: Mar 16, 2017 11:37 AM('As Submitted' Version)							

Permit Status: As Submitted

*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.*

Form W-1H 07/2004

Supplemental Horizontal Well Information

Status # 820484

Approved Date:

1. RRC Operator No. 036555	2. Operator's Name (exactly as shown on form P-5, Organization Report) ATLANTIC RESOURCES COMPANY, LLC	3. Lease Name STATE CLARK 38-47	4. Well No. 1H
-------------------------------	---	------------------------------------	-------------------

Lateral Drainhole Location Information

5. Field as shown on Form W-1 FORD, WEST (WOLFCAMP) (Field # 31913800, RRC District 08)

6. Section 47	7. Block 56	8. Survey PSL/CAMPBELL, C	9. Abstract 2569	10. County of BHL REEVES
------------------	----------------	------------------------------	---------------------	-----------------------------

11. Terminus Lease Line Perpendiculars

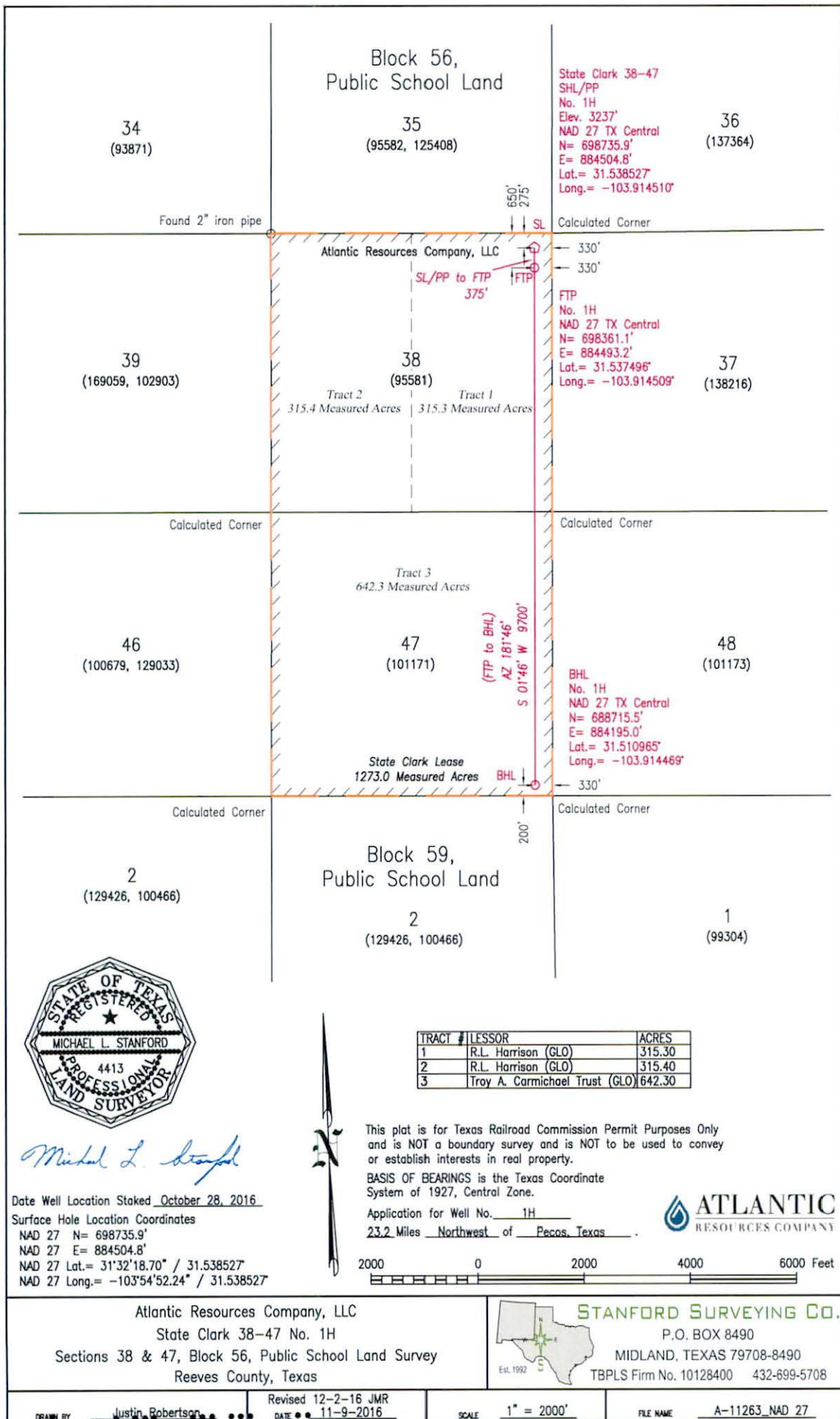
200 ft. from the South line, and 330 ft. from the East line

