

MF115837

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF115837	07-109149	101448	REEVES

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

Leasing:

Analyst:

Maps:

GIS:

DocuShare:

<i>Name</i>	ANADARKO E&P ONSHORE LLC
<i>Lease Date</i>	6/17/2013
<i>Primary Term</i>	3 yrs
<i>Bonus (\$)</i>	\$565,332.80
<i>Rental (\$)</i>	\$0.00
<i>Lease Royalty</i>	0.1250



Contents of Mineral File Number: ~~115836~~ 115837

1 RAL Renewal Sheet 6/26/13

2 Lease 10/18/13

3 Cover Letter Bonus @ For 9/25/13

4 Final Lease 1/14/14

5 Letter re Confidential Copies 10/18/13

6 MEMO TO FILE 7/28/2014

scanned PJ 11-21-14

See # 9 in M-115836 for the
Sundance State Unit 56-3-13 Unit #7581

scanned PJ 12-8-15

7. Division Order 6-2-16

8. Shut-in Payment 6/13/16

9. Shut-in Affidavit 6/13/16

10. Letter accepting shut-in 6/14/16

scanned PJ 7-25-16

11. DRR Bonus Form 5/30/18

12. Letter accepting DRR Bonus 5/30/18

scanned PJ 6-1-2018

13. Reconciliation Billing 10/17/19

Scanned SM 10/18/2019

see MF115836 #24 Division Order

Scanned SM 01/21/2020

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 (73533.33)

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: 1 R 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: RTH

Date: 7/22/13

Not Recommended: _____

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

Lease Form

Recommended: RTH

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: WFW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 9/10/13

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner

Date: 9/11/13

Approved: Jerry E. Patterson

Not Approved: _____

File No. ~~115836~~ 115837

RAL Review Sheet

Date Filed: 6/26/13

Jerry E. Patterson, Commissioner

By GH

MF 115837

The State of Texas



Austin, Texas

OIL AND GAS LEASE

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THIS AGREEMENT is made and entered into this 17th day of June, 2013, between the State of Texas, acting by and through its agent, Margery Ann Harper

of 301 E. Arapaho Avenue, Weatherford, OK 73096

(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 South One-half (S/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 (\$ _____)

To the State of Texas:

_____ Dollars (\$ _____)

Total Delay Rental:

_____ Dollars (\$ _____)

THIS IS A PAID UP LEASE

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

Title: Lindsay N. Jaffee

Date: Agent and Attorney-in-Fact

STATE OF TEXAS

BY: Margery Ann Harper

Margery Ann Harper

Individually and as agent for the State of Texas

Date: July 23, 2013



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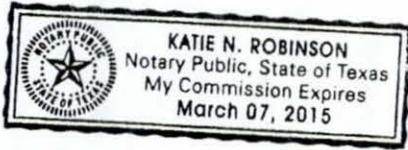
STATE OF TEXAS

(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

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STATE OF OKLAHOMA

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF Custer

BEFORE ME, the undersigned authority, on this day personally appeared Margery Ann Harper
known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the
purposes and consideration therein expressed.

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

Anne Flood
Notary Public in and for Oklahoma

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Inst No. 13-06803
DIANNE O. FLOREZ
COUNTY CLERK
2013 Sep 19 at 03:02 PM
REEVES COUNTY, TEXAS
By: AC Aurora Calanchi DEPUTY

File No. ~~115836~~ 115837LeaveDate Filed: 10/18/13

Jerry E. Patterson, Commissioner

By GH

10.10.13

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 113 THRU 121



I hereby certified on October 1, 2013
DIANNE O. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Aurora Calanchi DEPUTY
Aurora Calanchi

565,457.80

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CABRY ENTERPRISES LLC 11332 US HWY 59 N 903-930-1136 JEFFERSON, TX 75657-8272		13713297 7/1/2013	1547 88-315/1119 10
Pay to the Order of	State of Texas	Date	
One hundred dollars & no/xx	\$ 100.00	Dollars	
 CITIZENS NATIONAL BANK Marshall, TX 79601-0001 Member FDIC			
For	Margery Ann Harper	Sec 4-Bk 56 T3 (5/2)	Carla Cusod
		101547	

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:

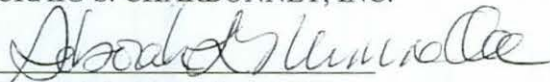
- Bonus Consideration - \$3,533.33 per net mineral acre, or a total bonus of \$2,261,331.20
- Royalty - 25%
- Primary Term - 3 years
- Lease Form - GLO Form

