

#8711

MF115947

PSA#00700
 INUT 14536
 INUT 14537
 INUT 14538
 PSA# 00729

State Lease	Control	Base File	County
MF115947	07-108925	90102	REEVES

Survey	T & P RY CO	
Block	57	
Block Name		
Township	2-S	
Section/Tract	24	
Land Part	S/2 SAE 60 AC	
Part Description		
Acres	260	
Depth Below	Depth Above	Depth Other
0	11,712'	
Name	PETROHAWK PROPERTIES LP	
Lease Date	6/27/2013	
Primary Term	5 yrs	
Bonus (\$)	\$260,260.00	
Rental (\$)	\$0.00	
Lease Royalty	0.1250	

Leasing: Q
 Analyst: Q
 Maps: JK
 GIS: MC
 DocuShare: _____



CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff

F1089689

Contents of Mineral File Number: 115947

1. RAL Review Sheet	6-24-13	16. Partial Release of OGL	2/11/25
2. Bonus & Fees	10-9-13	Scanned WM	2-12-2025
3. Lease	10-9-13	17. Recon Billing	6/17/2025
4. Final Ltr.	1-21-14	18 Recon Billing	6/17/2025
Scanned PJ	11-24-14	Scanned sm	06/24/2025
5. Notice of operations 389-34891	5-14-15	(See MF065359 #98-100 for)	
Scanned PJ	1-13-16	(Nul14536, iNul14537, iNul14538)	
6. Rentals 4 th +5 th yr	5/24/16	Scanned sm	07/17/2025
Scanned PJ	11-2-16	(see MF115947 # 101 for)	
See #69 in M-65359 for the		PSA#00729	
State Sky Hook 57-TZ-24 Unit #8711		Scanned WM	8-19-2025
7. Division Order	5-20-19		
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8. Reconciliation Billing	9/18/19		
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9. Recon Billing	11/28/2022		
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Scanned WM	11-30-2022		
11. Recon Billing	7/13/23		
12. Recon Billing	7/13/23		
Scanned PJ	7-4-2023		
13. Recon Billing	8/3/2023		
14. Recon Billing	8/3/2023		
Scanned WM	8-8-2023		
15. Partial Release Letter	10/3/2024		
(see MF065359 corrected)			
(assign # 11304)			
(see MF065359 # 94 for)			
PSA#00700			

RAL REVIEW SHEET

Transaction # 7806

Lessor: Steven Caldwell Beckham

Lessee: Petrohawk Properties

Geologist:

Lease Date: 5/28/2013

UL ☐

Gross Acres: 260

Net Acres: 260

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	07-108925	90102	S/2	24	57	02S	T & P RY CO	2058

TERMS OFFERED

Primary Term: 5 years

Bonus/Acre: \$2,000.00

Rental/Acre: \$0.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 5 years

Bonus/Acre: \$2,000.00

Rental/Acre: \$0.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF105583	Chalfant Properties, Inc.	8/4/2005	5 years	\$300.00	\$1.00	1/5	Last Lease
Pending	GPII Energy	5-1-13	5 yrs	\$1500.00	\$1.00	1/4	3 Miles North

Comments: S/E 20 ac in a sq.in the SE/corner and 40 ac being S/2 N/2 SE/4 / Paid up 2nd & 3rd yr / 4th yr \$2600.00 per ac. And pays up 5th yr.

Approved: DR 6.4.13

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

TO: Jerry Patterson, Commissioner

DATE: 04-Jun-13

Larry Laine, Chief Clerk

Bill Warnick, General Counsel

Louis Renaud, Deputy Commissioner

FROM: Robert Hatter, Director of Mineral Leasing

Tracey Throckmorton, Geoscience Manager

Applicant: Petrohawk Properties

County: REEVES

Prim. Term: 5 years

Bonus/Acre

\$2,000.00

Royalty: 1/4

Rental/Acre

\$0.00

Consideration

Recommended: RJA

Date: 6/10/13

Not Recommended: _____

Comments: S/E 20 ac in a sq. in the SE/corner and 40 ac being S/2 N/2 SE/4 / Paid up 2nd & 3rd yr / 4th yr \$2600.00 per ac. And pays up 5th yr.

Lease Form

Recommended: RJA

Date: 6/10/13

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner

Date: 6-10-13

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: 6/17/13

Recommended: WW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 6/21/13

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner

Date: 6/24/13

Approved: [Signature]

Not Approved: _____

1.
File No. MF115947
AML Review Sheet

Date Filed: 6-24-13
Jerry E. Patterson, Commissioner

By ha

PETROHAWK ENERGY CORPORATION

172129

1360 POST OAK BLVD., SUITE 1900CT • HOUSTON, TX 77056 inquiry@bhpbilliton.com

CHECK NO.

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
KEF20AUG2013-1	8/19/13 OGML BONUS	CKREQ-TEXAS.G ENERAL.LAND.O FFICE-8/19/13	260,260.00	14702062		260,260.00 121
VENDOR				CHECK DATE	TOTAL	
4371 TEXAS GENERAL LAND OFFICE				08/20/13	\$260,260.00	

BOLO-200

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

PETROHAWK ENERGY CORPORATION

ACCOUNTS PAYABLE DISBURSEMENT ACCOUNT

1360 POST OAK BLVD., SUITE 1900CT

HOUSTON, TX 77056

inquiry@bhpbilliton.com

Bank of America

64 - 1278 / 611 GA

DATE

08/20/13

14702062

172129

PAY Two Hundred Sixty Thousand Two Hundred Sixty Dollars And Zero Cents*****

AMOUNT \$*****260,260.00

TO THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
1700 N CONGRESS AVE
AUSTIN, TX 78701 USA

VOID AFTER 180 DAYS

John A. Sumner

172129

R & O ENERGY LLC 02-06
3003 KNIGHT ST. STE. 220 318-861-4110
SHREVEPORT, LA 71105

10-8-2013

PAY TO THE
ORDER OF

Texas General Land Office

\$25⁰⁰

Twenty-five ^{xx}/₁₀₀

DOLLARS

MEMO



AUTHORIZED SIGNATURE

⑈008603⑈



R & O ENERGY LLC

8603

Filing fees

Section 24 B1K 57T2

Reeves County, TX

14702063



R & O ENERGY LLC

8603

*+ 25.00
121*



October 8, 2013

Attention: Ms. Beverly Boyd
Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, TX 78701-1495

RE: Abstract # 2058
260 acre tract in the S/2 of Section 24 Block 57 Township 2
Reeves County, Texas

Dear Ms. Boyd:

Please find the enclosed certified copy of the lease as well as a check for the State of Texas ownership associated with the above referenced tract of land and a check for the GLO filing fees.

