

MF115836

DRR - good to 6/17/20

State Lease
MF115836Control
07-109149Base File
101448County
REEVES

Survey	T & P RY CO	
Block	56	
Block Name		
Township	3-S	
Section/Tract	4	
Land Part	N/2	
Part Description		
Acres	320	
Depth Below	Depth Above	Depth Other

Leasing: Analyst: Maps: GIS: 

DocuShare: _____

Name	ANADARKO E&P ONSHORE LLC
Lease Date	6/17/2013
Primary Term	3 yrs
Bonus (\$)	\$565,332.80
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

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3 Cover Letter @ Bonus @ Fees	10/18/13	(22) Notice of SPUP-Unit 7581		9/16/19
4 Final Letter	1/14/14	(23) RAL Review Sheet		9/16/19
5. BHP Release eff 6-8-13 (3-25-14)		scanned	Pf	9-30-2019
curative Release		23. Reconciliation Billing		10/17/19
6. Memo to File	3-26-14	scanned	sm	10/18/2019
scanned	Pf	24. DIVISION ORDER		1/6/2020
7. Ltr. From Anadarko	10/16/15	scanned	sm	01/21/2020
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19. Drilling Permit API 389-37824	4/01/2019			
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RAL REVIEW SHEET

Transaction # 7827

Geologist:

Lessor: Margery A. Harper & Barbara G. Reed

Lease Date: 6/17/2013

UL ☐

Lessee: Anadarko E & P

Gross Acres: 640

Net Acres: 640

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	07-109149	101448	All	4	56	03S	T & P RY CO	2627

TERMS OFFERED

Primary Term: 3 years

Bonus/Acre: \$3,000.00

Rental/Acre: \$0.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 3 years

Bonus/Acre: \$3,000.00 (3533.33)

Rental/Acre: \$0.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
							Last Lease

Comments: Paid Up // one lease for N/2 and one for S/2 ~ Two Leases ~

Approved: DR 6.26.13

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

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

DATE: 27-Jun-13

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

Applicant: Anadarko E & P

County: REEVES

Prim. Term: 3 years

Bonus/Acre

\$3,000.00

Royalty: 1/4

Rental/Acre

\$0.00

Consideration

Recommended: RHA

Date: 7/22/13

Not Recommended: _____

Comments: Paid Up // one lease for N/2 and one for S/2

Lease Form

Recommended: RHA

Date: 7/22/13

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner

Date: 7.30.13

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: 9/5/13

Recommended: WW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 9/10/13

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner

Date: 9/11/13

Approved: [Signature]

Not Approved: _____

File No. 115836

RAL Review Sheet

Date Filed: 6/26/13

Jerry E. Patterson, Commissioner

By GH

MF 115836

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 17th day of June, 2013, between the State of Texas, acting by and through its agent, Barbara G. Reed and husband, Russell M. Reed

of 511 Tiffany Trail, Richardson, TX 75081

(Give Permanent Address)

said agent herein referred to as the owner of the soil (whether one or more), and Anadarko E & P Onshore LLC

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

(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:

320 acres, more or less, being the North One-half (N/2) of Section 4, Block 56, Township 3, T&P RR Co. Survey, Reeves County, Texas

containing 320.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Five Hundred Sixty-five Thousand Three Hundred Thirty-two and 80/100

Dollars (\$565,332.80)

To the owner of the soil: Five Hundred Sixty-five Thousand Three Hundred Thirty-two and 80/100

Dollars (\$565,332.80)

Total bonus consideration: One Million One Hundred Thirty Thousand Six Hundred Sixty-five and 60/100

Dollars (\$1,130,665.60)

The total bonus consideration paid represents a bonus of Three Thousand Five Hundred Thirty-three and 33/100

Dollars (\$3,533.33) per acre, on 320.00 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of three (3) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.



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

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

To the owner of the soil:

_____ Dollars (\$ _____)

THIS IS A PAID UP LEASE

To the State of Texas:

_____ Dollars (\$ _____)

Total Delay Rental:

_____ Dollars (\$ _____)

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

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

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

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

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

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

5. **MINIMUM ROYALTY.** During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be



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due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes.



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Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

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

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

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

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

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



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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.

(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



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

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

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

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

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



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PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.

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

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

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

LESSEE

Anadarko E & P Onshore LLC

BY: *Lindsay N. Jaffee* *WSJ*

Title:

Lindsay N. Jaffee
Agent and Attorney-in-Fact

Date: _____

STATE OF TEXAS

BY: *Barbara G. Reed*

Barbara G. Reed

Individually and as agent for the State of Texas

Date: 7/23/13

BY: *Russell M. Reed*

Russell M. Reed

Individually and as agent for the State of Texas

Date: 7-23-2013



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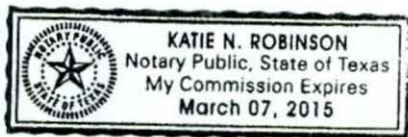
STATE OF TEXAS

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF Montgomery

BEFORE ME, the undersigned authority, on this day personally appeared Lindsay N. Jaffee
known to me to be the person whose name is subscribed to the foregoing instruments as Agent and Attorney-In-Fact
of Anadarko E & P Onshore LLC and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 1st day of August, 2013.



Katie N. Robinson
Notary Public in and for Montgomery County, Texas

STATE OF TEXAS

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF _____

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

Given under my hand and seal of office this the _____ day of _____, 2013.

Notary Public in and for _____



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STATE OF TEXAS
COUNTY OF Dallas

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Barbara G. Reed and Russell M. Reed
known to me to be the person whose name is subscribed to the foregoing instruments as _____
of Anadarko E & P Onshore LLC and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 23rd day of July, 2013



Notary Public in and for Texas

STATE OF TEXAS
COUNTY OF Dallas

(INDIVIDUAL ACKNOWLEDGMENT)

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

Given under my hand and seal of office this the 23rd day of July, 2013



Notary Public in and for Texas



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copy of
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Reeves County
Clerks Office

Inst No. 13-06802
DIANNE O. FLOREZ
COUNTY CLERK
2013 Sep 19 at 03:02 PM
REEVES COUNTY, TEXAS
By: AC Aurora Calanchi DEPUTY

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File No. 115-836

Lease

Date Filed: 10/18/13

Jerry E. Patterson, Commissioner

By GL

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. 1025, PAGE 103, THRU 112.

I hereby certify on October 1, 2013



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Aurora Calanchi DEPUTY
Aurora Calanchi

10.18.13

Craig S. Charbonnet, Inc.
Professional Land Services

Midland, Texas

223 West Wall Street, Suite 809
Midland, Texas 79701
Phone 432-686-0778 Fax 432-686-0778

The Woodlands, Texas

5 Grogans Park Drive, Suite 101
The Woodlands, Texas 77380
Phone 281-363-3217 Fax 281-363-4422

Baton Rouge, Louisiana

251 Florida Street, Suite 402
Baton Rouge, Louisiana 70801
Phone 225-389-9188 Fax 225-383-9689

VIA OVERNIGHT

October 16, 2013

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

ATTN: Mr. Drew Reid

Re: Certified Copies of recorded Oil and Gas Leases
Section 4, Block 56, Township 3,
T&P RR Co. Survey, Reeves County, Texas.

Dear Mr. Reid:

On September 24, 2013, we sent to your attention bonus consideration checks for the following leases:

MF-119836

1. Oil and Gas Lease dated June 17, 2013 by and between Barbara G. Reed and husband, Russell M. Reed, as Lessor, and Anadarko E & P Onshore LLC, as Lessee, covering 320.00 acres of land, more or less, being the North One-half (N/2) of Section 4, Block 56, Township 3, T&P RR Co. Survey, Reeves County, Texas.

MF-119837

2. Oil and Gas Lease dated June 17, 2013 by and between Margery Ann Harper, as Lessor, and Anadarko E & P Onshore LLC, as Lessee, covering 320.00 acres of land, more or less, being the South One-half (S/2) of Section 4, Block 56, Township 3, T&P RR Co. Survey, Reeves County, Texas.

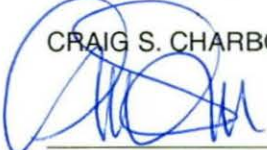
At the time the checks were sent to you, we did not have certified copies of the recorded leases from Reeves County, Texas, and a plain copy of the fully executed lease was included with the checks.

Enclosed please find a certified copy of each of the above referenced leases for your files.

Thank you for your cooperation in the process of acquiring these leases.

Very truly yours,

CRAIG S. CHARBONNET, INC.


Tiffany Santagata

CSC INTERESTS, INC.
5 GROGANS PARK, SUITE 101
THE WOODLANDS, TX 77380

COMPASS BANK
SPRING, TX 77379
35-1054/1130

14701194 11559

7/23/2013

PAY TO THE ORDER OF Texas General Land Office

\$ **565,457.80

Five Hundred Sixty-Five Thousand Four Hundred Fifty-Seven and 80/100 ***** DOLLARS

▲ TAMPER RESISTANT TONER AREA ▲

Texas General Land Office
1700 N. Congress Ave.
Suite 935
Austin, TX 78701-1495

MEMO

10083-13-005 Texas General Land Office

⑈011559⑈

CSC INTERESTS, INC.

Texas General Land Office
62300 - Bonus Consideration

10083-13-005 Texas General Land Office

7/23/2013

11559

X 565,457.80

0249 - Draft Account 10083-13-002 Texas General Land Office

565,457.80

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14701194

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CABRY ENTERPRISES LLC 11332 US HWY 59 N 903-930-1136 JEFFERSON, TX 75657-8272		13713296 7/1/2013 Date		1546 88-315/1119 10
Pay to the Order of	State of Texas		\$ 100.00	
One hundred dollars & 00/100		Dollars		 Security Features Detailed on Back
 CITIZENS NATIONAL BANK Marshall, TX 75670 - 903-835-6624 Member FDIC		Sec 4 - BIK 56 T3 (N12)		
For	Barbara G. Reed et vir		Carla Cawood MP	
		1546		

Marked Paper

QUINRYM SAFETY YELLOW

CSC Interests, Inc.
5 Grogans Park Drive, Suite 101
The Woodlands, TX 77380
phone 281/363-3217 fax 281/363-4422

VIA OVERNIGHT

September 24, 2013

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

ATTN: Mr. Drew Reid

Re: BONUS CONSIDERATION
Executed Oil and Gas Leases
Section 4, Block 56, Township 3,
T&P RR Co. Survey, Reeves County, Texas.

Dear Mr. Reid:

Enclosed please find the following checks reflecting the bonus consideration for the Oil and Gas Leases listed on Exhibit "A" along with plain copies of each lease for your records (**Note: Upon our receipt of Certified Recorded Copies of the leases listed on said Exhibit "A", we will forward same to your attention**):

Check Number	Total Amount / Breakdown	Lease / Lessor Name
11559	\$565,457.80 • \$565,332.80 – Bonus • \$100.00 – Processing Fee • \$25.00 – Filing Fee	Barbara G. Reed, et vir (320.00 ac.)
11561	\$565,457.80 • \$565,332.80 – Bonus • \$100.00 – Processing Fee • \$25.00 – Filing Fee	Margery Ann Harper (320.00 ac.)

Thank you for your cooperation in the process of acquiring these leases.

Very truly yours,

CSC INTERESTS, INC.

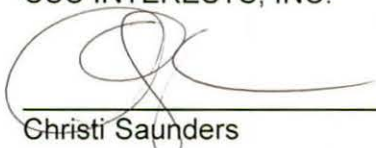

Christi Saunders

EXHIBIT "A"

1. Oil and Gas Lease dated June 17, 2013 by and between Barbara G. Reed and husband, Russell M. Reed, as Lessor, and Anadarko E & P Onshore LLC, as Lessee, covering 320.00 acres of land, more or less, being the North One-half (N/2) of Section 4, Block 56, Township 3, T&P RR Co. Survey, Reeves County, Texas.
2. Oil and Gas Lease dated June 17, 2013 by and between Margery Ann Harper, as Lessor, and Anadarko E & P Onshore LLC, as Lessee, covering 320.00 acres of land, more or less, being the South One-half (S/2) of Section 4, Block 56, Township 3, T&P RR Co. Survey, Reeves County, Texas.



Craig S. Charbonnet, Inc.
Professional Land Services

Midland, Texas
1909 W. Wall Street, Suite W
Midland, Texas 79701
Phone 432-686-0778 Fax 432-686-0778

The Woodlands, Texas
5 Grogans Park Drive, Suite 101
The Woodlands, Texas 77380
Phone 281-363-3217 Fax 281-363-4422

Baton Rouge, Louisiana
251 Florida Street, Suite 402
Baton Rouge, Louisiana 70801
Phone 225-389-9188 Fax 225-383-9689

VIA FEDEX OVERNIGHT

July 18, 2013

Mineral Leasing Division
Texas General Land Office
Stephen F. Austin Bldg.
1700 North Congress Avenue, Room 600
Austin, TX 78701-1495

Attn: Mr. Drew Reid

Re: Oil and Gas Lease Offer
Mineral Classified Lands
640.00 acres, Section 4, Block 56 T3
Reeves County, TX

Dear Mr. Reid:

Per your request, and on behalf of our client, Anadarko E&P Onshore LLC, we hereby submit Anadarko's final offer to lease the above captioned mineral classified section for the following terms:

- Bonus Consideration - \$3,533.33 per net mineral acre, or a total bonus of \$2,261,331.20
- Royalty - 25%
- Primary Term - 3 years
- Lease Form - GLO Form

Please let us know if the foregoing terms meet with your approval and we will move to close this transaction immediately.

Thank you for your kind assistance in this regard.

Very truly yours,

CRAIG S. CHARBONNET, INC.


Deborah L. Nunnallee, CPL

JOHN L. ROBERTSON INC.

200 East Sabine Road
Carthage, Texas 75633

James M. Carroll
Petroleum Landman

(903) 693-6262

Cell: 337-274-0499
Email: james.m.carroll14@gmail.com

July 18, 2013

The Texas General Land Office
Attn: Drew Reid
1700 Congress Ave.
Austin, TX 78711

Re: **Oil, Gas, and Mineral Lease Offer
Section 4, Block 56 T3 T&P RR Co Sur
Reeves County, Texas**

Mr. Reid,

Petrohawk Properties LP is prepared to offer to lease the interest owned by the State of Texas, covering all of Section 4 Block 56 Township 3 T&P RR Co. Survey, Reeves County, Texas being approximately 640 gross acres. We are prepared to pay **\$3,250.00 per net mineral acre**. The lease shall provide for a royalty interest of one-quarter ($\frac{1}{4}$) and have a three (3) year primary term. This offer will remain open for acceptance until Friday, July 19, 2013 at 5:00 PM CDT, after which time it will expire. This offer is also contingent upon a mutually acceptable lease form.