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

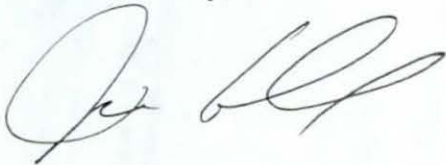
Re: **Oil, Gas, and Mineral Lease Offer**
Section 4, Block 56 T3 T&P RR Co Sur
Reeves County, Texas

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

New
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 *L*

*C# 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

Drew Reid - 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" <drew.reid@glo.texas.gov>, <robert.hatter@glo.texas.gov>
Date: 6/25/2013 3:44 PM
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:

- 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
- 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; ¼ 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~~ 115837

Cover Letter @ Bonds @ Fees

Date Filed: 9/25/13

Jerry E. Patterson, Commissioner

By GP

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 115837**

RAL Lease dated June 17, 2013 recorded in V. 1025, P. 113,
covering 320 ac., Sec. 4, Blk. 56, T&P Ry Co. Survey, Reeves
Co., TX, Margery Ann Harper, 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-115837**. **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. ~~115836~~ 115837

Final Letter

Date Filed: 1/14/14

Jerry E. Patterson, Commissioner

By GH

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-115836 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-115837 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.

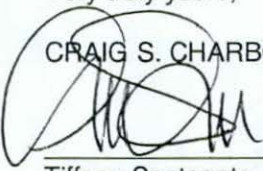
At the time the checks were sent to you, we did not have certified copies of the recorded leases from Reeves County, Texas, and a plain copy of the fully executed lease was included with the checks.

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

8
File No. 115836 115837

Letter re Certified copies

Date Filed: 10/18/13

Jerry E. Patterson, Commissioner

By GA

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. M-115837

MEMO TO FILE

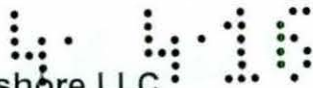
6

Date Filed: 7/28/2014

Jerry E. Patterson, Commissioner

By ~~JH~~

Anadarko E&P Onshore LLC



MF-115836+
MF-115837

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</u> <u>County</u>	<u>Int Type</u>	<u>Int Seq</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. MF 115837
Division Order

Date 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

16711708

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: 1328837000

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	Jun-01-2016	50015739	***\$600.00*

121

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

API 389 34997

Unit 7581

MF 115837

MF 115836

File No. MF 115837

Shut-in Payment County

Date Filed: 6/13/16

George P. Bush, Commissioner

By SSD



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.

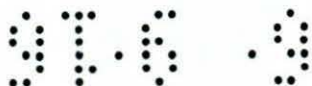
State Lease No. MF 115836 & 115837		Operator Anadarko E&P Onshore LLC	
Lease Name Sundance State Unit 56-3-13		Field Name Phantom	
Area	Tract	Part	Acres 1280.59
Section 4	Block 56 T3	Survey T & P RR Co Svy	County Reeves
State's NRI in Lease: 25%			
Unit Name (if applicable) Sundance State Unit 56-3-13		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	

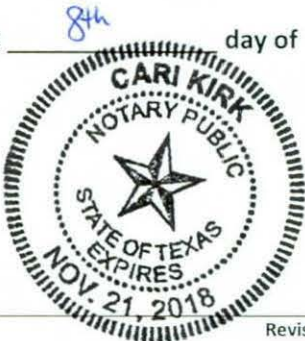
Contact for Shut-in: Mark Hajdik
 Operator's Representative
 Phone: 832-636-3804 Email: mark.hajdik@gmail.com

I certify that this statement is true and correct.