Please let me know via e-mail that you have received the filing fees and certified copies, and that they have been posted to the appropriate file numbers. If you need anything else please let me know.

Sincerely,

Bailey Griffith
R&O Energy, LLC
636 East Kings Hwy
Shreveport, LA 71105
Office: 318-861-4110 Ext. 323
Baileydgriffith@gmail.com

Drew Reid - Beckham Caldwell Lease Sec 24 57 T2

From: "M. Patrick Reesby" <Patrick@ROEnergy.com>
To: "Drew Reid" <Drew.Reid@GLO.STATE.TX.US>
Date: 5/30/2013 10:48 AM
Subject: Beckham Caldwell Lease Sec 24 57 T2
CC: <glen@roenergy.com>
Attachments: Beckham Addendum Section 27 Blk 57 T2 final.doc; GLO Lease Form 27 Blk 57 T2 with signature page.doc; CC-Reeves #7921 - Corrected Lease with Addendum (filed 11-8-11).PDF

Hi Drew,

Please find the attached lease form & below offer for approval on the following tract of land:

Reeves County

Block 57 Township 2:

Section 24- The South Half of Section 24, Block 57, Township 2, Abstract 2058, T&P RR Co Survey, Reeves County, TX, LESS AND EXCEPT the TWO (2) Following Tracts: 20 acres, more or less, being that certain tract of land in the form of a square, situated in the southeast corner of Section 24, Block 57, Township 2, Abstract 2058, T&P RR Co Survey, Reeves County, TX, and that certain tract containing 40 acres, more or less, being the South Half of the North Half of the Southeast Quarter (S/2 of the N/2 of the SE/4) of Section 24, Block 57, Township 2, Abstract 2058, T&P RR Co Survey, Reeves County, TX.

Petrohawk has made the following offer to the owners of the soil for the subject tract.

\$2000/acre for first 3 years & \$2600/acre for additional 2 years.

25% RI:

Lease form attached has been previously approved by GLO; however, we have modified Paragraph 5 of the Addendum and the extension provision. I attached a copy of the previously approved GLO Lease form that was agreed to by the GLO, John Beckham, ET AL & Petrohawk.

Please review and let me know if this offer & lease form are acceptable.

Thanks and hope all is well.

M. Patrick Reesby, CPL

Patrick@ROEnergy.com

Office:(318)861-4110

Direct:(318)703-2685

Cell:(225)229-3379

Fax: (318)861-4119

WWW.ROENERGY.COM

C# 1101
 T# 7804
 07-108925

File No. MF115947
Bonus & Fees

②

Date Filed: 10.9.13

Jerry E. Patterson, Commissioner

By an



True and Correct
copy of
Original filed in
Reeves County
Clerks Office
OIL AND GAS LEASE

13-06805
FILED FOR RECORD
REEVES COUNTY, TEXAS
Sep 19, 2013 at 03:44:00 PM

MF 115947

THIS AGREEMENT is made and entered into this 27th day of June, 2013 between the State of Texas, acting by and through its agents, CMC/SC Beckham Holdings, LP, of 310 Pitchfork Lane, Canyon, TX 79015, CMC/Comanche Co., LP of 2225 South Danville Suite 3, Abilene, TX 79605, CMC/Palo Pinto Family Holdings, LP of P.O. Box 2650 Albany, TX 76430, CMC/Rock House Partners, LP of P.O. Box 2650, Albany, TX 76430, CMC Spring/Gap Partners, LP of P.O. Box 87, Abilene, TX 79604, CMC/Tomaui, LP, of 1118 Berkley Dr., Cleburne, TX 76033, said agents herein referred to as the owner of the soils (whether one or more), and Petrohawk Properties, LP, a Texas Limited Partnership, whose address is 1360 Post Oak Boulevard, Suite #150, Houston, Texas 77056-3030 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:

Reeves County

Block 57 Township 2:

Section 24- The South Half of Section 24, Block 57, Township 2, Abstract 2058, T&P RR Co Survey, Reeves County, TX, LESS AND EXCEPT the TWO (2) Following Tracts: 20 acres, more or less, being that certain tract of land in the form of a square, situated in the southeast corner of Section 24, Block 57, Township 2, Abstract 2058, T&P RR Co Survey, Reeves County, TX, also described in that Certain Warranty Deed Volume 123, Page 227 filed on April 15th, 1949 in the Reeves County Court House, and that certain tract containing 40 acres, more or less, being the South Half of the North Half of the Southeast Quarter (S/2 of the N/2 of the SE/4) of Section 24, Block 57, Township 2, Abstract 2058, T&P RR Co Survey, Reeves County, TX.

Containing 260.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Two Hundred Sixty Thousand Two Hundred Sixty & 00/100--Dollars
(\$260,260.00)

To the owner of the soil: Two Hundred Sixty Thousand Two Hundred Sixty & 00/100--Dollars
(\$260,260.00)

Total bonus consideration: Five Hundred Twenty Thousand Five Hundred Twenty & 00/100--Dollars
(\$520,520.00)

The total bonus consideration paid represents a bonus of Two Thousand Two and No/100 -----
Dollars (\$2,002.00) per acre on 260.00 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Five (5) Years from this date (herein called primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past. See Paragraph 16 of the Addendum, attached hereto, for the amended Delay Rental Provision. .

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

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

To the owner of the soil: see Paragraph 16 of the attached Addendum for amended Delay Rental Provision
Dollars (\$ _____)

To the State of Texas: see Paragraph 16 of the attached Addendum for amended Delay Rental Provision
Dollars (\$ _____)

Total Rental: see Paragraph 16 of the attached Addendum for amended Delay Rental Provision
Dollars (\$ _____)



True and Correct
copy of
Original filed in
Reeves County

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

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

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

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

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

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

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

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

negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

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

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

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

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

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

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

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

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

12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease. All drilling or reworking operations conducted off the leased premises that are intended to result in the completion of, or restoration of production from, a producing interval on the leased premises or lands pooled or unitized therewith shall be considered operations conducted on the leased premises for purposes of extending and/or maintaining this lease in effect under any other paragraph or provision hereof.

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. Any oil or gas well that has been drilled and cased and which is awaiting fracture-stimulation shall, for purposes of shut-in royalty only, be deemed capable of producing in paying quantities and 'shut-in' until the expiration of one hundred eighty (180) days after the drilling rig is released from the drill site, and the provisions of this Paragraph 14 for maintaining this lease through payment of shut-in royalty shall apply during said 180-day period, regardless of whether the well is an oil well or a gas well.