Please advise of any questions or if additional information is required in connection with the above offer. If the terms of this Offer are acceptable, please so indicate by executing in the space provided below and return one copy hereof to the attention of the undersigned by email to james.m.carroll14@gmail.com or by U.S Mail to the address at the top of the page. I look forward to your response

Sincerely,



James Carroll
On behalf of Petrohawk Properties LP

Drew
Drew Reid - Relinquishment Act Oil & Gas Leases, Section 4, Block 56 T3 T&P Ry Co. Survey, Reeves County, Texas

From: "Deborah Nunnallee" <debbie@charbonnet.cc>
To: "Drew Reid" <drew.reid@glo.texas.gov>
Date: 6/26/2013 11:31 AM
Subject: Relinquishment Act Oil & Gas Leases, Section 4, Block 56 T3 T&P Ry Co. Survey, Reeves County, Texas
CC: "Craig Charbonnet" <craig@charbonnet.cc>
Attachments: Harper_Margery_Ann_320.0 ac_S2 Sec 4 Blk 56 T3_OGL.doc; Reed_Barbara_G_et vir_320.0 ac_N2 Sec 4 Blk 56 T3_OGL.doc; Sec 4 Blk 56 T3.pdf

Drew,

Per our telephone conversation this morning, attached are unsigned copies of the following leases for which we request GLO approval, pending the outcome of the situation with the multiple lease offers:

1. Oil and Gas Lease dated June 17, 2013, between Margery Ann Harper, acting as agent for the State of Texas, as Lessor, and Anadarko E&P Onshore LLC, as Lessee, covering **320.0 acres, more or less, being the S/2 of Section 4, Block 56, T3, T&P Ry Co. Survey, Reeves County, Texas.**
2. Oil and Gas Lease dated June 17, 2013, between Barbara G. Reed et vir, acting as agent for the State of Texas, as Lessor, and Anadarko E&P Onshore LLC, as Lessee, covering **320.0 acres, more or less, being the N/2 of Section 4, Block 56, T3, T&P Ry Co. Survey, Reeves County, Texas.**

The basic terms offered for these leases are as follows:

1. Each lease covers full interest
2. \$3000.00 per acre bonus
3. 3 year paid up primary term
4. 1/4 royalty

Also attached is a plat depicting the tracts covered by the leases.

I spoke with Margery Harper after our conversation, and left a message for Barbara Reed. Per Mrs. Harper, she has not received a check yet, but Mrs. Reed has, and apparently deposited the check yesterday. Mrs. Harper was asking what Mrs. Reed would do about that if she decided to go with Anadarko's offer. I know she is anxious to speak with you. I think I have done everything that I can for the moment. Please know that we are prepared to consummate the trade immediately pending all parties' approval, and we are prepared to hand deliver checks to your office, and to Mrs. Harper and to Mr. & Mrs. Reed upon execution of the attached leases.

Thank you for your time this morning. We do appreciate it.

Debbie

Deborah L. Nunnallee, CPL

Craig S. Charbonnet, Inc.

5 Grogans Park Drive, Suite 101

The Woodlands, TX 77380

(281) 363-3217 office

(281) 363-4422 fax

(281) 787-8348 cell

G# 789
 T# 7827
 07-111056

Drew Reid - Fwd: Mineral Classified Acreage - Section 4, Block 56 T3 T&P Ry Co Survey, Reeves Co. TX

From: "Deborah Nunnallee" <debbie@charbonnet.cc>
To: <drew.reid@glo.texas.gov>
Date: 6/26/2013 8:07 AM
Subject: Fwd: Mineral Classified Acreage - Section 4, Block 56 T3 T&P Ry Co Survey, Reeves Co. TX
CC: <robert.hatter@glo.texas.gov>, "Craig Charbonnet" <craig@charbonnet.cc>

Good morning Drew,

Robert Hatter and I spoke late yesterday afternoon regarding the below request on behalf of Anadarko.

If there is an opportunity for Anadarko to acquire these leases, we are prepared to bring the leases and checks to your office in person today. Subsequent to the below email being sent yesterday, Anadarko has approved upping the bonus to \$3000/acre.

Please call me at your earliest opportunity to discuss. I know you are very busy and we appreciate your time. The best number to use when calling me is my cell at (281) 787-8348.

Thank you,

Debbie

Sent from my iPhone

Begin forwarded message:

From: "Deborah Nunnallee" <debbie@charbonnet.cc>
Date: June 25, 2013, 3:42:52 PM CDT
To: "Drew Reid" <drew.reid@glo.texas.gov>, <robert.hatter@glo.texas.gov>
Subject: Mineral Classified Acreage - Section 4, Block 56 T3 T&P Ry Co Survey, Reeves Co. TX

Dear Mr. Hatter and Drew,

I am writing to you on behalf of Anadarko Petroleum Corporation with regard to the captioned lands. Anadarko obtained the following two oil and gas leases on the subject land:

- 580.772.2488
- <!--[if !supportLists]-->• <!--[endif]-->Oil and Gas Lease dated 6/17/2010, from Margery Ann Harper, Agent for the State of Texas to Anadarko Petroleum Corporation, recorded in OPR 869/535, and covering the S/2 of said Section 4
 - <!--[if !supportLists]-->• <!--[endif]-->Oil and Gas Lease dated 6/17/2010, from Barbara G. Reed et vir, Agents for the State of Texas to Anadarko Petroleum Corporation, recorded in OPR 869/772, and covering the N/2 of said Section 4

The leases expired on 6/17/2013. We have been in contact with the above surface owners regarding new leases on Section 4 for the past month or two, and they were very interested in leasing to Anadarko. However, we have been informed that they have just signed new leases with Petrohawk

(BHP). The terms of the Petrohawk offer were \$2000/acre bonus; $\frac{1}{4}$ royalty; 3 year primary term lease. We had offered the same consideration, and are now prepared to increase the offer to \$2500/acre. It is unclear if the GLO has approved the Petrohawk leases.

Anadarko is very interested in securing leases on this section, as they have drilled a well to the north of this section, and plans to move a rig into this area within the next year. Please advise if it is possible for the GLO to approve leases in favor of Anadarko.

Thank you in advance for your time and consideration.

Deborah L. Nunnallee, CPL

Craig S. Charbonnet, Inc.

5 Grogans Park Drive, Suite 101

The Woodlands, TX 77380

(281) 363-3217 office

(281) 363-4422 fax

(281) 787-8348 cell

File No. 115836

Cover Letter @ Bours @ Teg

Date Filed: 10/18/13

Jerry E. Patterson, Commissioner

By GH

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

January 14, 2014

Lindsay Jaffee
Anadarko E&P Onshore LLC
PO Box 1330
Houston, Texas 77251

Re: **State Lease MF 115836**

RAL Lease dated June 17, 2013 recorded in V. 1025, P. 103,
covering 320 ac., Sec. 4, Blk. 56, T&P Ry Co. Survey, Reeves
Co., TX, Barbara & Russell Reed, agent for State of TX, Lessor

Dear Ms. Jaffee:

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-115836**. **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 CSC Interests of **\$565,332.80** has been applied to the State's portion of the cash bonus. In addition, we are in receipt of the processing and filing 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

File No. 115436

Final Letter

Date Filed: 1/14/14

Jerry E. Patterson, Commissioner

By gll

MF 115836

Prepared by and after recording please return to:
BHP BILLITON PETROLEUM
1360 Post Oak Boulevard, Suite 150
Houston, TX 77056-3030
Attn: Griffin McDonald

Curative Only
RELEASE OF OIL AND GAS LEASE

STATE OF TEXAS

COUNTY OF REEVES

)
§
)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the State of Texas, acting by and through its agent, **Barbara G Reed** and husband **Russell M Reed**, whose address is 511 Tiffany Trail, Richardson, Texas 75081, herein called ("Lessor"), and Petrohawk Properties LP, "Lessee", made and entered into that certain Oil and Gas Lease dated effective June 8, 2013, covering and affecting 320 acres, more or less, located in Section 4 of Block 56, Township 3, all T&P RR Co Survey, Reeves County, Texas, which lease is recorded in Book 1009, Page 575 as Instrument no. 13-04741 of the Official Public Records of Reeves County, Texas (the "Lease"); and,

WHEREAS, BHP Billiton Petroleum Properties (N.A.), LP formerly known as PETROHAWK PROPERTIES, LP, whose current address is 1360 Post Oak Blvd., Suite #150, Houston, Texas, 77056-3030, succeeded to all rights, title and interest of Lessee under the lease;

WHEREAS, the lease is null and void and BHP Billiton Petroleum Properties (N.A.), LP, desires to release the lease of record.

NOW, THEREFORE, for and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, Lessee does hereby release, relinquish and surrender all right, title and interest in the Lease to Lessor, its successors and assigns.



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

IN WITNESS WHEREOF, this instrument is executed on the date of acknowledgment, but is effective as of June 8, 2013.

BHP Billiton Petroleum Properties (N.A.), LP,
Formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
Its General Partner

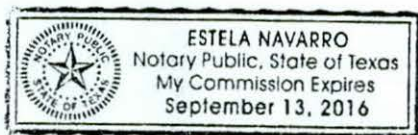
By: *John W. Walsh*
John W. Walsh
Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
 §
COUNTY OF HARRIS)

This instrument was acknowledged before me on this the 25th day of February, 2014, by **JOHN W. WALSH**, as Attorney-in-Fact of **BHP Billiton Petroleum Properties (N.A.), LP**, formerly known as Petrohawk Properties, LP, **By: BHP Billiton Petroleum Properties (GP), LLC**, Its General Partner, a Texas limited liability company, on behalf of said limited partnership.

Witness my hand and official seal:



Estela Navarro
Notary Public in and for the State of Texas

Printed Name: Estela Navarro



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

Inst No. 14-01988
DIANNE O. FLORINZ
COUNTY CLERK
2014 Mar 07 at 10:23 AM
REEVES COUNTY, TEXAS
By: AC Aurora Colaneri, CLERK

File No. MF 115836
BHP Release eff 6-8-13
Curative Release
Date Filed: 3-25-14
Jerry Patterson, Commissioner
By C Bonn

MEMO TO FILE MF115836 and MF115837

✓ MF115836 - BHP Billiton recorded a Lease without approval of the GLO (the GLO never received a copy of the invalid lease from BHP). Drew Reid requested BHP to Release the unapproved lease as a curative measure. The release is effective 6/8/13. Alamo noted by CBonn 3/26/14.

MF115837 - BHP Billiton recorded a Lease without approval of the GLO (the GLO never received a copy of the invalid lease from BHP). Drew Reid requested BHP to Release the unapproved lease as a curative measure. The release is effective 6/18/13. Alamo noted by CBonn 3/26/14.

File No. MF 115836 (6)
Memo to File

Date Filed: 3-26-14
Jerry Patterson, Commissioner

By C Bonn



October 15, 2015

VIA UPS OVERNIGHT MAIL

Mr. J. Daryl Morgan, CPL
Texas General Land Office
1700 N. Congress Avenue
Austin, Texas 78701

RE: Pooling Agreement
Sundance State 56-3-13 Unit / GLO Unit 7581
Reeves Counties, Texas

Dear Mr. Morgan:

Enclosed herewith please find two partially executed originals of the above referenced agreement. Once fully executed, please return one original agreement to me.

Thank you for your assistance. Please do not hesitate to contact me at 832.636.2522 with questions.

Sincerely,

ANADARKO E&P ONSHORE LLC

A handwritten signature in blue ink that reads "Cari Kirk". The signature is written in a cursive, flowing style.

Cari Kirk
Land Analyst

Enclosure

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

File No. M-115836

(7)

Ltr. From Annylarko County

Date Filed: 10/16/15

George P. Bush, Commissioner

By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

October 21, 2015

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

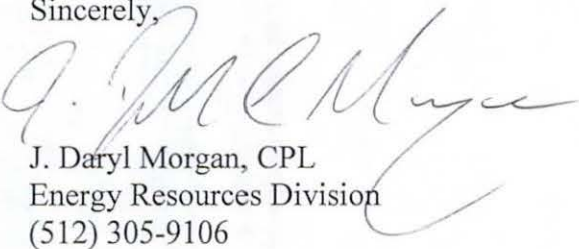
Re: Pooling Agreement
Sundance State 56-3-13 Unit
GLO Unit No. 7581
Reeves County, Texas

Dear Ms. Kirk:

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

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

Sincerely,


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

Enclosure

(8)

File No. M-115836

Ltr. to Anadyko County

Date Filed: 10/21/15

George P. Bush, Commissioner

By _____

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA158882

Unit Number 7581
Operator Name Anadarko E&P Onshore LLC Effective Date 08/04/2015
Customer ID C000062275 Unitized For Oil And Gas
Unit Name Sundance State Unit 56-3-13 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 0.06250830
State Part in Unit 0.50006638
Unit Depth Allow All Depths Well
From Depth Formation
To Depth Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF115836	1	320.190000	1,280.590000	0.25003319	0.12500000	0.03125415	No
MF115837	2	320.190000	1,280.590000	0.25003319	0.12500000	0.03125415	No

API Number N/A

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

08/04/2015

08/04/2015

08/12/2015

11-3-15

8/4/15

Pooling Committee Report

To: School Land Board

UPA158882

Date of Board Meeting: 08/04/2015

Unit Number: 7581

Effective Date: 08/04/2015

Unit Expiration Date:

Applicant: Anadarko E&P Onshore, LLC

Attorney Rep:

Operator: Anadarko E&p Onshore, LLC

Unit Name: Sundance State Unit 56-3-13

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF115836	0.12500000	06/17/2016	3 years	320.000000	320.190000	0.03125415
RAL	MF115837	0.12500000	06/17/2016	3 years	320.000000	320.190000	0.03125415

Private Acres:	640.210000
State Acres:	640.380000
Total Unit Acres:	1280.590000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	50.01%
<u>State Net Revenue Interest:</u>	6.25%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	704 acres for a 9,350 foot lateral (FTP to LTP).

REMARKS:

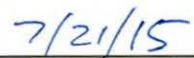
- Anadarko E&P Onshore, LLC is requesting permanent oil and gas pooling of all depths in order to test the Wolfcamp formation.
- The applicant plans to spud the unit well on December 1, 2015, with a proposed TD of 10,200 feet TVD. A 9,350 foot lateral is expected to be drilled.
- With approval of the unit the State's unit royalty participation will be 6.25%.
- The State will participate on a unitized basis from the date of first production.
- The applicant has agreed to drill a total of four unit wells by June 17, 2019 or the unit will decrease in size to 320 acres per unit well drilled.

POOLING COMMITTEE RECOMMENDATION:

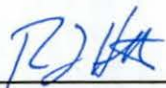
The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.



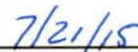
Mary Smith - Office of the Attorney General



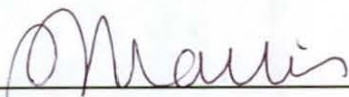
Date



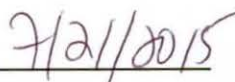
Robert Hatter - General Land Office



Date



Diane Morris - Office of the Governor



Date

A-899

T&P RR CO
A-878

T&P RR CO
A-2219

12

PBHL

4

MF115836

T&P RR CO
A-5182

T&P RR CO
A-2627

T&P RR CO
A-879

MF115837

13

13

T&P RR CO
A-905

T&P RR CO
A-883

T&P RR CO
A-3379

PSL

24

T&P RR CO
A-3377

14

T&P RR CO
A-3505

REEVES
COUNTY

LOVING
COUNTY

Unit # 7581
Anadarko E&P Onshore, LLC.
Sundance State Unit 56-3-13
Phantom (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
IS/BAS/GIS
August 2015

POOLING AGREEMENT
ANADARKO E&P ONSHORE LLC
SUNDANCE STATE UNIT 56-3-13
GLO UNIT NO. 7581
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit, subject to the provision of Paragraph 16.(B) of the State Leases ("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 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 well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid

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

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of August 4, 2015.

TERM:

9.

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

SPECIAL TERMS AND CONDITIONS:

10.

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

STATE LAND:

11.

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:

12.

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:

13.

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:

14.

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 10/20/15

Legal
Content
Geology
Executive

mm
mm
mm
mm

STATE OF TEXAS

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

Date Executed _____

ANADARKO E&P ONSHORE LLC

By: [Signature]

Its: _____

[Signature]
DL

TERM:

9.