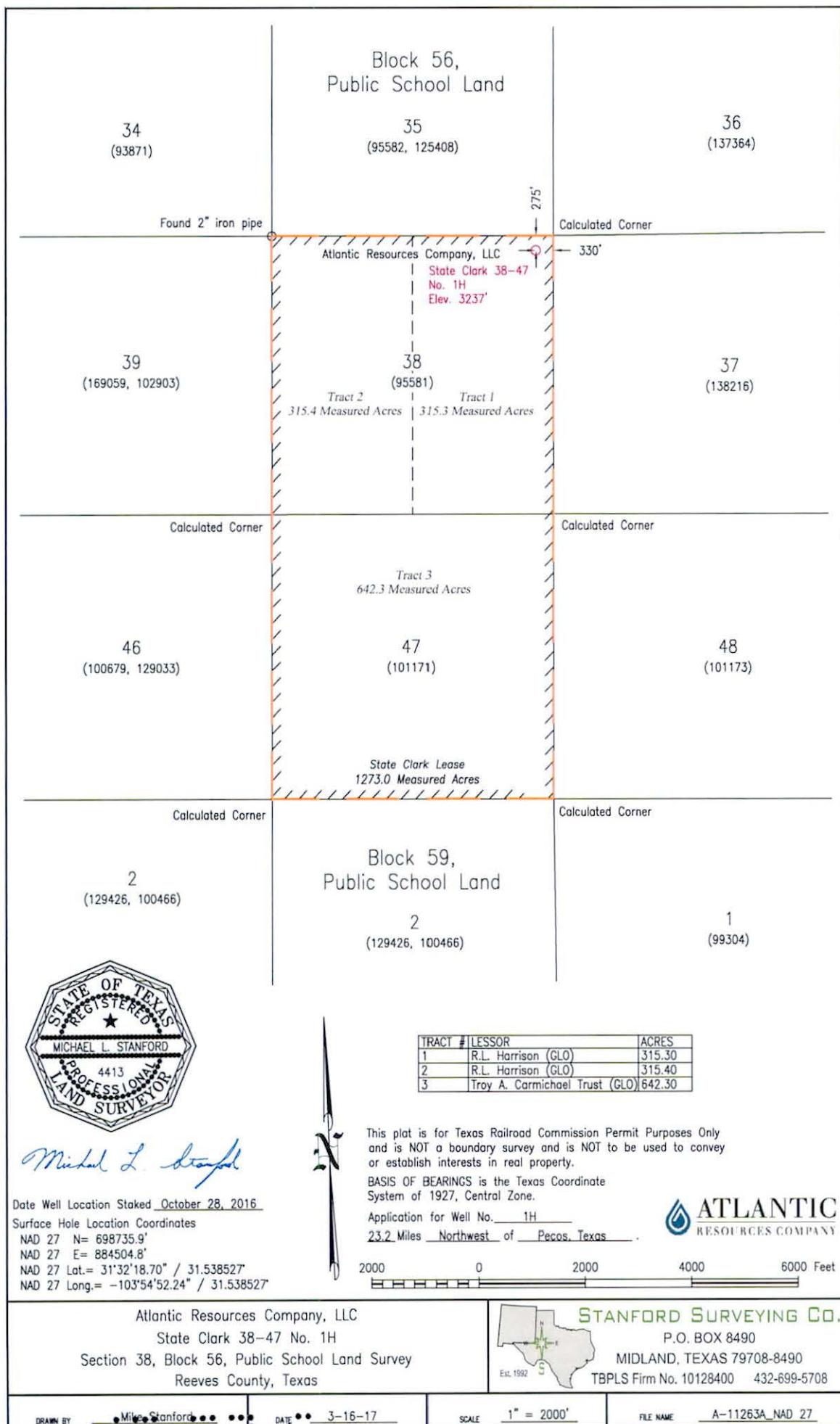
12. Terminus Survey Line Perpendiculars

200 ft. from the South line, and 330 ft. from the East line

13. Penetration Point Lease Line Perpendiculars

275 ft. from the North line, and 330 ft. from the East line





GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 30 November 2016**GAU Number:** 163394**Attention:** ATLANTIC RESOURCES
PO BOX 3759
MIDLAND, TX 79702**API Number:**
County: REEVES
Lease Name: State Clark 38-47**Operator No.:** 036555**Lease Number:**
Well Number: 1H
Total Vertical Depth: 12000
Latitude: 31.538870
Longitude: -103.914511
Datum: NAD27**Purpose:** New Drill**Location:** Survey-PSL; Abstract-2181; Block-56; Section-38

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

Water-bearing strata from the land surface to a depth of 400 feet and the Rustler, which is estimated to occur from 950 to 1550 feet must be protected.

Please send Gamma Ray/Porosity log of this well when it is available.

This recommendation is applicable to all wells within a radius of 200 feet of this location.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 11/28/2016. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014

47126

23
File No. MF115616

Reeves County

Drilling Permit for API 389-35554-Unit 8215

Date Filed: 6/26/17

George P. Bush, Commissioner

By JB



MF 116656



ONLINE SYSTEM

Oil & Gas Data Query

[Query Menu](#) [Help](#)

Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08

Date Range: Jan ▼ 2017 ▼ to Jan ▼ 2019 ▼

Related Links

[O&G Directory](#)
[O&G Proration Schedule](#)
[Offshore County Map](#)
[Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Search Criteria:

Lease Name: HARRISON STATE 56-38 , Lease No.: 226710 , Well No.: 3ST

API 42. 389. 32425 , lease well
Well Type: Gas

District: 08

Lease Production and Disposition
Date Range: Jan 2017 - Jan 2019

25 results

Page: 1 of 1

 Page Size: [View All](#) ▼

Date	GW Gas (MCF)		Condensate (BBL)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Jan 2017	10	10	0	0	ATLANTIC RESOURCES COMPANY, LLC	036555	TOYAH, NW (SHALE)	90890700
Feb 2017	10	10	0	0				
Mar 2017	2	2	0	0				
Apr 2017	1	1	0	0				
May 2017	550	550	0	0				
Jun 2017	32	32	0	0				
Jul 2017	1	1	0	0				
Aug 2017	8	8	0	0				
Sep 2017	20	20	0	0				
Oct 2017	301	301	0	0				
Nov 2017	70	70	0	0				
Dec 2017	0	0	0	0				
Jan 2018	0	0	0	0				
Feb 2018	0	0	0	0				
Mar 2018	0	0	0	0				
Apr 2018	0	0	0	0				
May 2018	0	0	0	0				
Jun 2018	0	0	0	0				
Jul 2018	0	0	0	0				
Aug 2018	0	0	0	0				
Sep 2018	0	0	0	0				
Oct 2018	0	0	0	0				
Nov 2018	0	0	0	0				
Dec 2018	0	0	0	0				
Jan 2019	0	0	0	0				
Total	1,005	1,005	0	0				

Oil & Gas Data Query

[Query Menu](#) [Help](#)

Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08

Date Range: Jan ▼ 2017 ▼ to Jan ▼ 2019 ▼

Related Links

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[O&G Proration Schedule](#)
[Offshore County Map](#)

[Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Search Criteria:

Lease Name: HARRISON STATE 56-37 , Lease No.: 248871 , Well No.: 1

Well Type: Gas

District: 08

Lease Production and Disposition

Date Range: Jan 2017 - Jan 2019

25 results

Page: 1 of 1

Page Size:

Date	GW Gas (MCF)		Condensate (BBL)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Jan 2017	38	38	0	0	ATLANTIC RESOURCES COMPANY, LLC	036555	TOYAH, NW (SHALE)	90890700
Feb 2017	2	2	0	0				
Mar 2017	1	1	0	0				
Apr 2017	1	1	0	0				
May 2017	31	31	0	0				
Jun 2017	6	6	0	0				
Jul 2017	0	0	0	0				
Aug 2017	0	0	0	0				
Sep 2017	0	0	0	0				
Oct 2017	0	0	0	0				
Nov 2017	0	0	0	0				
Dec 2017	0	0	0	0				
Jan 2018	0	0	0	0				
Feb 2018	0	0	0	0				
Mar 2018	0	0	0	0				
Apr 2018	0	0	0	0				
May 2018	0	0	0	0				
Jun 2018	0	0	0	0				
Jul 2018	0	0	0	0				
Aug 2018	0	0	0	0				
Sep 2018	0	0	0	0				
Oct 2018	0	0	0	0				
Nov 2018	0	0	0	0				
Dec 2018	0	0	0	0				
Jan 2019	0	0	0	0				
Total	79	79	0	0				

Oil & Gas Data Query

[Query Menu](#) [Help](#)

Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08

Date Range: Feb ▼ 2015 ▼ to Jan ▼ 2019 ▼

Related Links

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[O&G Proration Schedule](#)

[Offshore County Map](#)

[Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Search Criteria:

Lease Name: STATE DAGGER 37-48 , **Lease No.:** 283730 , **Well No.:** 1H

Well Type: Gas

District: 08

Lease Production and Disposition

Date Range: Feb 2015 - Jan 2019

18 results					Page: 1 of 1		Page Size: View All	
Date	GW Gas (MCF)		Condensate (BBL)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Aug 2017	19,768	19,768	2,787	2,352	ATLANTIC RESOURCES COMPANY, LLC	036555	FORD, WEST (WOLFCAMP)	31913800
Sep 2017	32,880	32,880	3,176	2,552				
Oct 2017	24,949	24,949	2,540	3,183				
Nov 2017	26,396	26,396	2,619	2,229				
Dec 2017	19,913	19,913	1,936	2,470				
Jan 2018	26,102	26,102	1,900	1,848				
Feb 2018	19,693	19,693	1,810	1,114				
Mar 2018	26,240	26,240	2,079	2,595				
Apr 2018	30,439	30,439	2,791	2,616				
May 2018	19,804	19,804	2,019	2,230				
Jun 2018	21,395	21,395	1,815	1,842				
Jul 2018	17,733	17,733	1,452	1,475				
Aug 2018	0	0	0	0				
Sep 2018	0	0	12	12				
Oct 2018	0	0	6	191				
Nov 2018	0	0	3	3				
Dec 2018	0	0	0	0				
Jan 2019	0	0	0	0				
Total	285,312	285,312	26,945	26,712				

Oil & Gas Data Query

[Query Menu](#) [Help](#)

Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08

Date Range: Feb ▼ 2015 ▼ to Jan ▼ 2019 ▼

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[Offshore County Map](#)

[Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Search Criteria:

Lease Name: STATE CLARK 38-47 , **Lease No.:** 283604 , **Well No.:** 1H

Well Type: Gas

District: 08

Lease Production and Disposition

Date Range: Feb 2015 - Jan 2019

18 results					Page: 1 of 1		Page Size: View All	
Date	GW Gas (MCF)		Condensate (BBL)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Aug 2017	7,210	7,210	242	220	ATLANTIC RESOURCES COMPANY, LLC	036555	FORD, WEST (WOLFCAMP)	31913800
Sep 2017	25,437	25,437	2,426	1,630				
Oct 2017	24,331	24,331	3,020	2,846				
Nov 2017	29,024	29,024	3,021	3,025				
Dec 2017	31,457	31,457	3,166	3,022				
Jan 2018	29,900	29,900	3,059	3,569				
Feb 2018	77,139	77,139	5,540	5,070				
Mar 2018	40,466	40,466	3,050	3,485				
Apr 2018	57,302	57,302	4,093	4,229				
May 2018	14,743	14,743	1,040	910				
Jun 2018	29,481	29,481	2,308	2,408				
Jul 2018	17,209	17,209	1,323	1,478				
Aug 2018	0	0	8	2				
Sep 2018	0	0	1	1				
Oct 2018	0	0	15	186				
Nov 2018	0	0	0	0				
Dec 2018	0	0	0	0				
Jan 2019	0	0	0	0				
Total	383,699	383,699	32,312	32,081				