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



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

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

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

(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. (See Paragraphs 2 and 3 of the Addendum, attached hereto.)

(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. (See Paragraphs 2 and 3 of the Addendum, attached hereto.)

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.



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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. (See Paragraph 13 of the Addendum, attached hereto.)~~

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

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

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

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

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

27. (A) **ASSIGNMENTS.** Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and

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

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

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

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

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

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

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

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



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

34. POOLING. Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.153. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152. (See Paragraph 5 of the Addendum, attached hereto.)

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 (I) A VIOLATION OF THE FOREGOING PROHIBITION OR (II) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY**



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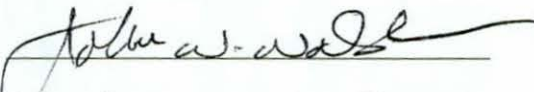
BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER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

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

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

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:
Petrohawk Properties, LP
By: P-H Energy, LLC,
Its General Partner

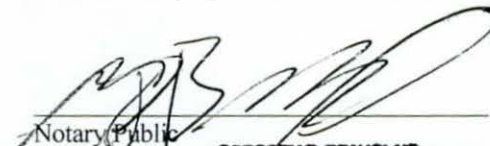

Date: SEPT. 12, 2013

STATE OF ~~TEXAS~~ Louisiana)
COUNTY OF B Caddo) SS:
Parish)



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

Before me, the undersigned authority, on this day personally appeared John W. Walsh known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-In-Fact of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas limited partnership 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 limited partnership.


Notary Public

GREGORY R. BEAUCLAIR
NOTARY ID NO. 132963
NOTARY PUBLIC - LOUISIANA
CADDO PARISH
MY COMMISSION IS FOR LIFE



LESSOR:

STATE OF TEXAS


By: STEVEN CALDWELL BECKHAM, Sole Manager of SCB ..
Management, LLC, General Partner of CMC/SC
Beckham Holdings, LP, for such partnership,
and as Agent for the State of Texas

STATE OF Texas
COUNTY OF Reeves

BEFORE ME, the undersigned authority, on this day personally appeared STEVEN CALDWELL BECKHAM, Sole Manager of SCB Management, LLC, as General Partner of CMC/SC BECKHAM HOLDINGS, LP, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 3rd day of July, 2013



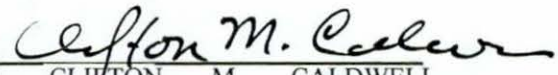

Notary



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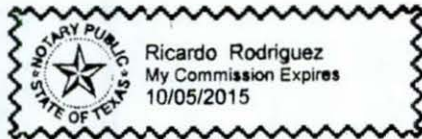
LESSOR:

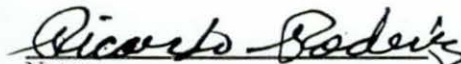
STATE OF TEXAS


By: CLIFTON M. CALDWELL,
Member/Manager of Concho Pearl Co.,
LLC, as General Partner of CMC/Comanche
Co., LP, for such partnership, and as Agent
for the State of Texas

STATE OF TEXAS
COUNTY OF STERLING

BEFORE ME, the undersigned authority, on this day personally appeared CLIFTON M. CALDWELL, Member/Manager of Concho Pearl Co., LLC, as General Partner of **CMC COMANCHE CO., LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 6 day of July, 2013



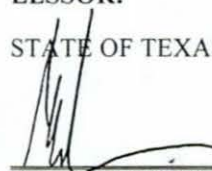

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LESSOR:

STATE OF TEXAS

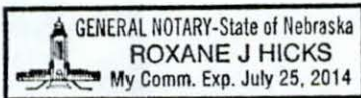

By: GEOFFREY L. CLINE, Sole Manager
of Orange Street Partners, LLC, as General
Partner of CMC/Palo Pinto Family
Holdings, LP, for such partnership, and as
Agent for the State of Texas

STATE OF

COUNTY OF

Nebraska
Lancaster

BEFORE ME, the undersigned authority, on this day personally appeared GEOFFREY L. CLINE, Sole Manager of Orange Street Partners, LLC, as General Partner of **CMC/PALO PINTO FAMILY HOLDINGS, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 16th day of July, 2013



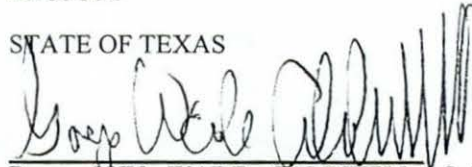

Notary



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LESSOR:

STATE OF TEXAS

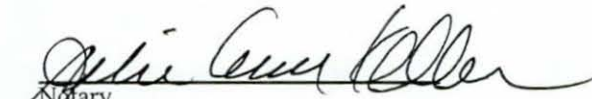


By: GUY WADE CALDWELL, Sole
Manager of Madrone Partners, L.L.C., as
General Partner of CMC/Rock House
Partners, LP, for such partnership, and as
Agent for the State of Texas

STATE OF Texas

COUNTY OF Petar

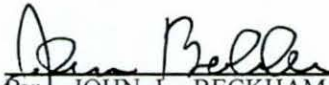
BEFORE ME, the undersigned authority, on this day personally appeared GUY WADE CALDWELL, Sole Manager of Madrone Partners, L.L.C., as General Partner of **CMC/ROCK HOUSE PARTNERS, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 2d day of July, 2013


Notary

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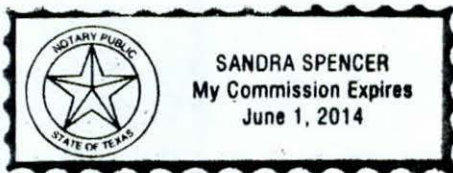
LESSOR:

STATE OF TEXAS


By: JOHN L. BECKHAM, President of
Spring Gap, Inc., as General Partner of
CMC/Spring Gap Partners, LP, for such
partnership, and as Agent for the State of
Texas

STATE OF Texas
COUNTY OF Taylor

BEFORE ME, the undersigned authority, on this day personally appeared JOHN L. BECKHAM, President of Spring Gap, Inc., as General Partner of **CMC/SPRING GAP PARTNERS, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 1st day of July, 2013




Notary



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LESSOR:

STATE OF TEXAS

Stephen M. Spence

By: STEPHEN
M. SPENCE,
Sole Manager of
KonaKoa GP,
LLC, as General
Partner of CMC/
Tomaui, LP, for
such partnership,
and as Agent for
the State of
Texas