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

SPECIAL TERMS AND CONDITIONS:

10.

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

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DISSOLUTION:

12.

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.

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COUNTERPARTS:

14.

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 _____

STATE OF TEXAS

Legal
Content
Geology
Executive

_____ *gm*

By: _____
George P. Bush, Commissioner
General Land Office

Date Executed _____

SWEPI/LP
By: *[Signature]*
Jeff Turnbull
Attorney-In-Fact
Its: _____

bl
VS OAA

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 4th day of August, 2015, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 21st day of October, 2015.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Montgomery

This instrument was acknowledged before me on August 31st, 2015, by Lindsay N. Jaffee
as Agent and Attorney-in-Fact for Anadarko E&P Onshore LLC, a Delaware limited liability
company on behalf of said company.



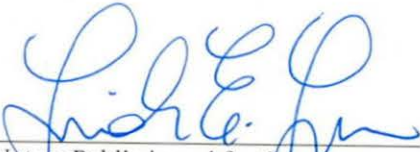
Cari Kirk
Notary Public in and for the
State of Texas

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on October 14, 2015, by Jeff Turnbull
as Attorney in Fact for SWEPI LP, a Delaware limited liability company on behalf
of said company.




Notary Public in and for the
State of Texas

Addendum "A"

To that certain Pooling Application for the Sundance State 56-3-13 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 Pooling Application. Lessee agrees to drill a minimum of four (4) horizontal wells within the unit; provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, allowing for 320 acres plus a maximum acreage tolerance of 10% per well drilled in the unit, as close as is reasonably practicable to the shape of a square or rectangle surrounding the 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 | — | By or before February 1 st , 2016; |
| Subsequent Three Wells | — | By or before June 17 th 2019; |

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

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

End of Addendum "A"

Exhibit "A-1"
To that certain Pooling Agreement dated effective August 4, 2015

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

APC LEASE NO: 1328965000
LESSOR: Chevron U.S.A. Inc
LESSEE: Anadarko E&P Onshore LLC
LEASE DATE: February 1, 2014
LEASE EFFECT DATE: February 1, 2014
RECORDING: Volume 1064, Page 169, Reeves County, Texas

APC LEASE NO: 1328838000
LESSOR: ST TX MF-115836 & Barbara G. Reed et ux
LESSEE: Anadarko E&P Onshore LLC
LEASE DATE: June 17, 2013
LEASE EFFECT DATE: June 17, 2013
RECORDING: Volume 1025, Page 103

APC LEASE NO: 1328837000
LESSOR: ST TX MF-115837 & Margery Ann Harper
LESSEE: Anadarko E&P Onshore LLC
LEASE DATE: June 17, 2013
LEASE EFFECT DATE: June 17, 2013
RECORDING: Volume 1025, Page 113

57.97.07

Exhibit "A-2"
To that certain Pooling Agreement dated effective August 4, 2015.

Legal Description:

Block 56, Township 3, Reeves County, TX:

<u>Section</u>	<u>Gross / Net Ac</u>	<u>Description</u>
Section 4	320	N2
Section 4	320	S2

Block 56, Township 3, Reeves County, TX:

<u>Section</u>	<u>Gross / Net Ac</u>	<u>Description</u>
Section 13	640	E2

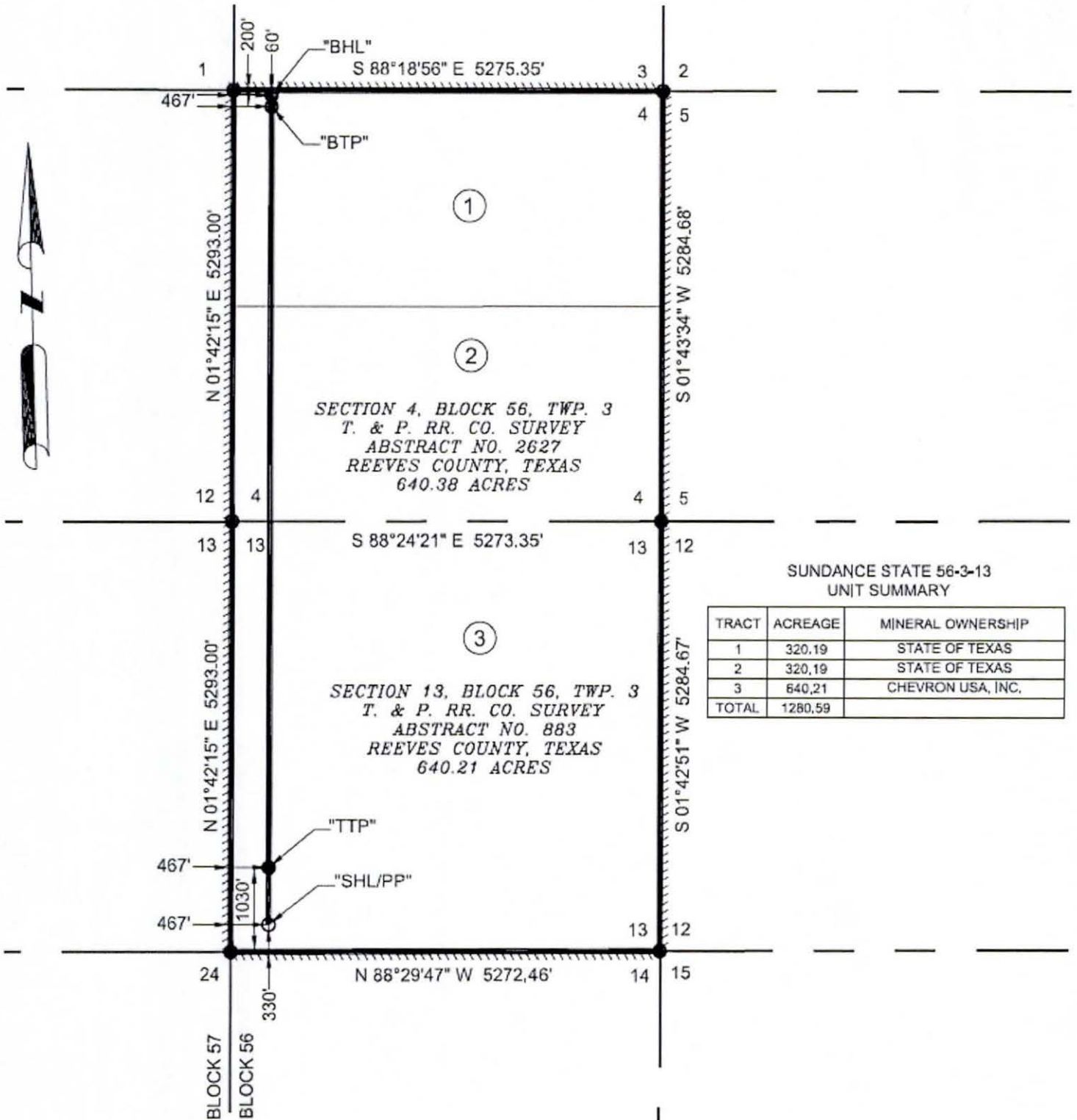
Exhibit "B"
To that certain Pooling Agreement dated effective August 4, 2015.

Legal Description of the tracts within the 1,280.59 acre Sundance State Unit 56-3-13:

- Tract 1: 320.19 acres, more or less, being the North One-Half (N/2) of Section 4, Block 56, Township 3, T&P RR Co Survey, Reeves County, Texas
- Tract 2: 320.19 acres, more or less, being the South One-Half (S/2) of Section 4, Block 56, Township 3, T&P RR Co Survey, Reeves County, Texas
- Tract 3: 640.21 acres, more or less, out of Section 13, Block 56, Township 3, T&P RR Co Survey, Abstract 883, being the NE/4 containing 160 acres and the S/2 and NW/4 Containing 480 acres, Reeves County, Texas

57.97.07

Exhibit "C"
To that certain Pooling Agreement dated effective August 4, 2015.



ST 0101

File No. M-115836
Posting Agmt. Packet # 7581
Sundance State Unit 56-3-13
10/21/15
 Date Filed: _____
 By George P. Bush, Commissioner



January 12, 2016

VIA UPS OVERNIGHT MAIL

Texas General Land Office
1700 North Congress Avenue
Stephan F. Austin Building
Austin, TX 78701
Attn: J. Daryl Morgan, CPL

Re: Documents for your records

Dear Daryl:

Enclosed herewith please find the below copies of fully executed original agreements for your records

- Pooling Agreement – Sundance State 56-3-13 Unit M-115436
- Pooling Agreement – Melville State Unit 2-6
- Pooling Agreement – Juniper State Unit 2-3
- Pooling Agreement – Sievers State Unit 2-1
-

Please do not hesitate to contact me at 832.636.1089 with questions.

Sincerely,

ANADARKO E&P ONSHORE LLC
Felicia Barsh
Land Specialist

10
File No. M-115836

Ltr. From Anadyrko County

Date Filed: 1/13/16

George P. Bush, Commissioner
By [Signature]

POOLING AGREEMENT
ANADARKO E&P ONSHORE LLC
SUNDANCE STATE UNIT 56-3-13
GLO UNIT NO. 7581
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit, subject to the provision of Paragraph 16.(B) of the State Leases ("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 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 well surfaced on adjacent or adjoining land or drilling or reworking of any such directional 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

37.01.01

37.01.01



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

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

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

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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.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of August 4, 2015.

2015

2015



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

TERM:

9.

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

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

STATE LAND:

11.

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:

12.

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:

13.

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:

14.

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

10/20/15

Legal
Content
Geology
Executive

mm
mm
mm

STATE OF TEXAS

By:

George P. Bush, Commissioner
General Land Office

Date Executed

ANADARKO E&P ONSHORE LLC

By:

David N. Jule

Its:

km
DL

97.97.07

97.97.07



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REEVES COUNTY
CLERKS OFFICE

TERM:

9.

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

SPECIAL TERMS AND CONDITIONS:

10.

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

STATE LAND:

11.

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:

12.

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.

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COUNTERPARTS:

14.

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 _____

STATE OF TEXAS

Legal
Content
Geology
Executive

gm

By: _____
George P. Bush, Commissioner
General Land Office

Date Executed _____

SWEPILE

By: _____
Jeff Turnbull
Attorney-In-Fact

B
DS DAA

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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 4th day of August, 2015, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 21st day of October, 2015.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Montgomery

This instrument was acknowledged before me on August 31st, 2015, by Lindsay N. Jaffee
as Agent and Attorney-in-Fact for Anadarko E&P Onshore LLC, a Delaware limited liability
company on behalf of said company.



Cari Kirk

Notary Public in and for the
State of Texas

97.97.07

97.97.07



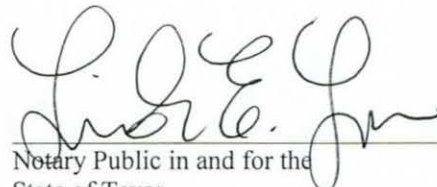
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REEVES COUNTY
CLERKS OFFICE

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on October 14, 2015, by Jeff Turnbull
as Attorney in Fact for SWEPI LP, a Delaware limited liability company on behalf
of said company.




Notary Public in and for the
State of Texas

97-97-01

97-97-01



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Addendum "A"

To that certain Pooling Application for the Sundance State 56-3-13 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 Pooling Application. Lessee agrees to drill a minimum of four (4) horizontal wells within the unit; provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, allowing for 320 acres plus a maximum acreage tolerance of 10% per well drilled in the unit, as close as is reasonably practicable to the shape of a square or rectangle surrounding the 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 – By or before February 1st, 2016;
- Subsequent Three Wells – By or before June 17th 2019;

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

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

End of Addendum "A"

91.01.7

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Exhibit "A-1"
To that certain Pooling Agreement dated effective August 4, 2015

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

APC LEASE NO: 1328965000
LESSOR: Chevron U.S.A. Inc
LESSEE: Anadarko E&P Onshore LLC
LEASE DATE: February 1, 2014
LEASE EFFECT DATE: February 1, 2014
RECORDING: Volume 1064, Page 169, Reeves County, Texas

APC LEASE NO: 1328838000
LESSOR: ST TX MF-115836 & Barbara G. Reed et ux
LESSEE: Anadarko E&P Onshore LLC
LEASE DATE: June 17, 2013
LEASE EFFECT DATE: June 17, 2013
RECORDING: Volume 1025, Page 103

APC LEASE NO: 1328837000
LESSOR: ST TX MF-115837 & Margery Ann Harper
LESSEE: Anadarko E&P Onshore LLC
LEASE DATE: June 17, 2013
LEASE EFFECT DATE: June 17, 2013
RECORDING: Volume 1025, Page 113



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CLERKS OFFICE

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Exhibit "A-2"
To that certain Pooling Agreement dated effective August 4, 2015.

Legal Description:

Block 56, Township 3, Reeves County, TX:

<u>Section</u>	<u>Gross / Net Ac</u>	<u>Description</u>
Section 4	320	N2
Section 4	320	S2

Block 56, Township 3, Reeves County, TX:

<u>Section</u>	<u>Gross / Net Ac</u>	<u>Description</u>
Section 13	640	E2



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Exhibit "B"

To that certain Pooling Agreement dated effective August 4, 2015.