Signature: [Signature] Print Name: Gary 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

File No. ME115837
Spent 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 MF115837** – Relinquishment Act Lease
Margery Ann Harper, Agent 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 6, 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

File No. MF115837
letter accepting County
shut in
Date Filed: 6/14/16
George P. Bush, Commissioner
By SSD



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 115837		County Reeves	Gross Acres 320	Net Acres 320	Tract Part (Ex. NW/4) S/2
Section: 4	Block: 56	Survey: T&P RR Co.		Township: 3	Abstract:
Agent for State (Lessor) Margery Ann Harper			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

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

<u>Deep Rights Retention Bonus Work-Up</u>
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 # 7745000600 (State) and 7745000601 (Lessor)
<i>If there are undivided interests; there may be multiple checks</i>

For General Land Office Use Only:	Received: <u>5/9/18</u>	Payment Register No.: <u>18711206</u>
Amount: \$ <u>282,666.40</u>	Lease Type: <u>RAL</u>	Unit No.: <u>7581</u> <u>Good to 6/17/20</u>

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:</u> Land Part (Ex. NW/4): West side of sections 4 and 13 Section: 4, 13 Block: 56 Township: 3 Survey: T&P RR Co. Abstract:			OIL ☐ GAS ☒	VERTICAL ☐ 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:</u> Land Part (Ex. NW/4): Section: Block: Township: Survey: Abstract:			OIL ☐ GAS ☐	VERTICAL ☐ 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>	<u>VOLUME</u>

ANADARKO E&P ONSHORE LLC

18711206

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

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: 1328837000

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	May-07-2018	7745000600	***\$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 1328837000
LEASE DATE 06-17-2013
Option to Extend
BOOK: 1025 PAGE: 113 REC #: 13-06803
Reeves TX