STATE OF TEXAS
COUNTY OF JOHNSON

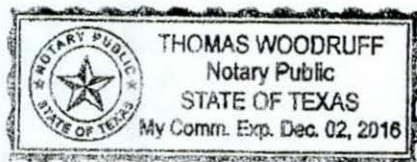


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Original filed in
Reeves County
Clerks Office

BEFORE ME, the undersigned authority, on this day personally appeared STEPHEN M. SPENCE, Sole Manager of KonaKoa GP, LLC, as General Partner of **CMC/TOMAUI, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 2 day of July, 2013

Thomas Woodruff

Notary



Addendum
To Oil And Gas Lease Dated June 27th, 2013, By And Between The State Of Texas, Acting By And Through Its
Agent, CMC/SC Beckham Holdings, LP, Et Al., and Petrohawk Properties, LP

1. It is distinctly agreed that the owner of the soil does not warrant the title or quiet possession of said land, or oil or gas, or any part thereof, to Lessee against the claim of any person or persons claiming, or attempting to claim the same, or any part thereof, adversely to the owner of the soil or Lessee, and the owner of the soil shall in no event be liable to Lessee because of any lack or failure of title in the owner of the soil to same.

2. Subject to Paragraph 3 of this Addendum, after the expiration of the primary term or the continuous development program set forth in said Paragraph 3 of this Addendum, whichever is latter, this lease shall terminate as to all parts of the land covered by this lease which are not then included in a Producing Unit (as hereinafter defined), and shall be permanently released from the provisions of this lease. A "Producing Unit" shall mean the following:

(a) Producing Unit for a Vertical Well. The Producing Unit shall for each vertical well then producing oil or gas consist of not more than the number of surface acres of contiguous land around each such well as set forth below:

- i. Forty (40) acres for a vertical oil well
- ii. One-hundred sixty (160) acres for a vertical gas well producing from a depth between the surface and down to and including the base of the Delaware Formation; and,
- iii. Three-hundred twenty (320) acres for vertical gas well producing from a subsurface depth below the Delaware Formation.

(b) The Producing Unit for a Horizontal Well. The Producing Unit for a Horizontal Well, as hereinafter defined, shall be 320 acres. For purposes hereof, a "Horizontal Well" shall mean a wellbore drilled by Lessee having a horizontal lateral leg measuring at least 2,500 feet in length from the penetration point into the objective producing formation to the terminus of such wellbore. In the event Lessee encounters impenetrable substances or technical difficulties beyond the reasonable control of Lessee, which make it impractical in Lessee's opinion for Lessee to extend the horizontal lateral leg of such wellbore to at least 2,500 feet, but such horizontal lateral measures more than 1,500 feet, Lessee may classify such well as a Horizontal Well upon receiving written consent from the owner of the soil of such classification, which consent shall not be unreasonably withheld. Any wellbore that does not meet the requirements set forth in this paragraph shall be considered a vertical well, subject to the acreage limitations for vertical wells, set forth above.

For either oil or gas wells, a Producing Unit shall be limited to those depths from the surface down to 300 feet below the deepest producing perforations in such Producing Unit. In the event Lessee requests the pooling of a portion of the Lands and the owner of the soil consents to such pooling, as required in Paragraph 5 below, such pooled unit shall conform to the shape, depth, size and boundary limitations of a Producing Unit as set forth in this Paragraph 2, unless otherwise approved by the School Land Board.

Within thirty (30) days after the expiration of the primary term of this lease, or the end of the continuous development program set forth in Paragraph 3 of this Addendum, which ever is the latter, Lessee must file with the County Clerk in the County where the land is located, an instrument in writing which releases the lease as to all lands and depths except for the lands and depths included in a Producing Unit, as set forth above. Lessee shall furnish the owner of the soil with a copy of said instrument (s), no later than thirty (30) days after recordation.

3. Subject to paragraph 17 of this Addendum, rights granted under this lease shall be extended beyond the primary term provided herein, if, and only if, (a), Lessee has obtained production in commercial paying quantities, prior to the expiration of said primary term, or (b), if Lessee is then engaged in actual drilling operations on the leased premises or lands pooled or unitized therewith, at the end of the primary term in which case Lessee, his successors and assigns may complete any such well, as a producer or a dry hole, or (c), if Lessee has completed a well as a producer or as a dry hole within sixty (60) days prior to the expiration of the primary term.

The continued validity of such rights as to undrilled acreage shall be extended beyond the primary term if Lessee undertakes a continuous drilling program and shall be expressly conditioned upon the timely commencement of operations for drilling at least one additional well upon the acreage not then included within a Producing Unit, within 180 days commencing at the end of the primary term provided herein and allowing not more than 180 days to elapse between the Completion (as hereinafter defined) of one well and the Commencement of Operations (as hereinafter defined) of the succeeding well. For purposes of this lease, "Commencement of Operations" is defined as a rig capable of drilling to the permitted depth actually positioned on the location, drill bit in the ground and turning to the right. For purposes of this lease, "Completion" is defined as 60 days after release of the drilling rig from the well location. Effective at the end of the first such 180-day period during which no Commencement of Operations for an additional well shall have been commenced and completed (either for production or as a dry hole) at a depth not shallower than a depth necessary to test potential commercial producing

zones on the leased premises, all rights granted to Lessee hereunder shall cease and terminate except as to each well then producing which had previously been drilled hereunder by Lessee, its successors or assigns and the Producing Unit allocated to each such well, in accordance with provisions contained in Paragraph 2 above. After a partial termination of this lease as herein provided, each Producing Unit retained under the provisions hereof shall be deemed to be covered by a separate lease having the terms and provisions hereof (except as to the land description) to the end that this lease shall be continued in force as to each Producing Unit only so long as there is production in commercial paying quantities or drilling or reworking operations are prosecuted thereon as provided elsewhere herein. Nevertheless, Lessee shall have the right to exercise the easements above granted across the lands described in Paragraph 1 of the lease for the benefit of any said Producing Unit, and this right shall survive the partial termination of this lease as to any area covered hereby in order that such easements may be used for the benefit of any Producing Unit, as to which this lease remains in force.

4. Lessee agrees to furnish the owner of the soil, at no cost or expense to the owner of the soil, the following material promptly as it is prepared for or by Lessee or as it becomes available to Lessee:

- a. Copies of any title opinions and survey information relating to the land covered by this lease;
- b. Copies of all forms, reports, and applications filed with the Railroad Commission of the State of Texas, or any other governmental agency, in connection with operations under this lease;
- c. All drilling (including daily drilling reports), testing, logging, completing and plugging data and information;
- d. Owner of the soil or its representative(s) may review in the office of Lessee or its assigns all seismic data including but not limited to any enhanced data and interpretations thereof, cross sections, backline prints and seismic tapes.