Legal Description of the tracts within the 1,280.59 acre Sundance State Unit 56-3-13:

- Tract 1: 320.19 acres, more or less, being the North One-Half (N/2) of Section 4, Block 56, Township 3, T&P RR Co Survey, Reeves County, Texas
- Tract 2: 320.19 acres, more or less, being the South One-Half (S/2) of Section 4, Block 56, Township 3, T&P RR Co Survey, Reeves County, Texas
- Tract 3: 640.21 acres, more or less, out of Section 13, Block 56, Township 3, T&P RR Co Survey, Abstract 883, being the NE/4 containing 160 acres and the S/2 and NW/4 Containing 480 acres, Reeves County, Texas

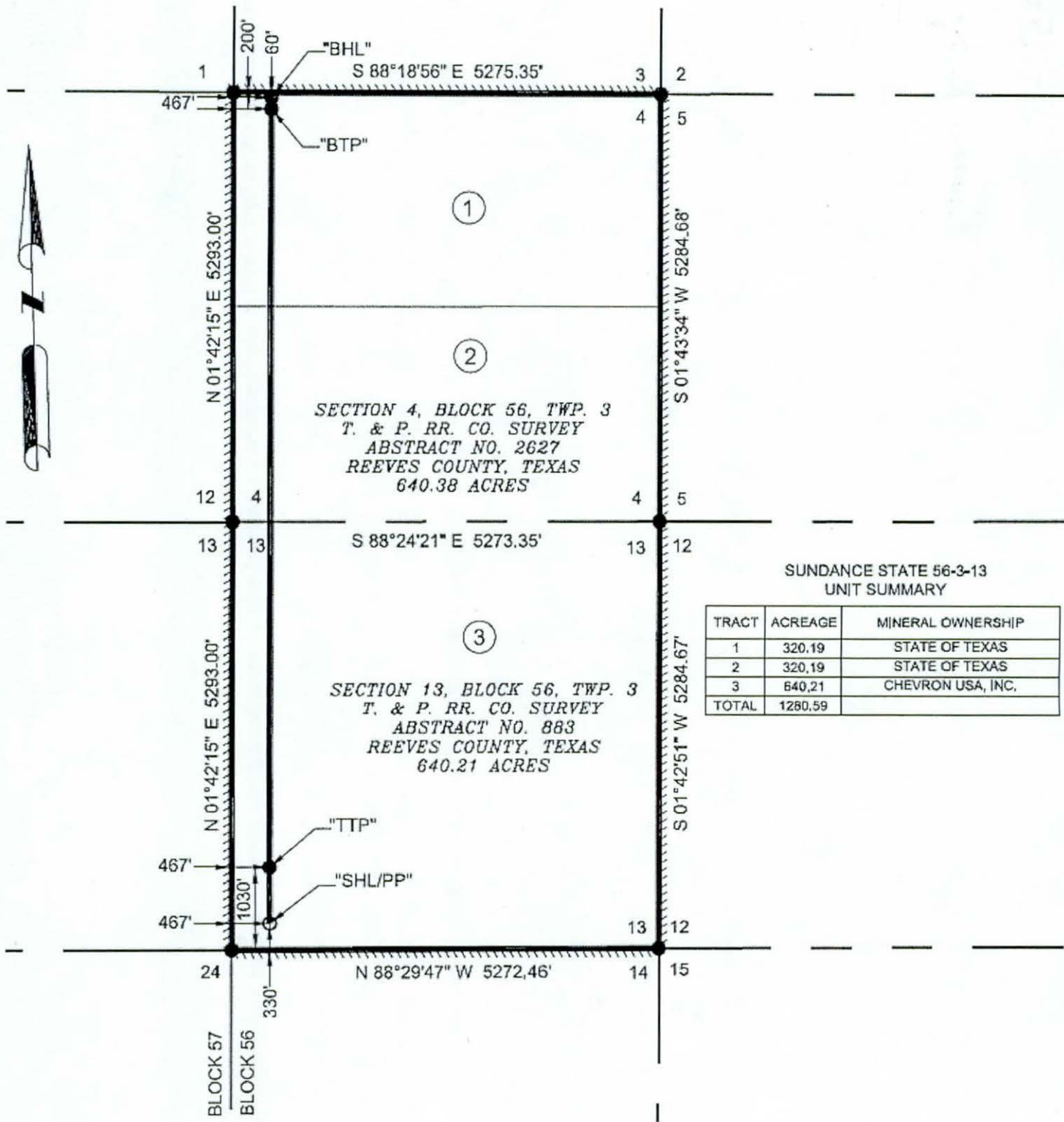


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CLERKS OFFICE

97.21.7

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Exhibit "C"
To that certain Pooling Agreement dated effective August 4, 2015.



Inst No. 15-10116
DIANNE O. FLOREZ
COUNTY CLERK

2015 Oct 28 at 01:08 PM

REEVES COUNTY, TEXAS

By: ER *Elizabeth Kaye* DEPUTY

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REEVES COUNTY
CLERKS OFFICE

57.97.01

(11)

File No. M-115836

Recorded Pooling Agreement County

Date Filed: 1/13/16

George P. Bush, Commissioner

By [Signature]

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Flores, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
Pooling Agreement dated 10-21-15

filed for recording my office this 28th day of October
1:08 P.M., under Clerk's File No. 15-10116, to be recorded in the
Official Public Record

Records of Reeves County, Texas.

TO CERTIFY, WITNESSETH my hand and official seal at Pecos, Texas
this 28th day of October, 2015.

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

MF-1158364
MF-115837

Anadarko E&P Onshore LLC

Division Order

STATE OF TEXAS
OFFICE
1700 N CONGRESS AVENUE
STEPHEN F AUSTIN BLDG
AUSTIN, TX 78701-1436

See reverse for list of
Properties and Interests.

Effective Date: Date of First Sales

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

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

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

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

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

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

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

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

RV45678204
STATE OF TEXAS
OFFICE
XXX-XX-0108

Signature of Witness

Owner Signature/Corporate Title

Owner Address (if different from above)

Signature of Witness

Owner Signature/Corporate Title

City, State Zip Code

Owner Daytime Phone

Email Address

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

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

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

Date Prepared: March 31, 2016
Prepared By: HWILSON
Suspense Flag: N

<u>Property</u>	<u>Property Name</u>	<u>Product</u>	<u>State/County</u>	<u>Int Type</u>	<u>Int Seg</u>	<u>Interest</u>
115237	SUNDANCE STATE UNIT 56-3-13 1H API 389-34997	All Products	TX/REEVES	RI	1	0.06250830

Legal Description:

640 ACS MORE OR LESS BEING DESCRIBED AS SEC 13, BLK 56, TWSP 3, T&P RR CO SVY, ABS 883 IN REEVES COUNTY, TX

REDS WEST TEXAS ROUNDUP PROSPECT, TRACT NO 60.37.38.1, 320 ACS, AND TRACT NO 60.371.38.2, 320 ACS, BEING SEC 4 BLK 56 TWP 3 T&P RR CO SVY A-2627 IN REEVES COUNTY, TX

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

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

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

Date Prepared: March 31, 2016
Prepared By: HWILSON
Suspense Flag: N



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 2, 2016

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

Re: State Lease Nos. MF115836 and MF115837 Sundance State Unit 56-3-13 1H;
MF116705 Powers State Unit 2-37 1H
MF116703 Robertson State Unit 2-7 1H (Unit 7556) and
MF116703 Robertson State Unit 2-5 1H (Unit 7558).

Dear Ms. McCarty:

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

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

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

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

Thank you,

Vivian Hernandez
Landman, Energy Resources
512-475-0428
512-475-1543 (fax)
vivian.hernandez@glo.texas.gov

File No. ME 115836Division OrderDate Filed: 6-2-16

George P. Bush, Commissioner

By UH

ANADARKO E&P ONSHORE LLC

STATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE
AUSTIN, TX 78701-1436

16711996

INSTRUCTIONS TO PAYEE:

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

INSTRUCTIONS TO DEPOSITORY:

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

Lease Number: 1328838000

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	Jun-08-2016	50015831	***\$600.00*

121

SI PAYMENT SUNDANCE STATE 56-3-13 UNIT 1H (H7830)

13.

File No. MF 115836

Shut-in Payment County

Date Filed: 6/13/16

George P. Bush, Commissioner

By SSS

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

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

State Lease No. MF <u>115836</u> & <u>115837</u>		Operator Anadarko E&P Onshore LLC	
Lease Name Sundance State Unit 56-3-13		Field Name Phantom	
Area	Tract	Part	Acres 1280.59
Section 4	Block 56 T3	Survey T & P RR Co Svy	County Reeves
State's NRI in Lease: 25%			
Unit Name (if applicable) Sundance State Unit 56-3-13		State's Unit NRI (if applicable) 12.5%	
Total Shut-In Due: \$1200		Explain how payment was calculated: No rental, thus 1\$/acre or minimum payment of \$1200/lease (2 RAL leases requiring 1/2 of the payment to the state 1/2 to the surface owner (\$600 + \$600 = \$1200))	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

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

The well is currently shut in awaiting the final construction of facilities and flow lines to consistently produce the well and prevent flaring of gas. The well was drilled and completed; however, construction delays have required that the well be shut in for a short period of time.

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

Construction on facilities is actively underway and it is anticipated that these facilities and flow lines will be completed on or around August 25, 2016, at which time the well can then be consistently produced and gas will not need to be flared.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name: Sundance State Unit 56-3-13 1H	API: 4238934997	RRC: Dist#-Lease# PENDING
Produced in Past: ☒ Yes ☐ No	Completion Date: 4/29/2016	Shut-In Date: 5/07/2016	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☒ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS 1838 mcf/d	OIL 426 bbls/d	WATER 3004 bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Contact for Shut-in: Mark Hajdik
 Operator's Representative
 Phone: 832-636-3804 Email: mark.hajdik@gmail.com

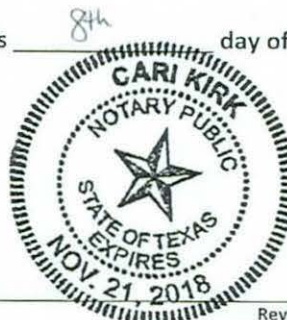
I certify that this statement is true and correct.

Signature: [Signature] Print Name: Gray W. Carlisle

Title: Land Supervisor

Sworn and subscribed to before me, the undersigned authority this 8th day of June, 2016.

Cari Kirk
 Notary Public in and for
Montgomery County, State of Texas



Revised 1/20/2016



June 8, 2016

VIA UPS OVERNIGHT MAIL

1Z X1W 140 01 9935 8236

Ms. Susan Draughn
Texas General Land Office
1700 N. Congress Avenue
Austin, Texas 78701

RE: State Shut-In Affidavits
Juniper State Unit 2-3
Pace State Unit 1-37
Pritchett State C19-22
Sundance State Unit 56-3-13
Loving and Reeves Counties, Texas

Dear Ms. Draughn:

Enclosed herewith please find seven Shut-In Affidavits for the above referenced units in Reeves County, Texas.

Please do not hesitate to contact me via email at Cari.Kirk@Anadarko.com or by phone at 832.636.2522 with questions.

Sincerely,

ANADARKO E&P ONSHORE LLC

A handwritten signature in cursive script that reads "Cari Kirk".

Cari Kirk
Land Analyst

Enclosure

14.

File No. MF 115836
Shut in Affidavit County

Date Filed: 6/13/16
George P. Bush, Commissioner
By SSD



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 13, 2016

Ms. Cari Kirk
Anadarko E&P Onshore LLC
1201 Lake Robbins Drive
The Woodlands, TX 77380

Re: **Texas State Lease MF115836** – Relinquishment Act Lease
Barbara G. Reed and husband, Russell M. Reed, Agents for the State
320.0 acres, Section 4, Block 56, T3, T&P RR Co. Survey, Reeves County, TX
Well: Sundance State Unit 56-3-13 1H, API: 4238934997
Shut-In Payment

This acknowledges receipt of shut-in payment in the amount of \$600.00 for the subject shut-in well by the Texas General Land Office on June 10, 2016.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in is valid until the first of the month next, following one year from the shut-in anniversary date of May 7, 2016. Therefore, the shut-in payment period will end June 1, 2017.

Please notify us when the well returns to production.

Yours very truly,

Susan Draughn, Landman
Mineral Leasing, Energy Resources
Direct: 512.463.6521
susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

15.

File No. MF 115836
Letter accepting County
shut-in
Date Filed: 6/14/16
George P. Bush, Commissioner
By SSD

API No. <u>42-389-34997</u> Drilling Permit # <u>809738</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>020528</u>		2. Operator's Name (as shown on form P-5, Organization Report) ANADARKO E&P ONSHORE LLC		3. Operator Address (include street, city, state, zip): ATTN FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		
4. Lease Name SUNDANCE STATE 56-3-13 UNIT		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>13000</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>6.96</u> miles in a <u>SW</u> direction from <u>ORLA</u> which is the nearest town in the county of the well site.						
15. Section <u>13</u>	16. Block <u>56 T3S</u>	17. Survey <u>T&P RR CO</u>	18. Abstract No. <u>A-883</u>	19. Distance to nearest lease line: <u>200</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1280.59</u>	
21. Lease Perpendiculars: <u>467</u> ft from the <u>WEST</u> line and <u>330</u> ft from the <u>SOUTH</u> line.		22. Survey Perpendiculars: <u>467</u> ft from the <u>WEST</u> line and <u>330</u> ft from the <u>SOUTH</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	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	13000	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [RRC STAFF Aug 31, 2015 10:00 AM]: Changed survey information to match RRC GIS.			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Cari Vaughn, Staff Regulatory Analyst</u> <u>Aug 24, 2015</u> Name of filer Date submitted <u>(832)636-1162</u> <u>cari.vaughn@anadarko.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: <u>Aug 31, 2015 10:01 AM('As Approved' Version)</u>						



RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

Form W-1H

07/2004

Supplemental Horizontal Well Information

Permit Status: Approved

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

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

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

Permit # 809738

Approved Date: Aug 31, 2015

1. RRC Operator No. 020528	2. Operator's Name (exactly as shown on form P-5, Organization Report) ANADARKO E&P ONSHORE LLC	3. Lease Name SUNDANCE STATE 56-3-13 UNIT	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 4	7. Block 56 T3S	8. Survey T&P RR CO/GOEDEKE, C W	9. Abstract 2627
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 467 ft. from the WEST line. and 60 ft. from the NORTH line			
12. Terminus Survey Line Perpendiculars 467 ft. from the WEST line. and 60 ft. from the NORTH line			
13. Penetration Point Lease Line Perpendiculars 467 ft. from the WEST line. and 330 ft. from the SOUTH line			



ANADARKO E&P ONSHORE LLC

SHEET NO. 1 OF 1

NATURE OF WORK WELL LOCATION STAKING

DATE 05-08-15

SRID NO. 4864

PROJECT SUNDANCE STATE 56-3-13 UNIT 1H

JOB OR AFE NO. 2097335.PDE

SEC. 13, 4

BLK OR RANGE 56

TWP 3

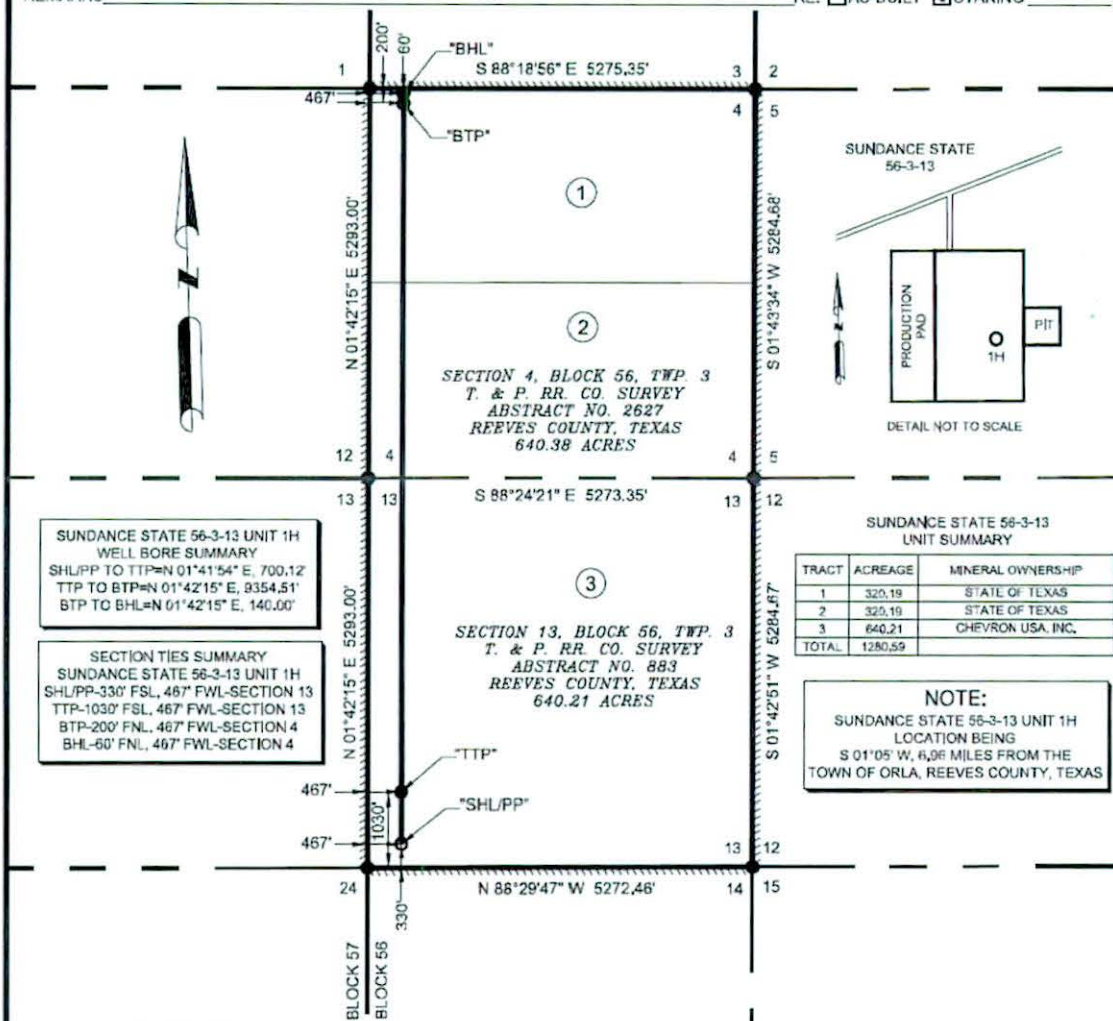
SURVEY

T. & P. RR. CO.

CO. REEVES

STATE TEXAS

REMARKS

RE: ☐ AS-BUILT ☒ STAKINGSTATE PLANE COORDINATE DATUM
NAD 27 - TEXAS CENTRAL ZONE 4203

SUNDANCE STATE 56-3-13 UNIT 1H SHL/PP (ELEV.=2984.52')