File No. MF115616PRC Production Reports CountyDate Filed: 12/5/19

George P. Bush, Commissioner

By SSD

USPS TRACKING#

MIDLAND / ODESSA



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12 APR 2019 PM



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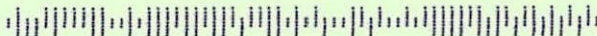
MF 115616; MF 115656

BRIAN GRAY

TEXAS GENERAL LAND OFFICE

P.O. BOX 12873

AUSTIN, TX 78701



SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Richard A. Jennings
Atlantic Resources Company, LLC
PO Box 3759
Midland, TX 79702



9590 9402 1749 6074 7772 65

2. Article Number (Transfer from service label)

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Atlantic Resources Company, LLC

Street, Apt. No.
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PO Box 3759

City, State, ZIP

Midland, TX 79702

7011 1150 0001 2420 6476

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



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 25, 2019

Certified USPS # 7011 1150 0001 2420 6476

Richard A. Jennings
Atlantic Resources Company, LLC
PO Box 3759
Midland, TX 79702

Re: Termination of State Lease No. MF 115616; State Lease No. MF 116656; GLO Unit No. 8275;
and GLO Unit No. 8276

Harrison State 56-38 Well No. 3ST / API No. 42-389-32425 / RRC No. 08-226710
Harrison State 56-37 Well No. 1 / API No. 42-389-32460 / RRC No. 08-248871
State Dagger 37-48 Well No. 1H / API No. 42-389-35548 / RRC No. 08-283730 / GLO Unit
No. 8276
State Clark 38-47 Well No. 1H / API No. 42-389-35554 / RRC No. 08-283604 / GLO Unit
No. 8275

State Lease No. MF 115616:

Tract 1: W/2 of Section 37, Block 56, Public School Land Survey, Reeves County, Texas

Tract 2: W/2 of Section 38, Block 56, Public School Land Survey, Reeves County, Texas

State Lease No. MF 116656:

Tract 1: 320 acres, being the E/2 of Section 37, Block 56, PSL Survey, A-4577, Reeves
County, Texas, insofar as to only cover the depths from the surface down to 18,800'

Tract 2: 320 acres, being the E/2 of Section 38, Block 56, PSL Survey, A-2181, Reeves
County, Texas, insofar as to only cover the depths from the surface down to 18,464'

Mr. Jennings:

The Texas General Land Office (GLO) has completed a review of the above captioned State Leases and Units of which Atlantic Resources Company, LLC is the current listed operator. The review of our internal records, along with production records provided by the Texas Railroad Commission, indicate RRC Nos. 08-226710, 08-248871, 08-283730, and 08-283604 (API Nos. 42-389-32425, 42-389-32460, 42-389-35548, and 42-389-35554) ceased production as of November 2018. The above referenced mineral file does not contain documentation of any additional shut-in royalty payments or reworking operations. As such, pursuant to Paragraph No. 13 of the State Leases dated June 1, 2013 and April 1, 2013, the GLO considers the State Leases and Units terminated effective February 1, 2019.

Should you disagree with this assessment please provide evidence to the GLO at the address shown below within thirty (30) days of receipt of this letter. Failure to reply or failure to present sufficient evidence of the continuation of said State Lease(s) will result in the mineral file(s) being endorsed

as terminated. You will receive no further communication from this office prior to this endorsement.

Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of a Release of each State Lease, along with a filing fee of twenty-five dollars (\$25.00) per lease, be filed with our office.

Please discontinue filing GLO production reports and immediately delete the GLO RRAC control record for these wells. If there are royalties due, our Audit Division will notify you of the amount due.

Lastly, when the wells have been plugged, copies of Railroad Commission Form W-3 are required to be filed with our office.

If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

Best

COPY

Brian Gray
Energy Resources
512-463-5118
brian.gray@glo.texas.gov

File No. MF 115616Termination Letter CountyDate Filed: 12/5/19

George P. Bush, Commissioner

By SSD

COBY