Any reliance placed by the owner of the soil on any such information furnished by Lessee in good faith shall be entirely at the owner of the soil's risk. Furthermore, any of the foregoing material that is confidential to Lessee, and is so marked when delivered to the owner of the soil, shall be kept confidential by the owner of the soil and not disclosed except to the owner of the soil's professional and/or technical advisors or consultants during the primary term of this Lease to which such confidential material pertains. However, any and all information or data which is available at the Texas Railroad Commission, geological log libraries, or other agencies or businesses shall not be considered confidential and proprietary property of Lessee even if it is so marked by Lessee.

5. Lessee shall have the right to pool or unitize the interest of the owner of the soil in the premises covered by this lease, or any portion thereof, however, the unit formed by such pooling for an oil well shall not exceed the size of a Producing Unit as established in Paragraph 2 of this Addendum.

If this Lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result from the inclusion of such separate tracts within this Lease. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

6. Upon expiration or termination of this lease for any reason as to all or any portion of the land herein described, Lessee shall be obligated at its expense promptly to prepare, execute and file in the public records in the county in which such land or portion thereof is located an appropriate release instrument covering all or such portion of said land, and to forward a copy of same as so recorded to the owner of the soil within sixty (60) days of the expiration or partial expiration of this lease.

7. Unless specified otherwise herein, any information to be furnished hereunder, any notice required or permitted hereunder shall be made to the parties at the addresses given below:

To the owner of the soil –

CMC/SC Beckham Holdings, LP
310 Pitchfork Lane
Canyon, Texas 79015

CMC/Comanche Co., LP
c/o Lee Caldwell
2225 South Danville Suite 3
Abilene, TX 79605
E-Mail: lcaldwell@bitstreet.com
Tel: (325) 698-1443



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Harris County
Clerks Office

CMC/Palo Pinto Family Holdings, LP
P.O. Box 2650
Albany, TX 76430

CMC/Rock House Partners, LP
c/o G. Wade Caldwell
Barton, East & Caldwell, P.L.L.C.
One Riverwalk Place
700 N. St. Mary's Street, Suite 1825
San Antonio, Texas 78205
E-Mail: gcaldwell@beclaw.com
Tel: (210) 225-1655

CMC/Spring Gap Partners, LP
c/o John L. Beckham
P.O. Box 87
Abilene, TX 79604
E-Mail: JLBeckham@sbcglobal.net
Tel: (325) 673-1393

CMC/Tomaui, LP
1118 Berkley Dr.
Cleburne, TX 76033

PETROHAWK PROPERTIES, LP
P O Box 22719
Houston, TX 77027-9998



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To Lessee –

Any party may change its address by notifying the other party or parties in writing. Furthermore, the undersigned owners of the soil do hereby appoint Lee Caldwell, G. Wade Caldwell and/or John Beckham as their agents and attorneys-in-fact for the purpose of making any elections or giving consents hereunder, including, but not limited to the authority to consent or not consent to any request to pool or unitize any lands covered hereby.

8. Upon abandonment of any well, Lessee agrees to return the well site to the same condition as now found insofar as is reasonably practicable.

9. As a part of the consideration for the execution of this lease, the Lessee herein agrees for itself, its successors, assigns and legal representatives, that it will, at its sole cost and expense, and at no cost to the owner of the soil, during the term of this lease and as long thereafter as any operations or production is accomplished by Lessee or its successors, assigns or legal representatives, on any part of the ranch owned by the owner of the soil (of which the land covered by this lease is a part) to (1) improve and maintain, as all-weather roads, any presently existing roads on such property used by Lessee, and (2) where necessary, construct and maintain good all-weather roads over which automobiles may travel with ease, leading from the entrance to such properties to the location of any producing well. Upon request of the owner of the soil, Lessee agrees to install heavy duty cattle guards on any roads utilized by Lessee where such roads intersect the owner of the soil's fences or gates.

10. Lessee agrees to pay the following to compensate for damage to the surface of the leased premises:

a. Well Location Damages:

i. Five-thousand dollars (\$5,000.00) for less than 4,000 feet permit depth (up to 1.5 acre pad) (up to a 256' x 256' pad or equivalent);

To the State of Texas:	\$2,500.00
To the owner of the soil:	\$2,500.00

- ii. Eight-thousand dollars (\$8,000.00) for 4,000 feet to 7,999 feet permit depth (up to 2.0 acre pad) (up to a 295' x 295' pad or equivalent);

To the State of Texas: \$4,000.00
To the owner of the soil: \$4,000.00

- iii. Thirteen-thousand dollars (\$13,000.00) for 8,000 feet to 13,000 feet permit depth (up to 3.0 acre pad) (up to a 361' x 361' pad or equivalent);

To the State of Texas: \$6,500.00
To the owner of the soil: \$6,500.00

- iv. Sixteen-thousand dollars (\$16,000.00) for greater than 13,000 feet permit depth (up to 3.5 acre pad) (up to a 390' x 390' pad or equivalent).

To the State of Texas: \$8,000.00
To the owner of the soil: \$8,000.00

The above-described Well Location Damages reflect the current University Lands – West Texas Operations Rate and Damage Schedule that are in effect as of the effective date of this lease. The Well Location Damages set forth above shall be revised periodically as and when the University Lands – West Texas Operations Rate and Damage Schedule for well locations is revised and published by the University of Texas system.

- b. Two-thousand dollars (\$2,000.00) for each tank battery location not located on a drill site location;

To the State of Texas: \$1,000.00
To the owner of the soil: \$1,000.00

- c. Twenty-five dollars (\$25.00) per rod for new roads constructed by Lessee on the leased premises;

To the State of Texas: \$12.50 per rod
To the owner of the soil: \$12.50 per rod

- d. Twenty-five dollars (\$25.00) per rod for new pipelines laid or buried on the land;

To the State of Texas: \$12.50 per rod
To the owner of the soil: \$12.50 per rod



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Clerk's Office

11. Lessee shall bury any portion or portions of all pipelines and flow lines when requested to do so by the owner of the soil. Notwithstanding the above, all pipelines and flow lines shall be buried to a safe depth at all road crossings. Furthermore, Lessee shall, as soon as reasonably practical after construction is completed, remediate and restore the surface on and around all trenches, ditches or excavations for pipelines, flow lines or electric lines to the reasonable satisfaction of the owner of the soil.