X = 889054.18 LAT = 31°43'25.654" N LAT = 31°42'47.326" N
Y = 766116.50 LONG = -103°54'24.701" W LONG = -103°50'06.141" W

X = 889074.93 LAT = 31°43'33.592" N LAT = 31°42'50.799" N
Y = 766516.29 LONG = -103°54'24.721" W LONG = -103°50'06.899" W

X = 889352.19 LAT = 31°45'06.166" N LAT = 31°45'17.134" N
Y = 776168.48 LONG = -103°54'24.978" W LONG = -103°50'09.384" W

X = 889357.36 LAT = 31°45'07.554" N LAT = 31°45'20.622" N
Y = 776306.40 LONG = -103°54'24.982" W LONG = -103°50'09.397" W

STATE PLANE COORDINATE DATUM
NAD 83 - TEXAS CENTRAL ZONE 4203

SUNDANCE STATE 56-3-13 UNIT 1H SHL/PP (ELEV.=2984.52')

X = 1185516.25 LAT = 31°43'27.121" N LAT = 31°42'40.030" N
Y = 10608693.06 LONG = -103°54'26.395" W LONG = -103°50'33.201" W

X = 1185537.00 LAT = 31°43'34.060" N LAT = 31°42'51.490" N
Y = 10609382.87 LONG = -103°54'26.415" W LONG = -103°50'33.761" W

X = 1185815.21 LAT = 31°45'06.624" N LAT = 31°45'18.400" N
Y = 10616743.25 LONG = -103°54'26.674" W LONG = -103°50'40.933" W

X = 1185819.37 LAT = 31°45'08.010" N LAT = 31°45'22.400" N
Y = 10618883.18 LONG = -103°54'26.677" W LONG = -103°50'41.041" W

Plat notes

- 1) BEARINGS AND COORDINATES SHOWN HEREON ARE BASED ON THE LAMBERT CONICAL PROJECTION OF THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83 DATUM, TEXAS CENTRAL ZONE 4203 WITH A CONVERGENCE ANGLE OF 1° 49' 05.8" AT NGS MONUMENT "CHAPMAN ET" AND DISTANCES ARE OF GRID VALUE WITH A COMBINED FACTOR OF 0.00003664. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSGLOBAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 05-08-15 DATE SURVEYED 05-07-15 DRAFT ST

JOB NO. 1404028 FIELD BOOK V. JG09, P. 35 REV. 3

FILE 1404028 SUNDANCE STATE 56-3-13 UNIT 1H RRC PERMIT PLAT

2000' 0' 2000' 4000'

TRANSGLOBAL
SERVICES LLC

TBPLS FIRM# 10193740

8205 Camp Bowle West, Suite 204

Fort Worth, Texas 76116

(817) 529-1180 ~ Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

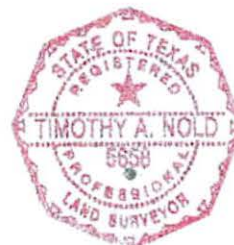
Digitally signed by Timothy A. Nold

Date: 2015.07.02 14:35:01 -0500

817

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658

DATE



16

File No. MF115836

Roones County

Drilling Permit APL 389-34997 - Unit 7581

Date Filed: _____

George P. Bush, Commissioner

By JPB

0. 2.70



Texas General Land Office
George P. Bush, Commissioner
1700 North Congress Avenue
Austin, Texas 78701-1495

DEEP RIGHTS RETENTION PAYMENT FORM

Complete a separate form for each State Mineral File (MF). Multiple undivided interest leases, in the common mineral file, for which retention is being requested, may be listed together.

Mail or Deliver with Attention to: Energy Resources

STATE LEASE # MF 115836		County Reeves	Gross Acres 320	Net Acres 320	Tract Part (Ex. NW/4) N/2
Section: 4	Block: 56	Survey: T&P RR Co.		Township: 3	Abstract:
Agent for State (Lessor) Barbara G. Reed and husband, Russell M. Reed			Operator Anadarko E&P Onshore LLC		

FOR EACH WELL, PROVIDE THE FOLLOWING:

- "As-Drilled" Plat (horizontal wells must have lateral length set out on the plat)
- P-15 as submitted to RRC where required by RRC Field Rules

Contact Riley Morris	Date 5/24/2018
Sr. Landman	Company Anadarko E&P Onshore LLC
Title 432-247-3468	Mailing Address PO Box 50458
Telephone Number riley.morris@anadarko.com	City, State, Zip Midland, TX 79710
E-Mail Address	

Deep Rights Retention Bonus Work-Up
Type of State Lease: (RAL, Fee, Free Royalty) RAL
Total Eligible Acres: 320
Total Amount Due: \$282,666.40 to both the State and Lessor
Check # 7745000602 (State) and 7745000603 (Lessor)
<i>If there are undivided interests; there may be multiple checks</i>

For General Land Office Use Only:	Received: 5/9/18	Payment Register No.: 18711207
Amount: \$ 282,666.40	Lease Type: RAL	Unit No.: 7581
		Good to 6/17/20

WELL INFORMATION

Copy and Complete Additional Sheets as Necessary

<u>WELL NAME & NO.</u> Sundance State 56-3-13 Unit 1H		<u>API</u> 42-389-34997	<u>DISTRICT</u> 08	<u>RRC ID</u>	<u>SPUD DATE</u> 10/22/2015	<u>COMPLETION DATE</u> 05/06/2016
<u>WELL LOCATION: Land Part (Ex. NW/4):</u> West side of sections 4 and 13 Section: 4, 13 Block: 56 Township: 3 Survey: T&P RR Co Abstract:			OIL ☐ VERTICAL ☐ GAS ☒ HORIZONTAL ☒ FIELD NAME & NUMBER: Phantom (Wolfcamp)			
<u>TOTAL ALLOWABLE WELL ACRES</u> 1280		<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 640		<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 640		<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 10,493' (100' below depth drilled of 10,393')
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 9,310' TTP to BTP		<u>LENGTH OF LATERAL ON STATE LAND</u> ~4,785		<u>LENGTH OF LATERAL ON PRIVATE LAND</u> ~4,525	
<u>3 MONTHS MOST RECENT PRODUCTION</u>		<u>MONTH/YEAR</u> 03/2018	<u>VOLUME</u> 6,324.66 bbl/oil and 14,286.33 mcf	<u>MONTH/YEAR</u> 04/2018	<u>VOLUME</u> 6,324.66 bbl/oil and 14,286.33 mcf	<u>MONTH/YEAR</u> 05/2018
						<u>VOLUME</u> 6,324.66 bbl/oil and 14,286.33 mcf

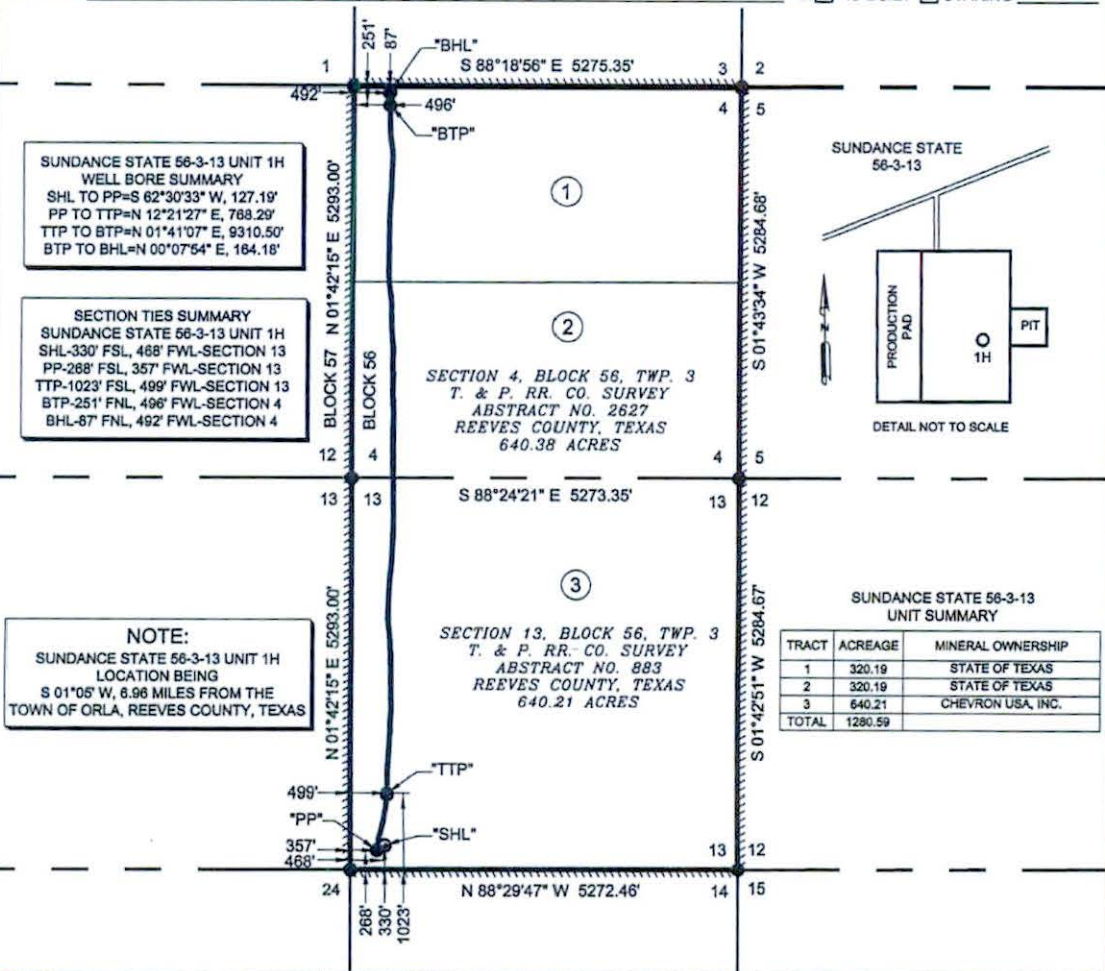
<u>WELL NAME & NO.</u>		<u>API</u>	<u>DISTRICT</u>	<u>RRC ID</u>	<u>SPUD DATE</u>	<u>COMPLETION DATE</u>
<u>WELL LOCATION: Land Part (Ex. NW/4):</u> Section: Block: Township: Survey: Abstract:			OIL ☐ VERTICAL ☐ GAS ☐ HORIZONTAL ☐ FIELD NAME & NUMBER:			
<u>TOTAL ALLOWABLE WELL ACRES</u>		<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u>		<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u>		<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u>
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u>		<u>LENGTH OF LATERAL ON STATE LAND</u>		<u>LENGTH OF LATERAL ON PRIVATE LAND</u>	
<u>3 MONTHS MOST RECENT PRODUCTION</u>		<u>MONTH/YEAR</u>	<u>VOLUME</u>	<u>MONTH/YEAR</u>	<u>VOLUME</u>	<u>MONTH/YEAR</u>



ANADARKO E&P ONSHORE LLC

SHEET NO. 1 OF 1

NATURE OF WORK AS-DRILLED WELL LOCATION DATE 05-17-16 SRID NO. 7021
PROJECT SUNDANCE STATE 56-3-13 UNIT 1H AS DRILLED PLAT JOB OR AFE NO. 2097335.CMP
SEC. 13, 4 BLK OR RANGE 56 TWP. 3 SURVEY T. & P. RR. CO. CO. REEVES STATE TEXAS
REMARKS RE ☒ AS-BUILT ☐ STAKING



STATE PLANE COORDINATE DATUM NAD 83 - TEXAS CENTRAL ZONE 4203			
SUNDANCE STATE 56-6-13 UNIT 1H SHL (ELEV.=2988.71')			
X = 889055.28	LAT = 31°43'26.600" N	LAT = 31°43'26.600" N	
Y = 766116.73	LONG = -103°54'24.689" W	LONG = -103°54'24.689" W	
SUNDANCE STATE 56-6-13 UNIT 1H TTP			
X = 888942.43	LAT = 31°43'26.050" N	LAT = 31°43'26.050" N	
Y = 766058.02	LONG = -103°54'25.972" W	LONG = -103°54'25.972" W	
SUNDANCE STATE 56-6-13 UNIT 1H BTP			
X = 889108.85	LAT = 31°43'33.525" N	LAT = 31°43'33.525" N	
Y = 766808.50	LONG = -103°54'24.349" W	LONG = -103°54'24.349" W	
SUNDANCE STATE 56-6-13 UNIT 1H SHL			
X = 889380.71	LAT = 31°45'05.666" N	LAT = 31°45'05.666" N	
Y = 776114.79	LONG = -103°54'24.840" W	LONG = -103°54'24.840" W	
SUNDANCE STATE 56-6-13 UNIT 1H BHL			
X = 889381.10	LAT = 31°45'07.290" N	LAT = 31°45'07.290" N	
Y = 776278.98	LONG = -103°54'24.697" W	LONG = -103°54'24.697" W	

STATE PLANE COORDINATE DATUM NAD 83 - TEXAS CENTRAL ZONE 4203			
SUNDANCE STATE 56-6-13 UNIT 1H SHL (ELEV.=2988.71')			
X = 1185517.33	LAT = 31°43'27.124" N	LAT = 31°43'27.124" N	
Y = 10608693.30	LONG = -103°54'26.383" W	LONG = -103°54'26.383" W	
SUNDANCE STATE 56-6-13 UNIT 1H TTP			
X = 1185404.50	LAT = 31°43'26.507" N	LAT = 31°43'26.507" N	
Y = 10608634.59	LONG = -103°54'27.667" W	LONG = -103°54'27.667" W	
SUNDANCE STATE 56-6-13 UNIT 1H BTP			
X = 1185568.02	LAT = 31°43'33.683" N	LAT = 31°43'33.683" N	
Y = 10609385.06	LONG = -103°54'26.043" W	LONG = -103°54'26.043" W	
SUNDANCE STATE 56-6-13 UNIT 1H SHL			
X = 1185842.73	LAT = 31°45'06.122" N	LAT = 31°45'06.122" N	
Y = 10618691.56	LONG = -103°54'26.336" W	LONG = -103°54'26.336" W	
SUNDANCE STATE 56-6-13 UNIT 1H BHL			
X = 1185843.11	LAT = 31°45'07.748" N	LAT = 31°45'07.748" N	
Y = 10618655.74	LONG = -103°54'26.392" W	LONG = -103°54'26.392" W	