FOR PERIOD
06-17-2018

ACRES PAID FOR LESSOR REFERENCE
320.19



Morgan Chase Bank N.A.
Columbus, OH 56-1544
441

ST TX MF-115837 & MARGERY ANN HARPER

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

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

PAPER CONTAINS TONER ADHESION PROPERTIES

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

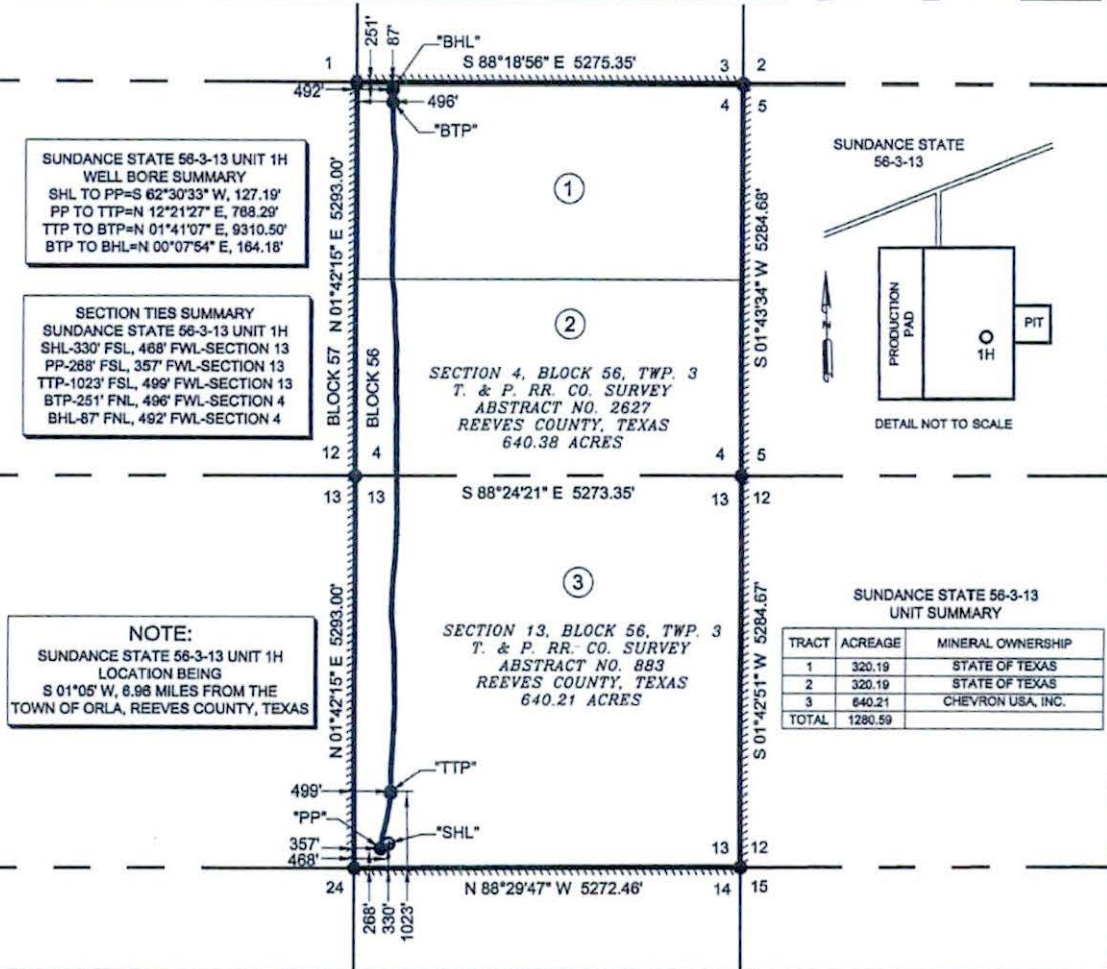
⑈ 774 5000600 ⑈



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.=2999.71')
X = 889055.28 LAT = 31°43'28.666" N LAT = 31.72407401° N
Y = 766116.73 LONG = -103°54'24.869" W LONG = -103.90685799° W
SUNDANCE STATE 56-6-13 UNIT 1H TTP
X = 88942.43 LAT = 31°43'26.050" N LAT = 31.72390274° N
Y = 768058.02 LONG = -103°54'25.972" W LONG = -103.90721456° W
SUNDANCE STATE 56-6-13 UNIT 1H BTP
X = 889106.85 LAT = 31°43'33.525" N LAT = 31.72597930° N
Y = 766038.50 LONG = -103°54'24.349" W LONG = -103.90678358° W
SUNDANCE STATE 56-6-13 UNIT 1H BHL
X = 889380.71 LAT = 31°45'05.568" N LAT = 31.75157380° N
Y = 778114.79 LONG = -103°54'24.640" W LONG = -103.90684458° W
SUNDANCE STATE 56-6-13 UNIT 1H SHL
X = 889381.10 LAT = 31°45'07.290" N LAT = 31.75202493° N
Y = 776276.98 LONG = -103°54'24.897" W LONG = -103.90686031° W

STATE PLANE COORDINATE DATUM
NAD 83 - TEXAS CENTRAL ZONE 4203
SUNDANCE STATE 56-6-13 UNIT 1H SHL (ELEV.=2999.71')
X = 1185517.33 LAT = 31°43'27.124" N LAT = 31.72420106° N
Y = 10608693.30 LONG = -103°54'26.383" W LONG = -103.90732856° W
SUNDANCE STATE 56-6-13 UNIT 1H TTP
X = 1185404.50 LAT = 31°43'26.507" N LAT = 31.72402978° N
Y = 10608634.59 LONG = -103°54'27.667" W LONG = -103.90768519° W
SUNDANCE STATE 56-6-13 UNIT 1H BTP
X = 1185568.92 LAT = 31°43'33.983" N LAT = 31.72610632° N
Y = 10609385.08 LONG = -103°54'26.043" W LONG = -103.90723419° W
SUNDANCE STATE 56-6-13 UNIT 1H BHL
X = 1185842.73 LAT = 31°45'06.122" N LAT = 31.75170048° N
Y = 10618691.58 LONG = -103°54'26.338" W LONG = -103.90731550° W
SUNDANCE STATE 56-6-13 UNIT 1H SHL
X = 1185843.11 LAT = 31°45'07.748" N LAT = 31.75215161° N
Y = 10618655.74 LONG = -103°54'26.392" W LONG = -103.90733124° W

Plat notes

- 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 TRANSLOCAL CONTROL POINT "BZ-2" (N. 10606750.71, E. 1184805.25) WHERE THE CONVERGENCE ANGLE IS -1° 50' 31.2" AND THE COMBINED SCALE FACTOR IS 0.99982200. 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 TRANSLOCAL 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

2000' 0' 2000' 4000'

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

TRANSLOCAL
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

LEASE

No. 1H

WELL

; that such well is

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

11.

File No. MF115837
DRR Bonus & Form County

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



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: MF115837 – Relinquishment Act Land
Deep Rights Retention, Reeves County, Texas
320.00 acres, South 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 115837
Letter accepting
DIRR Bonus
Date Filed: 5/30/18
George P. Bush, Commissioner
By SSP

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**

Craig Blanton

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

CRAIG BLANTON

C. Date of Delivery

10/22/19

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

If YES, enter delivery address below:

☐ No

MF 11583

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

ail Restricted Delivery

))

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

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



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	\$62.28	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

13

File No. MF115837

Reconciliation Billing County

Date Filed: 10/17/19

George P. Bush, Commissioner VD

By _____