12. Lessee agrees to consult with surface owner regarding the placement of all roads, pipelines, power lines, telephone lines and tank batteries and to locate all such items and other structures which it has a right to locate upon said land under the provision of this lease at such as to reduce the interference with the surface use of said lands for farming and for ranching purposes insofar as it is reasonably practical to do so and in such a manner as to reduce the risk of soil erosion insofar as it is reasonably practical.

13. In connection with Lessee's exploration, drilling and development operations, including the drilling, completion and fracing operations on any well drilled hereunder, Lessee shall not utilize any water from the owner of the soil's tanks, ponds or water wells without a prior written agreement with the owner of the soil for such use. However, Lessee may utilize water produced from water wells drilled and operated by Lessee upon the leased premises for operations on the leased premises. Lessee shall compensate the State of Texas and owner of the soil, in equal shares, for water utilized in connection with its operations on the leased premises as follows:

- a. Seven-thousand five-hundred dollars (\$7,500.00) for each oil or gas well drilled by Lessee to compensate Lessor for all water used in connection with the drilling and completion of such well (excluding fracing operations); plus,
- b. Fifteen cents (15¢) per barrel (42 gallon) for all other water utilized by Lessee in connection with its exploration and development operations, including fracing operations.

It is provided, however, that any damages paid for water under Paragraph 13, excluding water produced from a well drilled by Lessee, shall be paid entirely to the owner of the soil.

Lessee agrees after cessation of its use of any water well drilled by Lessee on said lands, and prior to plugging or removing the casing therefrom, to tender such water well or wells to the owner of the soil, and if the owner of the soil shall elect to accept same, such water well shall be and become the property of the owner of the soil; provided, however, that Lessee shall have the right to use such well or wells at any time during the continuance of this lease in connection with any of Lessee's operations on said lands, and provided further, that the owner of the soil will thenceforth assume all risks and obligations attendant to the owner of the soil's ownership and use of said water well or wells. Upon written request, Lessee shall provide to the owner of the soil copies of all logs and other information available on said water well or wells.

14. For the convenience and ease of Lessee, any payments to the owner of the soil, pursuant to Paragraphs 10 and 13 of this Addendum, may be made to either Lee Caldwell or John Beckham for the credit of all the owners of the soil. The owners of the soil do hereby designate Lee Caldwell and John Beckham as agents to receive any such payments.

15. If all or any part of this Lease is assigned by Lessee, Lessee shall furnish to the owner of the soil a copy of the recorded Assignment within thirty (30) days after such Assignment has been recorded. No assignment by Lessee of this Lease or any portion thereof or interest therein shall be effective until Lessee has furnished the owner of the soil with a copy of the Assignment, as recorded in Reeves County, Texas.

16. The consideration given for this Lease, totaling \$520,520.00 (which equates to \$2,002.00 per acre for each of the 260.00 acres covered by this Lease), consists of a bonus payment in the total amount of \$520,000.00 and prepaid delay rentals in the total amount of \$260.00 (which equates to \$1.00 per acre for each of the 260.00 acres covered by this Lease) for each of the one-year periods commencing on the 1st and 2nd anniversary dates of this Lease, respectively.

If Lessee desires to exercise its rights under Paragraph 3 of this Addendum to maintain this Lease in force beyond the first three (3) years of the primary term, then on or before the 3rd anniversary date of this Lease, Lessee shall pay or tender a delay rental to the owner of the soil, or its successors, and to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, in the following amounts:

To the owner of the soil:	\$338,130.00
To the State of Texas:	<u>\$338,130.00</u>
Total Rental:	\$676,260.00

The total rental amount of \$676,260.00 equates to \$2,601.00 per acre for each of the 260.00 acres covered by this Lease, and consists of a rental payment in the amount of \$676,000.00 (which equates to \$2,600.00 per acre for each of the 260.00 acres covered by this Lease) for the one-year period commencing on the 3rd anniversary of this Lease, and a prepaid delay rental in the total amount of \$260.00 (which equates to \$1 per acre for each of the 260.00 acres covered by this Lease) for the one-year period commencing on the 4th anniversary date of this Lease.

This Lease shall therefore be deemed "paid-up" for the first three (3) years of the primary term and, if the delay rental amount prescribed for the one-year period commencing on the 3rd anniversary date of this Lease is timely and properly paid in accordance herewith, this Lease shall also be deemed "paid-up" for the final two (2) years of the primary term."

17. Notwithstanding anything to the contrary contained in this Lease or Addendum, if lessee establishes production from the leased premises during the first three years of the primary term hereof, this lease shall nevertheless terminate on the third anniversary date of the lease as to all lands not included in a Producing Unit unless on or before the third anniversary date of this lease, lessee, at lessee's sole option, either (1) pays or tenders the delay rentals for the fourth and fifth years of this lease as contemplated under paragraph 16 of this addendum, or (2) lessee covenants to commence the continuous drilling obligations set forth in paragraph 3 of this addendum on the same schedule as if the primary term had ended on the third anniversary date of this lease. If lessee elects to covenant to commence the continuous drilling obligations during the fourth and fifth year of the primary term of this lease, said election shall be made by delivering written notice thereof to the owner of the soil and to the State of Texas, and the first well under said continuous drilling obligation shall be commenced within 180 days after the third anniversary date of this lease.



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Reeves County
Clerks Office

Inst No. 13-06805
DIANNE O. FLOREZ
COUNTY CLERK
2013 Sep 19 at 03:44 PM
REEVES COUNTY, TEXAS
By: AC Aurora Calanchi DEPUTY

File No. MF115947

Levy

Date Filed: 12-9-13

Jerry E. Patterson, Commissioner

By JS

**THE STATE OF TEXAS
COUNTY OF REEVES**

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of

Oil & Gas Lease dated June 27, 2013,

filed for record in my office this 19th day of September 2013 at 3:44 P M, under Clerk's File No. 13-06805, to be recorded in the

Official Public Records

Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 19th day of September, 2013.

By Aurora Calanchi, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

January 21, 2014

Micah Strother
BHP Billiton Petroleum
Post Office Box 22719
Houston, Texas 77027

Re: **State Lease MF 115947**

RAL Lease dated June 27, 2013 recorded in 13-06805, covering 260 ac., Sec. 24, Blk. 57, T-2, T&P Ry Co. Survey, Reeves Co., TX, CMC/SC Beckham Holdings, et al, agent for State of TX, Lessor

Dear Mr. Strother:

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-115947**. **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.