- 1) BEARINGS, DISTANCES, AREA AND COORDINATES SHOWN HEREON ARE GRID BASED ON "THE TEXAS COORDINATE SYSTEM OF 1983 (2011), CENTRAL ZONE" AS DETERMINED BY GPS OBSERVATIONS REFERENCED TO TRANSGLOBAL CONTROL POINT "82-2" (N. 10606750.71, E. 1184805.25) WHERE THE CONVERGENCE ANGLE IS -1° 50' 31.2" AND THE COMBINED SCALE FACTOR IS 0.99982206. ELEVATIONS ARE NAVD83 (GEOID 12B). THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSGLOBAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 05-17-16 DATE SURVEYED: 10-05-15 DRAFT ST
JOB NO. 1605042 FIELD BOOK V. JG11, P. 29 REV. 0
FILE 1605042 SUNDANCE STATE 56-3-13 UNIT 1H AS-DRILLED WELL PLAT



MAGNETIC NORTH IS CURRENT AS OF 10/05/2015
MAGNETIC NORTH CHANGES WEST 0.10" PER YEAR



TRANSGLOBAL
SERVICES LLC

TBPLS FIRM# 10193740

8205 Camp Bowie West, Suite 204
Fort Worth, Texas 76116
(817) 529-1180 ~ Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658

DATE

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 159284

This facsimile P-15 was generated electronically
from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the ANADARKO E&P ONSHORE LLC ,
OPERATOR
SUNDANCE STATE 56-3-13 UNIT , No. 1H ; that such well is
LEASE WELL
completed in the PHANTOM (WOLFCAMP) Field, REEVES County,
Texas and that the acreage claimed, and assigned to such well for proration purposes as
authorized by special rule and as shown on the attached certified plat embraces _____
704.0 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

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,

Date 08/02/2016 Signature Fatma Abdallah
Telephone (432) 247-3475 Title Sr. Regulatory Analyst
AREA CODE

ANADARKO E&P ONSHORE LLC

STATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE
AUSTIN, TX 78701-1436

18711207

INSTRUCTIONS TO PAYEE:

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

INSTRUCTIONS TO DEPOSITORY:

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

Lease Number: 1328838000

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	May-07-2018	7745000602	***\$282,666.40*

Safeguard

DETACH STUB AND RETAIN FOR YOUR RECORDS

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

ANADARKO E&P ONSHORE LLC



LEASE NUMBER 1328838000
LEASE DATE 06-17-2013
Option to Extend
BOOK: 1025 PAGE: 103 REC #: 13-06802
Reeves TX

FOR PERIOD
06-17-2018

ACRES PAID FOR LESSOR REFERENCE
320.19

ST TX MF-115836 & BARBARA G REED ET VIR

PAY EXACTLY **\$282,666dols40cts**

PAY TO THE ORDER OF:
STATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE
AUSTIN, TX 78701-1436

AUTHORIZED REPRESENTATIVE(S) OF THE COMPANY

18711207

CHECK NO.	7745000602
CHECK DATE	05-07-2018

AMOUNT	***\$282,666.40*
--------	------------------

⑈ 7745000602 ⑈

17.

File No. MF 115836
DRR Bonus & Form County

Date Filed: 5/30/18
George P. Bush, Commissioner
By SSD

2. 2. 18



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 30, 2018

Mr. Riley Morris
Anadarko E&P Onshore LLC
PO Box 50458
Midland, TX 79710

RE: MF115836 – Relinquishment Act Land
Deep Rights Retention, Reeves County, Texas
320.00 acres, North half, Section 4, Block 56, T3-S, T&P RR Co. Survey, A-2627
Well: Sundance State Blake 56-3-13 1H, API 42-389-34997, RRC 08-280576

Dear Mr. Morris,

The Deep Rights Retention check in the total amount of \$282,666.40 has been accepted and will retain the deep rights until June 17, 2020 for State Lease MF115836. Enclosed is a copy of the checks received on May 9, 2018.

If you have any questions, please feel free to contact me.

Best regards,

Susan S. Draughn, Landman
Energy Resources/Mineral Leasing
Direct: 512.463.6521
Email: susan.draughn@glo.texas.gov

Enclosure

File No. MF 115836
Letter accepting County
DRR Bonus
Date Filed: 5/30/18
George P. Bush, Commissioner
By SSD

**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 847298	DATE PERMIT ISSUED OR AMENDED 11/30/2018	DISTRICT 08
API NUMBER 42-389-37824	FORM W-1 RECEIVED 11/29/2018	COUNTY REEVES
TYPE OF OPERATION New Drill	WELLBORE PROFILE(S) Horizontal	ACRES 1280.59
OPERATOR ANADARKO E&P ONSHORE LLC ATTN FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		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 SUNDANCE STATE 56-3-13 UNIT		WELL NUMBER 2H
LOCATION 6.96 miles SW direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION 13 BLOCK 56 T3 ABSTRACT 883 SURVEY T&P RR CO		
DISTANCE TO SURVEY LINES 340.0 ft S 1840.0 ft W		DISTANCE TO NEAREST LEASE LINE 100.0
DISTANCE TO LEASE LINES 340.0 ft S 1840.0 ft W		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 WELL	DIST
PHANTOM (WOLFCAMP)	1280.59	14000	2H	08
SUNDANCE STATE 56-3-13 UNIT	100.0		536.0	
WELLBORE PROFILE(s) FOR FIELD: Horizontal				

Terminus Point: TH1 Section: 13 Block: 56 T3 Abstract: 883 Survey: T&P RR CO BH County: REEVES

Lease Lines: 40.0 ft N 1100.0 ft W

Survey Lines: 40.0 ft N 1100.0 ft W

Penetration Lines: 100.0 ft S 1400.0 ft W

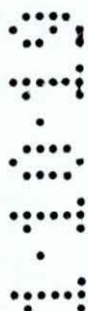
This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.

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.

The designated interval, for one or more of the fields approved on this permit, appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.



Railroad Commission of Texas
Oil and Gas Division
SWR #13 Formation Data
REEVES (389) COUNTY

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
FORD-DELAWARE	2500	2500		1	01/01/2014
CASTILLE	2800	2800		2	01/01/2014
BELL CANYON	4800	5000		3	01/01/2014
DELAWARE	2500	5700		4	01/01/2014
DELAWARE CONSOLIDATED	6500	6500		5	01/01/2014
CHERRY CANYON	3800	7800		6	01/01/2014
BONE SPRINGS	7500	9800		7	01/01/2014
PERMIAN	11300	11300		8	01/01/2014
WOLFCAMP	10000	12300		9	01/01/2014
PENNSYLVANIAN	11000	14900		10	01/01/2014
MISSISSIPPIAN	10000	16000		11	01/01/2014
DEVONIAN	13600	17800		12	01/01/2014
FUSSELMAN	14000	17800		13	01/01/2014
ELLENBURGER	15000	20800		14	01/01/2014

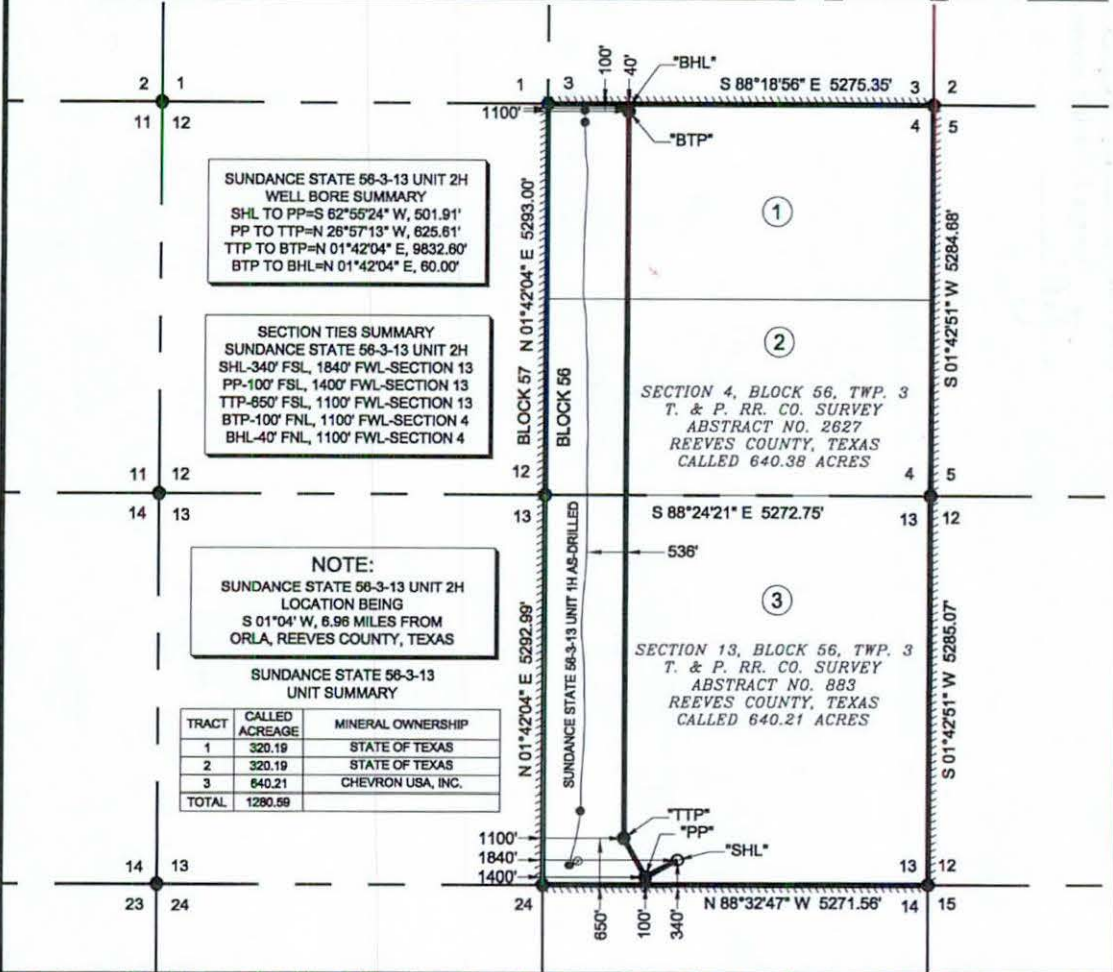
The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest 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>



ANADARKO E&P ONSHORE LLC

SHEET NO. 1 OF 1

NATURE OF WORK WELL LOCATION STAKING DATE 10-25-18 SRID NO. 13513
PROJECT- SUNDANCE STATE 56-3-13 UNIT 2H JOB OR AFE NO. 2100873.PDE
SEC. 4, 13 BLK OR RANGE 56 TWP 3 SURVEY T. & P. RR. CO. CO. REEVES STATE TEXAS
REMARKS RE: ☐ AS-BUILT ☒ STAKING



STATE PLANE COORDINATE DATUM
NAD 27 - TEXAS CENTRAL ZONE 4203

SUNDANCE STATE 56-3-13 UNIT 2H SHL (ELEV.=2970.37)
X = 890427.72 LAT = 31°43'26.843" N LAT = 31.72412318° N
Y = 766090.55 LONG = -103°54'08.797" W LONG = -103.90244358° W
SUNDANCE STATE 56-3-13 UNIT 2H PP
X = 889980.82 LAT = 31°43'24.442" N LAT = 31.72345606° N
Y = 765862.10 LONG = -103°54'13.883" W LONG = -103.90385651° W
SUNDANCE STATE 56-3-13 UNIT 2H TTP
X = 889697.26 LAT = 31°43'28.868" N LAT = 31.72466325° N
Y = 766419.74 LONG = -103°54'17.372" W LONG = -103.90482557° W
SUNDANCE STATE 56-3-13 UNIT 2H BTP
X = 889989.20 LAT = 31°45'07.175" N LAT = 31.75199301° N
Y = 776247.81 LONG = -103°54'17.646" W LONG = -103.90490182° W
SUNDANCE STATE 56-3-13 UNIT 2H BHL
X = 889990.96 LAT = 31°45'07.768" N LAT = 31.75215794° N
Y = 776307.78 LONG = -103°54'17.648" W LONG = -103.90490228° W

STATE PLANE COORDINATE DATUM
NAD 83 - TEXAS CENTRAL ZONE 4203

SUNDANCE STATE 56-3-13 UNIT 2H SHL (ELEV.=2970.37)
X = 1166889.81 LAT = 31°43'27.301" N LAT = 31.72425027° N
Y = 10608687.13 LONG = -103°54'10.490" W LONG = -103.90291400° W
SUNDANCE STATE 56-3-13 UNIT 2H PP
X = 1186442.91 LAT = 31°43'24.899" N LAT = 31.72358314° N
Y = 10608438.67 LONG = -103°54'15.577" W LONG = -103.90432698° W
SUNDANCE STATE 56-3-13 UNIT 2H TTP
X = 1186159.34 LAT = 31°43'30.325" N LAT = 31.72509030° N
Y = 10608996.32 LONG = -103°54'19.066" W LONG = -103.90529610° W
SUNDANCE STATE 56-3-13 UNIT 2H BTP
X = 1186451.22 LAT = 31°45'07.831" N LAT = 31.75211907° N
Y = 10618824.59 LONG = -103°54'19.342" W LONG = -103.90537267° W
SUNDANCE STATE 56-3-13 UNIT 2H BHL
X = 1186453.00 LAT = 31°45'08.225" N LAT = 31.75228463° N
Y = 10618884.56 LONG = -103°54'19.343" W LONG = -103.90537314° W

Plat notes

- 1) BEARINGS, DISTANCES, AREA AND COORDINATES SHOWN HEREON ARE GRID BASED ON "THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE" AS DETERMINED BY GPS OBSERVATIONS REFERENCED TO TRANSGLOBAL CONTROL POINT #62 (N:10608535.80, E:1184787.86) WHERE THE CONVERGENCE ANGLE IS -1° 50' 31.3" AND THE COMBINED SCALE FACTOR IS 0.99982189. ELEVATIONS ARE NAVD83 (GEOID 12B). THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSGLOBAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 10-25-18 DATE SURVEYED 10-16-18 DRAFT JEB

JOB NO. 1810143 FIELD BOOK V. JG23, P. 12 REV. 1

FILE 1810143 SUNDANCE STATE 56-3-13 UNIT 2H RRC PERMIT PLAT

2000' 0' 2000' 4000'



MAGNETIC NORTH IS CURRENT AS OF 10/16/2018.
MAGNETIC NORTH CHANGES WEST 0.10" PER YEAR.



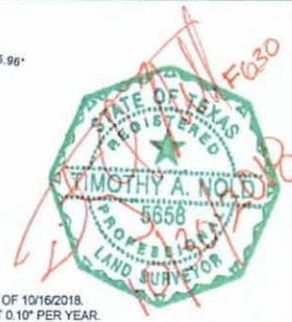
TRANSGLOBAL
SERVICES LLC

TBPLS FIRM# 10193740
1100 Macon Street
Fort Worth, Texas 76102
(817) 529-1180 ~ Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658

DATE



File No. MF115836

Reeves County

Drilling Permit API 389-37824

Date Filed: 04/01/2019

By gm George P. Bush, Commissioner

1.10.19



January 7, 2019

Mr. J. Daryl Morgan
Texas General Land Office
P O Box 12873
Austin, Texas 78711-2873

Re: Sundance State 56-3-13 Unit 2H- Notice of Spud Date
ST TX MF-115836 Barbara G Reed et vir and ST TX MF-115837 Margery Ann Harper
Section 4, Block 56, T-3, T&P Ry Co Svy
REEVES COUNTY, TEXAS

Dear Mr. Morgan:

Please be advised that Anadarko E&P Onshore LLC spud the subject well on January 16, 2019.

Enclosed for your records, please find copy of said permit and plat.

Should you have any questions, please feel free to contact me at (832) 636-3804.

Sincerely,

ANADARKO E&P ONSHORE LLC

A handwritten signature in blue ink, appearing to read "Debbie Evans".

Debbie Evans
Staff Land Analyst

Enclosure

File No. MF115836 Reeves County 20.
Notice of Spud API 389-37824
Date Filed: 04/01/2019
By George P. Bush, Commissioner

7.70.75

API No. <u>42-389-37826</u> Drilling Permit # <u>847303</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>020528</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>ANADARKO E&P ONSHORE LLC</u>		3. Operator Address (include street, city, state, zip): <u>ATTN FRANK A. DAVIS</u> <u>PO BOX 1330</u> <u>HOUSTON, TX 77251-1330</u>		
4. Lease Name <u>SUNDANCE STATE 56-3-13 UNIT</u>		5. Well No. <u>3H</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>14000</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>6.97</u> miles in a <u>SW</u> direction from <u>ORLA</u> which is the nearest town in the county of the well site.						
15. Section <u>13</u>	16. Block <u>56 T3</u>	17. Survey <u>T&P RR CO</u>	18. Abstract No. <u>A-883</u>	19. Distance to nearest lease line: <u>100</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1280.59</u>	
21. Lease Perpendiculars: <u>340</u> ft from the <u>S</u> line and <u>1870</u> ft from the <u>W</u> line.						
22. Survey Perpendiculars: <u>340</u> ft from the <u>S</u> line and <u>1870</u> ft from the <u>W</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	
<u>08</u>	<u>71052900</u>	<u>PHANTOM (WOLFCAMP)</u>	<u>Oil or Gas Well</u>	<u>14000</u>	<u>770.00</u>	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks 			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Christine Smith, Regulatory Analyst II</u> <u>Nov 29, 2018</u> Name of filer Date submitted <u>(432)247-3549</u> <u>Christine.smith@anadarko.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: <u>Nov 30, 2018 1:50 PM('As Approved' Version)</u>						



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

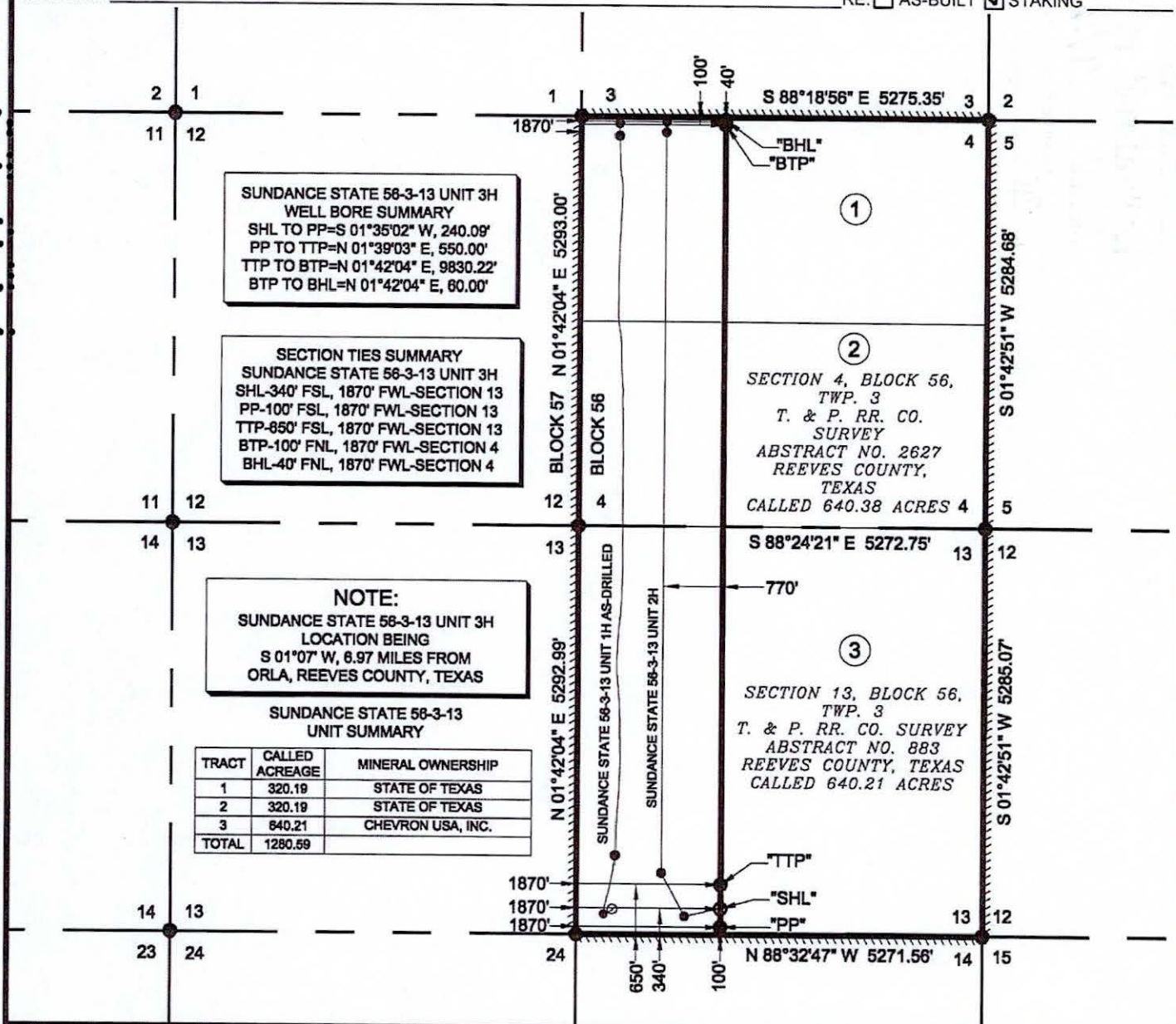
*This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.*

Permit #	847303
Approved Date:	Nov 30, 2018

1. RRC Operator No. 020528	2. Operator's Name (exactly as shown on form P-5, Organization Report) ANADARKO E&P ONSHORE LLC	3. Lease Name SUNDANCE STATE 56-3-13 UNIT	4. Well No. 3H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 13	7. Block 56 T3	8. Survey T&P RR CO	9. Abstract 883
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 40 ft. from the N line. and 1870 ft. from the W line			
12. Terminus Survey Line Perpendiculars 40 ft. from the N line. and 1870 ft. from the W line			
13. Penetration Point Lease Line Perpendiculars 100 ft. from the S line. and 1870 ft. from the W line			

51.034

NATURE OF WORK WELL LOCATION STAKING DATE 10-25-18 SRID NO. 13513
PROJECT- SUNDANCE STATE 56-3-13 UNIT 3H JOB OR AFE NO. 2104579.PDE
SEC. 4, 13 BLK OR RANGE 56 TWP 3 SURVEY T. & P. RR. CO. CO. REEVES STATE TEXAS
REMARKS _____ RE: ☐ AS-BUILT ☒ STAKING



STATE PLANE COORDINATE DATUM
NAD 27 - TEXAS CENTRAL ZONE 4203
SUNDANCE STATE 56-3-13 UNIT 3H SHL (ELEV = 2970.08')

X = 890457.78 LAT = 31°43'26.845" N LAT = 31.72412353° N
Y = 766089.71 LONG = -103°54'08.449" W LONG = -103.90234686° W

SUNDANCE STATE 56-3-13 UNIT 3H 3PP

X = 890451.14 LAT = 31°43'24.469" N LAT = 31.72436352° N
Y = 765849.71 LONG = -103°54'08.436" W LONG = -103.90233435° W

SUNDANCE STATE 56-3-13 UNIT 3H 3TP

X = 890466.98 LAT = 31°43'29.912" N LAT = 31.72497546° N
Y = 766399.47 LONG = -103°54'08.457" W LONG = -103.90234924° W

SUNDANCE STATE 56-3-13 UNIT 3H 3BP

X = 890758.85 LAT = 31°45'07.195" N LAT = 31.75199868° N
Y = 776225.16 LONG = -103°54'08.729" W LONG = -103.90242473° W

SUNDANCE STATE 56-3-13 UNIT 3H 3HL

X = 890760.63 LAT = 31°45'07.789" N LAT = 31.75216361° N
Y = 776285.13 LONG = -103°54'08.731" W LONG = -103.90242519° W

STATE PLANE COORDINATE DATUM
NAD 83 - TEXAS CENTRAL ZONE 4203
SUNDANCE STATE 56-3-13 UNIT 3H SHL (ELEV = 2970.08')
X = 1186919.87 LAT = 31°43'27.302" N LAT = 31.72425061° N
Y = 10608666.29 LONG = -103°54'10.142" W LONG = -103.90281728° W
SUNDANCE STATE 56-3-13 UNIT 3H 3PP
X = 1186913.23 LAT = 31°43'24.926" N LAT = 31.72359061° N
Y = 10608426.29 LONG = -103°54'10.130" W LONG = -103.90281388° W
SUNDANCE STATE 56-3-13 UNIT 3H TTP
X = 1186929.07 LAT = 31°43'30.369" N LAT = 31.72510254° N
Y = 10608976.06 LONG = -103°54'10.151" W LONG = -103.90281967° W
SUNDANCE STATE 56-3-13 UNIT 3H BTP
X = 1187220.89 LAT = 31°45'07.651" N LAT = 31.75212540° N
Y = 10618801.95 LONG = -103°54'10.424" W LONG = -103.90289549° W
SUNDANCE STATE 56-3-13 UNIT 3H BHL
X = 1187222.67 LAT = 31°45'08.245" N LAT = 31.75229033° N
Y = 10618861.92 LONG = -103°54'10.425" W LONG = -103.90289596° W

Plat notes

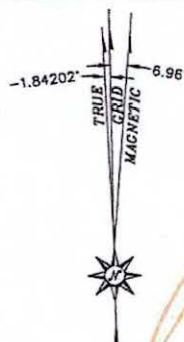
- plat notes
- 1) BEARINGS, DISTANCES, AREA AND COORDINATES SHOWN HEREON ARE GRID BASED ON "THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE" AS DETERMINED BY GPS OBSERVATIONS REFERENCED TO TRANSGLOBAL CONTROL POINT "B2" (N:10605535.80, E:118477.68) WHERE THE CONVERGENCE ANGLE IS -1° 50' 31.3" AND THE COMBINED SCALE FACTOR IS 0.99982189. ELEVATIONS ARE NAVD88 (GEOID 12B). THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSGLOBAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 10-25-18 DATE SURVEYED 10-16-18 DRAFT JEB

JOB NO. 1810144 FIELD BOOK V. JG23, P. 12 REV. 1

FILE 1810144 SUNDANCE STATE 56-3-13 UNIT 3H RRC PERMIT PLAT

2000' 0' 2000' 4000'



MAGNETIC NORTH IS CURRENT AS OF 10/16/2018.
MAGNETIC NORTH CHANGES WEST 0.10° PER YEAR



TBPLS FIRM# 10193740
1100 Macon Street
Fort Worth, Texas 76102
(817) 529-1180 ~ Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658

DATE _____

File No. MF115836 21
Reeves County
Drilling Permit API 42-389-37826
Date Filed: 9/16/19
George P. Bush, Commissioner
By gm

45375

API No. <u>42-389-37827</u> Drilling Permit # <u>847307</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. 020528		2. Operator's Name (as shown on form P-5, Organization Report) ANADARKO E&P ONSHORE LLC		3. Operator Address (include street, city, state, zip): ATTN FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		
4. Lease Name SUNDANCE STATE 56-3-13 UNIT		5. Well No. 4H				
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 14000		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. 08		12. County REEVES		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>6.97</u> miles in a <u>SW</u> direction from <u>ORLA</u> which is the nearest town in the county of the well site.						
15. Section 13		16. Block 56 T3		17. Survey T&P RR CO		
		18. Abstract No. A-883		19. Distance to nearest lease line: 100 ft.		
20. Number of contiguous acres in lease, pooled unit, or unitized tract: 1280.59						
21. Lease Perpendiculars: <u>340</u> ft from the <u>S</u> line and <u>1900</u> ft from the <u>W</u> line.						
22. Survey Perpendiculars: <u>340</u> ft from the <u>S</u> line and <u>1900</u> ft from the <u>W</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	
					32. Number of Wells on this lease in this Reservoir	
08	71052900	PHANTOM (WOLFCAMP)		Oil or Gas Well	14000	
08	00018001	WILDCAT		Exploratory Test Well	14000	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Nov 29, 2018 4:50 PM]: THE WILDCAT FIELD WILL BE A VERTICAL PILOT HOLE/EXPLORATORY TEST WELL WHICH WILL NOT BE COMPLETED. ONCE CORING & LOGGING IS COMPLETE, THE PILOT HOLE WILL BE PLUGGED. FORM H-9 WILL BE FILED WITH THE DISTRICT OFFICE UPON PERMIT APPROVAL.; [RRC STAFF Nov 30, 2018 9:26 AM]: Terminus survey info corrected per plat and RRC GIS.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Christine Smith, Regulatory Analyst II</u> <u>Nov 29, 2018</u> Name of filer Date submitted <u>(432)247-3549</u> <u>Christine.smith@anadarko.com</u> Phone E-mail Address (OPTIONAL)		
RRC Use Only Data Validation Time Stamp: <u>Nov 30, 2018 1:51 PM('As Approved' Version)</u>						



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.*

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

Permit # **847307**

Approved Date: **Nov 30, 2018**

1. RRC Operator No. 020528	2. Operator's Name (exactly as shown on form P-5, Organization Report) ANADARKO E&P ONSHORE LLC	3. Lease Name SUNDANCE STATE 56-3-13 UNIT	4. Well No. 4H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 4	7. Block 56 T3	8. Survey T&P RR CO / GOEDEKE, C W	9. Abstract 2627
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 40 ft. from the N line, and 2634 ft. from the E line			
12. Terminus Survey Line Perpendiculars 40 ft. from the N line, and 2634 ft. from the E line			
13. Penetration Point Lease Line Perpendiculars 100 ft. from the S line, and 2270 ft. from the W line			