Your remittance of **\$260,260.00** 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. MF115942

Paul J. Mc

Date Filed: 1-21-14

Jerry E. Patterson, Commissioner

By



BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

GULF COAST DISTRICT
TOTAL PLAZA

1201 LOUISIANA STREET, STE. 570
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT

600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-4404 FAX 303-534-4661

CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

May 11, 2015

Re: NOTICE TO SURFACE OWNER
REGARDING PLANNED OPERATIONS
7710 JV-P Chapman A#2H
NE/NE, Sec 24, Blk 57, T&P Survey
Reeves County, TX
API 389-34891

Surface Owner: CMC/SPRING GAP PARTNERS LP
P. O. Box 87
Abilene, TX 79604

Via Certified Mail

Mineral Owner: State of Texas
General Land Office
P. O. Box 12873
Austin, TX 78711-2873

Via Certified Mail

This letter is to provide you notice of our planned oil and gas operations. We are proposing a possible oil and gas well location as referenced above. This notice is sent to you as the owner of the surface estate in the subject lands. If you believe someone else holds the legal and/or equitable title to the surface, please let us know.

The surveyor we have contracted to stake this location has availability to survey/stake on May 13, 2015. We will have a drilling representative on location. You are welcome to be present during the surveying operations.

You will be contacted by our Land Department, for discussion regarding surface use.

This is a courtesy notice and no other action is required on your behalf. Should you have any questions regarding this project, please contact the undersigned at our Midland office at (432) 682-3753.

Sincerely,

Pam Inskeep
For BTA Oil Producers LLC

File No. MF115947

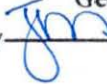
S.

Roones County

Notice of Operations for API 389-34891

Date Filed: 5-14-15

George P. Bush, Commissioner

By 

2.7.12

Check No.: 207180
Payment Type: RENTAL

Period Covered: 06/27/2016-06/27/2018
Payment Amount: \$338,130.00

Lease Number: 1044954/001 LSE

Original Lessor: CMC/SC BECKHAM HOLDINGS LP ET AL



Lease Effective Date: 06/27/2013

Recording Information: 13-06805

MF 115947

State: TX

County: REEVES

Check Remarks:

MF115954 RENTAL FOR THE 4TH AND 5TH YEAR

16711154

REEVES COUNTY: SECTION 24 BLOCK 57 TOWNSHIP 2



For the Credit of:

Owner: COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING

(BA#):80104210

Payment Amount: \$338,130.00

Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

121

6

File No. MF 115947
Rentals 4th 5th yr County

Date Filed: 5/24/16

By BN George P. Bush, Commissioner

25470

004720

unit 8711
MFO65359
MFO92207
✓ MF115947
MF118253

BHP

BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Division Order Instruction Sheet

We are pleased to deliver this Division Order which sets forth your share of production proceeds from the well indicated thereon and the name and address to which payments will be made. Please return one fully executed copy and retain the other copy for your records. Your Division Order contains information that will aid in your communication with BHP. When contacting us about any questions regarding your interest or Division Order, please have the Division Order in hand as it contains identifying information that will assist us in answering your questions.

WE ARE NOT ABLE TO ACCEPT ANY ALTERATIONS TO THIS DIVISION ORDER FORM.

SIGNATURES:

- Sign exactly as shown on the Division Order. If your signature is different, please enclose legal documentation authorizing the name change with your returned Division Order.
- Signatures by Agents, Attorneys-in-Fact, Guardians, or Trustees must be verified by attaching a copy of the recorded legal evidence of the rights vested in the signing party.
- In the event of multiple trustees/executors, all signatures are required unless documentation is provided evidencing authority to sign on behalf of all parties.
- An authorized official, with the name and title of the signing party printed beneath the signature, must execute for companies, corporations, or partnerships.
- All signatures must be witnessed. Notary is not required.

TAXPAYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER:

Include your Tax ID or Social Security Number in the space provided on your Division Order. Failure to furnish this number will result in 24% tax withholding in accordance with Section 3406 of the Internal Revenue Service Code, and any tax withheld will not be refundable by BHP.

ADDRESS & TITLE CHANGES:

- Please note any change of address directly on your Division Order
- Subsequent address changes must be submitted in writing either by mail, fax or email (a change of address form can be found at <http://www.bhpbilliton.com/investor-centre/owner-relations>).
- If a change in title occurs, please furnish us with a copy of the recorded deed or document transferring the title.

PAYMENTS: Royalty check payments are mailed on or before the 30th of each month. Our policy is to remit checks monthly when your account reaches \$100, or once a year, whichever occurs first. We can reduce the minimum hold on your account from \$100 to \$25 upon written request.

PRIVACY: BHP respects the privacy of our owners. Please remember we are unable to release information to third parties on any ownership account without prior written authorization from the owner unless legally required. In order for us to discuss your lease, agreement, and/or royalty information with your appointed representative, we must be furnished with your written authorization.

CONTACT US: The following information will assist us in serving you: (1) name & owner number (2) county and state where well is located (3) well name and property number (4) telephone number with area code (5) nature of your inquiry

Owner Relations Call Center

Phone Number: 1-877-311-1443

Fax: 1-888-484-3189

E-mail: petroleumownerrelationsrequest@bhpbilliton.com

BHP

Land Administration

P O Box 22719

Houston, TX 77227-9927

EXHIBIT A**BHP**

Date: 1/31/2019

BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

CREDIT TO

Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Special Clauses/Comments:

Issue Date: 1/31/2019
Property Name: STATE SKY HOOK 57-T2-24 W107H
Property #: P1M956/00501
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: T&P RR CO ABST/ID# 2058 Grantee J.U. DEVANEY Twsp T2 Blk 57 Sec 24
REEVES COUNTY/PARISH, TEXAS (644.90 ACRES)

Decimal	Type	Status	Reason	Start Date
0.00694552	RI	PAY		8/1/2018
0.00347276	RI	PAY		8/1/2018
0.00104099	RI	PAY		8/1/2018
0.01467570	RI	PAY		8/1/2018
0.00347276	RI	PAY		8/1/2018
0.00694552	RI	PAY		8/1/2018
0.00104099	RI	PAY		8/1/2018
0.00451560	RI	PAY		8/1/2018
0.00451560	RI	PAY		8/1/2018
0.00388238	RI	PAY		8/1/2018
0.00169161	RI	PAY		8/1/2018
0.00052050	RI	PAY		8/1/2018
0.00694552	RI	PAY		8/1/2018
0.00104099	RI	PAY		8/1/2018
0.00052050	RI	PAY		8/1/2018
0.00903120	RI	PAY		8/1/2018
0.00903120	RI	PAY		8/1/2018
0.01128647	RI	PAY		8/1/2018
0.00903120	RI	PAY		8/1/2018

PLEASE KEEP THIS COPY FOR YOUR RECORDS
BERNL - 51146(P1M956_NotAmended)