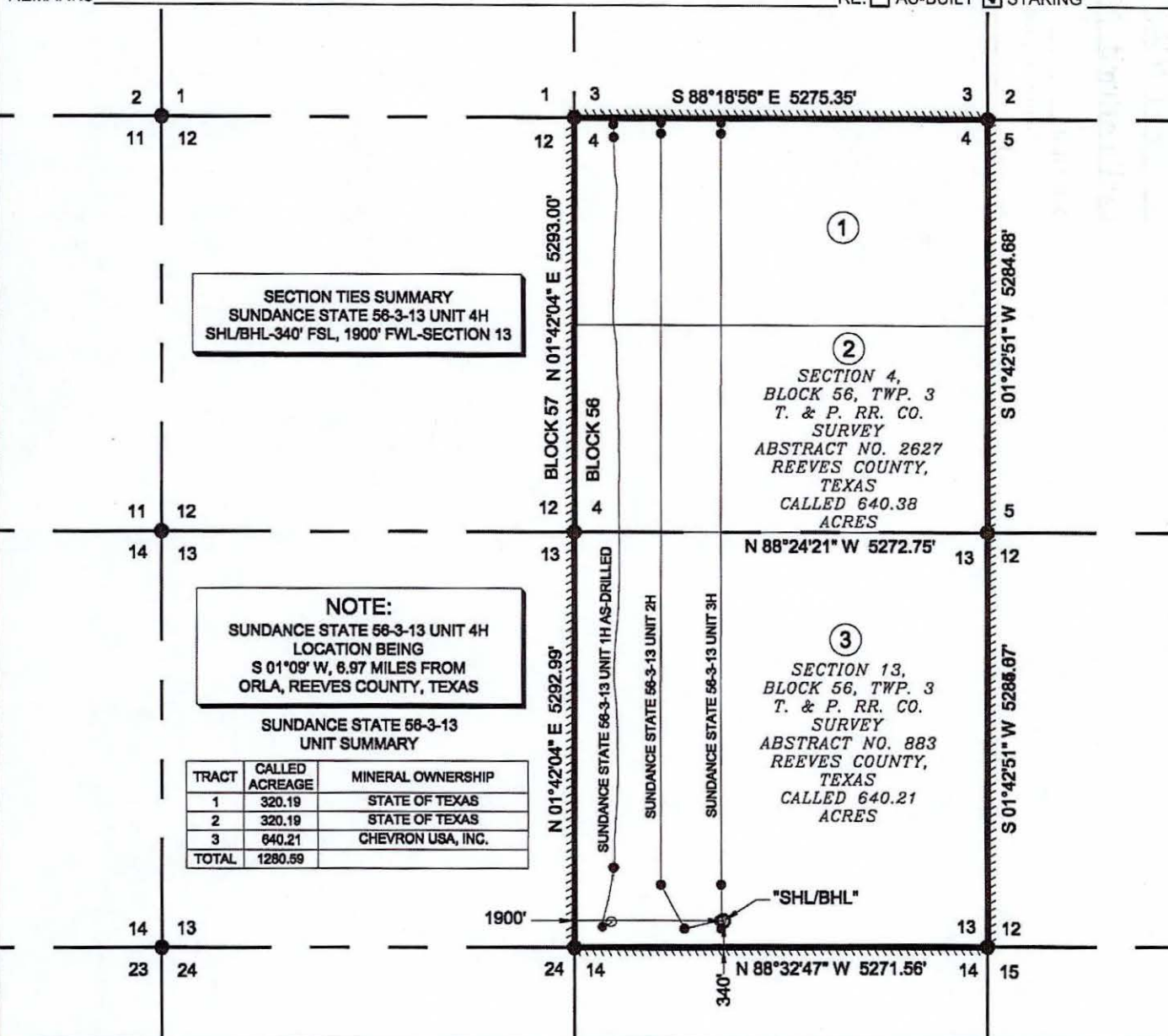
847307



ANADARKO E&P ONSHORE LLC

SHEET NO. 1 OF 1

NATURE OF WORK PILOT HOLE PLAT DATE 11-08-18 SRID NO. 13513
PROJECT SUNDANCE STATE 56-3-13 UNIT 4H JOB OR AFE NO. 2147070.PDE
SEC. 4, 13 BLK OR RANGE 56 TWP 3 SURVEY T. & P. RR. CO. CO. REEVES STATE TEXAS
REMARKS RE: ☐ AS-BUILT ☒ STAKING



STATE PLANE COORDINATE DATUM
NAD 27 - TEXAS CENTRAL ZONE 4203
SUNDANCE STATE 56-3-13 UNIT 4H SHL (ELEV.=2968.65')
X = 890487.75 LAT = 31°43'26.847" N LAT = 31.72412416° N
Y = 766088.98 LONG = -103°54'08.102" W LONG = -103.90225045° W

SUNDANCE STATE 56-3-13 UNIT 4H BHL
X = 890487.75 LAT = 31°43'26.847" N LAT = 31.72412416° N
Y = 766088.98 LONG = -103°54'08.102" W LONG = -103.90225045° W

STATE PLANE COORDINATE DATUM
NAD 83 - TEXAS CENTRAL ZONE 4203
SUNDANCE STATE 56-3-13 UNIT 4H SHL (ELEV.=2968.65')
X = 1186949.84 LAT = 31°43'27.304" N LAT = 31.72425125° N
Y = 10608665.56 LONG = -103°54'09.795" W LONG = -103.90272087° W

SUNDANCE STATE 56-3-13 UNIT 4H BHL
X = 1186949.84 LAT = 31°43'27.304" N LAT = 31.72425125° N
Y = 10608665.56 LONG = -103°54'09.795" W LONG = -103.90272087° W

Plat notes

- 1) BEARINGS, DISTANCES, AREA AND COORDINATES SHOWN HEREON ARE GRID BASED ON "THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE" AS DETERMINED BY GPS OBSERVATIONS REFERENCED TO TRANSGLOBAL CONTROL POINT "B2" (N:10808535.80, E:1184787.66) WHERE THE CONVERGENCE ANGLE IS -1° 50' 31.3" AND THE COMBINED SCALE FACTOR IS 0.99982189. ELEVATIONS ARE NAVD88 (GEOID 12B). THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSGLOBAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 11-08-18 DATE SURVEYED 10-16-18 DRAFT ST
JOB NO. 1810145 FIELD BOOK V. JG23, P. 12 REV. 0
FILE 1810145 SUNDANCE STATE 56-3-13 UNIT 4H PILOT HOLE PLAT

2000' 0' 2000' 4000'

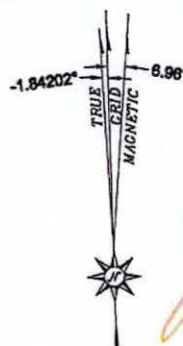


TBPLS FIRM# 10193740
1100 Macon Street
Fort Worth, Texas 76102
(817) 529-1180 ~ Fax (817) 529-1181

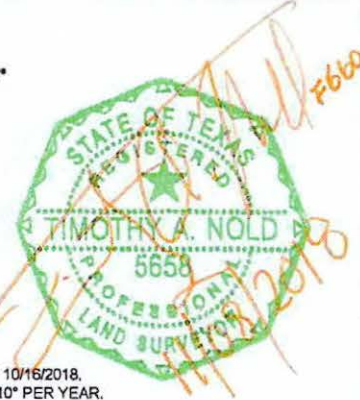
I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658

DATE



MAGNETIC NORTH IS CURRENT AS OF 10/16/2018.
MAGNETIC NORTH CHANGES WEST 0.10° PER YEAR.



File No. MF115836
Reeves County
Drilling Permit API 42-389-37827
Date Filed: _____
By gm George P. Bush, Commissioner

45370



April 22, 2019

Mr. J. Daryl Morgan
Texas General Land Office
P O Box 12873
Austin, Texas 78711-2873

Re: Sundance State 56-3-13 Unit 3H & 4H– Notice of Spud Date
ST TX MF-115836 Barbara G Reed et vir and ST TX MF-115837 Margery Ann Harper
Section 4, Block 56, T-3, T&P Ry Co Svy
REEVES COUNTY, TEXAS

Dear Mr. Morgan:

Please be advised that Anadarko E&P Onshore LLC spud the subject wells on May 1st and May 12th, 2019, respectively.

Enclosed for your records, please find copy of said permit and plat.

Should you have any questions, please feel free to contact me at (432) 247-3547.

Sincerely,

ANADARKO E&P ONSHORE LLC


Kelsey Echols
Land Analyst

Enclosure

File No. MF115836

Reeves County

Notice of Spud - Unit 7581

Date Filed: _____

George P. Bush, Commissioner

By Jm

4.53.73

USPS TRACKING #



9590 9402 1749 6074 7758 65

**United States
Postal Service**

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



Texas General Land Office

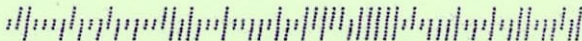
George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

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

MF115836
MF115837
Verdis
7th FLR
ENERGY



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:

Anadarko Exp Onshore LLC
PO Box 1330
Houston, TX 77251-1330



9590 9402 1749 6074 7758 65

2. Article Number (Transfer from service label)

7011 1150 0001 2420 2652

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

CHAIK BLANTO

C. Date of Delivery

10/22/19

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

If YES, enter delivery address below: ☐ No



MF115936

3. Service Type

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

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

ail Restricted Delivery

))

Domestic Return Receipt

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$

MF115836

Postmark
Here

MF 115837

Sent To

Street, Apt. No.;
or PO Box No.

City, State, ZIP+4

Anadarko E+P Onshore LLC

PO Box 1330

Houston, TX 77251-1330

7011 1150 0001 2420 2652

Certified Mail Provides:

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

Important Reminders:

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

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



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

Anadarko E&P Onshore LLC
PO Box 1330
Houston, TX 77251-1330

Billing Date: 10/17/2019
Billing Due Date: 11/16/2019
Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
20I00100	MF115836	\$0.00	\$1,220.41	\$136.15	\$70.74	\$1,427.30
20I00101	MF115837	\$0.00	\$1,220.41	\$136.15	\$70.74	\$1,427.30
Total Due		\$0.00	\$2,440.82	\$272.30	\$141.48	\$2,854.60

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

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

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

Anadarko E&P Onshore LLC

Billing Date: 10/17/2019

Billing Due Date: 11/16/2019

Customer Number: C000044444

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
20I00100	MF115836	\$0.00	\$1,220.41	\$136.15	\$70.74	\$1,427.30
20I00101	MF115837	\$0.00	\$1,220.41	\$136.15	\$70.74	\$1,427.30
Total Due		\$0.00	\$2,440.82	\$272.30	\$141.48	\$2,854.60
Amt. Paid						

Customer ID: C00004444
 Invoice Number:
 GLO Lease: MF115836
 GLO Review: ANADARKO E&P ONSHORE LLC
 Review Period: SEP 2017 Through AUG 2018

Category Oil
 Auditor/AE: DJACQUET
 Billing Date: 10/7/2019
 P&I Calculation Date: 10/31/2019
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Apr-18	08-280576	14	1	\$82.26	1	\$871.21	\$108.90	\$0.00	\$108.90	513	5.50%	\$25.00	\$7.45	\$141.35
May-18	08-280576	58	1	\$61.20	1	\$3,573.39	\$446.67	\$0.00	\$446.67	483	5.50%	\$44.67	\$28.54	\$519.88
Jul-18	08-280576	45	1	\$58.98	1	\$2,636.14	\$329.52	\$0.00	\$329.52	421	5.50%	\$32.95	\$17.97	\$380.44
Aug-18	08-280576	51	1	\$52.56	1	\$2,682.53	\$335.32	\$0.00	\$335.32	391	5.50%	\$33.53	\$16.78	\$385.63
TOTALS		168				\$9,763.27	\$1,220.41	\$0.00	\$1,220.41			\$136.15	\$70.74	\$1,427.30

COMMENTS: BILLING ON UNDER REPORTED VOLUMES FOR # 08-280576 UNIT 7581.

COLUMN (3) VOLUMES - REPRESENTS THE VOLUMES UNDER REPORTED TO THE GLO VERSUAS VOLUMES REPORTED TO THE RRC.
 COLUMNS (5) & (6) THE PRICES -BASED OFF THE AVERAGE PRICE REPORTED TO THE GLO ON THE GLO1 REPORTS.
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

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

ATTN: ANNA ANKLAM
 CERTIFIED MAIL: 7011 1150 001 2420 2652

Customer ID: C00004444
 Invoice Number:
 GLO Lease: MF115837
 GLO Review: ANADARKO E&P ONSHORE LLC
 Review Period: SEP 2017 Through AUG 2018

Category Oil
 Auditor/AE: DJACQUET
 Billing Date: 10/7/2019
 P&I Calculation Date: 10/31/2019
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Apr-18	08-280576	14	1	\$62.26	1	\$871.21	\$108.90	\$0.00	\$108.90	513	5.50%	\$25.00	\$7.45	\$141.35
May-18	08-280576	58	1	\$61.20	1	\$3,573.39	\$446.67	\$0.00	\$446.67	483	5.50%	\$44.67	\$28.54	\$519.88
Jul-18	08-280576	45	1	\$58.98	1	\$2,636.14	\$329.52	\$0.00	\$329.52	421	5.50%	\$32.95	\$17.97	\$380.44
Aug-18	08-280576	51	1	\$52.56	1	\$2,682.53	\$335.32	\$0.00	\$335.32	391	5.50%	\$33.53	\$16.78	\$385.63
TOTALS		168				\$9,763.27	\$1,220.41	\$0.00	\$1,220.41			\$136.15	\$70.74	\$1,427.30

COMMENTS: BILLING ON UNDER REPORTED VOLUMES FOR # 08-280576 UNIT 7581.

COLUMN (3) VOLUMES - REPRESENTS THE VOLUMES UNDER REPORTED TO THE GLO VERSUAS VOLUMES REPORTED TO THE RRC.
 COLUMNS (5) & (6) THE PRICES -BASED OFF THE AVERAGE PRICE REPORTED TO THE GLO ON THE GLO1 REPORTS.
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

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

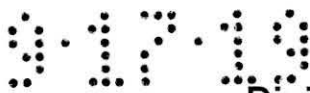
ATTN: ANNA ANKLAM
 CERTIFIED MAIL: 7011 1150 001 2420 2652

File No. MF115836 23

Reconciliation Billing County

Date Filed: 10/17/19

George P. Bush, Commissioner
By VD



Anadarko E&P Onshore LLC

Unit 7581
MF115836
MF115837

Division Order

STATE OF TEXAS
OFFICE
1700 N CONGRESS AVENUE
STEPHEN F AUSTIN BLDG
AUSTIN TX 78701-1436

See reverse for list of
Properties and Interests.

Effective Date: Date of First Sales

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

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

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

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

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

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

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

Your Copy

RV45678204
STATE OF TEXAS
OFFICE
XXX-XX-0108

Signature of Witness

Owner Signature/Corporate Title

Owner Address (if different from above)

Signature of Witness

Owner Signature/Corporate Title

City, State Zip Code

Owner Daytime Phone

Email Address

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

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

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

Date Prepared: September 12, 2019
Prepared By: SARAH WINZENRIED
Suspense Flag: N



<u>Property</u>	<u>Property Name</u>	<u>Product</u>	<u>State/County</u>	<u>Int Type</u>	<u>Int Seq</u>	<u>Interest</u>
125363	SUNDANCE STATE 56-3-13 UNIT 3H 389-37826	All Products	TX/REEVES	RI	1	0.06250830

Legal Description:

640 ACS MORE OR LESS BEING DESCRIBED AS SEC 13, BLK 56, TWSP 3, T&P RR CO SVY, ABS 883 IN REEVES COUNTY, TX

REDS WEST TEXAS ROUNDUP PROSPECT, TRACT NO 60.37.38.1, 320 ACS, AND TRACT NO 60.371.38.2, 320 ACS, BEING SEC 4 BLK 56 TWP 3 T&P RR CO SVY A-2627 IN REEVES COUNTY, TX

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

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

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

Date Prepared: September 12, 2019
Prepared By: SARAH WINZENRIED
Suspense Flag: N



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 6, 2020

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

Re: State Lease Nos. MF115836 and MF115837 Sundance State 56-3-13 3H Unit 7581

Dear Ms. Winzenried:

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

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

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

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

Thank you,

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

File No. MF115836Reeves CountyDIVISION ORDERDate Filed: 1/6/2020

George P. Bush, Commissioner

By VOg