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 17, 2019

Broderick Brown
Division Order Analyst
BHP Billiton Petroleum
P.O. BOX 22719
Houston, TX 77227-9927

Re: State Lease Nos. MF065359, MF092207, MF115947 and MF118253
State Sky Hook 57-T2-24 W107H and W108H Unit 8711

Dear Mr. Brown:

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

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

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

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

Thank you,

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

File No. MF115947

Reeves County

Division Order

Date Filed: 5-20-19

George P. Bush, Commissioner

By VB

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:

BHP Billiton Petroleum Co
Attn: Holly Dutton
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030



9590 9402 4034 8079 9549 51

2. Article Number (Transfer from service label)

7016 0600 0000 6595 5417

COMPLETE THIS SECTION ON DELIVERY**A. Signature****X**☐ Agent☐ Addressee**B. Received by (Printed Name)**

B PARKER

C. Date of Delivery

9-25-19

D. Is delivery address different from item 1? If YES, enter delivery address below:☐ Yes☐ No

MC 115947

3. Service Type

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

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

Restricted Delivery

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

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

Postage

\$

Total Postage and Fees

\$

Sent To

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

City, State, ZIP+4®

PS Form 3800, April 15 PSN 7530-02-000-9047

MF065359

MF092207

Postmark

Here

MF115947

MF118253

HOLLY DUTTON
BHP Billiton Petroleum Company
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030

See Reverse for Instructions

7016 0600 0000 6595 5417



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

BHP Billiton Petroleum (TXLA Operating) Company
Attn: Holly Dutton
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030

Billing Date: 9/18/2019
Billing Due Date: 10/18/2019
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
20I00034	MF065359	\$19,744.27	\$0.00	\$1,974.43	\$865.77	\$22,584.47
20I00035	MF092207	\$2,959.37	\$0.00	\$295.94	\$129.77	\$3,385.08
20I00036	MF115947	\$25,673.16	\$0.00	\$2,567.32	\$1,125.75	\$29,366.23
20I00037	MF115947	\$0.00	\$22,898.64	\$2,289.86	\$1,038.59	\$26,227.09
20I00038	MF118253	\$1,962.23	\$0.00	\$196.22	\$86.04	\$2,244.49
20I00039	MF118253	\$0.00	\$1,752.02	\$175.20	\$79.46	\$2,006.68
Total Due		\$50,339.03	\$24,650.66	\$7,498.97	\$3,325.38	\$85,814.04

Penalty and interest have been calculated thru 9/30/2019. Payment remitted after 9/30/2019 will result in additional penalty and interest charges.

Contact Info: Angelica Soriano (512) 463-5208 or angelica.soriano@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

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 9/18/2019

Billing Due Date: 10/18/2019

Customer Number: C000046383

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
20I00034	MF065359	\$19,744.27	\$0.00	\$1,974.43	\$865.77	\$22,584.47
20I00035	MF092207	\$2,959.37	\$0.00	\$295.94	\$129.77	\$3,385.08
20I00036	MF115947	\$25,673.16	\$0.00	\$2,567.32	\$1,125.75	\$29,366.23
20I00037	MF115947	\$0.00	\$22,898.64	\$2,289.86	\$1,038.59	\$26,227.09
20I00038	MF118253	\$1,962.23	\$0.00	\$196.22	\$86.04	\$2,244.49



Texas General Land Office

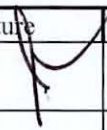
George P. Bush, Commissioner

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

20I00039	MF118253	\$0.00	\$1,752.02	\$175.20	\$79.46	\$2,006.68
Total Due		\$50,339.03	\$24,650.66	\$7,498.97	\$3,325.38	\$85,814.04
Amt. Paid						

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

Auditor/Account Examiner: Angelica Soriano
Company Name: BHP BILLITON PETROLEUM (TXLA OPERATING) COMPANY
Customer Number: C000046383
Mineral File #: MF115947
Transaction Type: Volume Recon
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$29,366.23	09/12/19	Billed on under reported volumes	MM 9/13/2019 	

All original invoices must be approved.

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

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF115947
 GLO Review: BHP BILLITON PETROLEUM (TXLA OPERATING) COMPANY
 Review Period: September 2017 through August 2018

Category: Gas
 Auditor/AE: Asoriano
 Billing Date: 9/12/2019
 P&I Calculation Date: 9/30/2019
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Aug-18	08-285115	72,065	1.00000000	\$ 2.850000	1.000000	\$205,385.25	\$25,673.16	\$0.00	\$25,673.16	350	5.50%	\$2,567.32	\$1,125.75	\$29,366.23
TOTALS		72,065				\$205,385.25	\$25,673.16	\$0.00	\$25,673.16			\$2,567.32	\$1,125.75	\$29,366.23

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 0600 0000 6595 5417

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-285115 & 08-285126
 COLUMN (5) (6) PRICE & BTU - TAKEN FROM HOUSTON SHIP CHANEL POSTED PRICE
 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/rrac/forms/penalty-interest-assessment-rules.pdf>

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

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Angelica Soriano
Company Name: BHP BILLITON PETROLEUM (TXLA OPERATING) COMPANY
Customer Number: C000046383
Mineral File #: MF115947
Transaction Type: Volume Recon
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$26,227.09	09/12/19	Billed on under reported volumes	MM 9/13/2019 	

All original invoices must be approved.

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

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF115947
 GLO Review: BHP BILLITON PETROLEUM (TXLA OPERATING) COMPANY
 Review Period: September 2017 through August 2018

Category: Oil
 Auditor/AE: Asoriano
 Billing Date: 9/12/2019
 P&I Calculation Date: 9/30/2019
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Aug-18	08-285115	3,555	1.00000000	\$ 51.530000	1.000000	\$183,189.15	\$22,898.64	\$0.00	\$22,898.64	360	5.50%	\$2,289.86	\$1,038.59	\$26,227.09
TOTALS		3,555				\$183,189.15	\$22,898.64	\$0.00	\$22,898.64			\$2,289.86	\$1,038.59	\$26,227.09

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 0600 0000 6595 5417

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-285115 & 08-285126
 COLUMN (5) (6) PRICE - TAKEN FROM SWEET MARKET VALUE
 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.

File No. MF115947

8

Reconciliation Billing County

Date Filed: 9/18/19

George P. Bush, Commissioner

By VD



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

BPX Operating Company
Attn: Patty Burg
Office: WM11 6025-1
15377 Memorial Drive
Houston, TX 77079-4101

Billing Date: 10/24/2022
Billing Due Date: 11/23/2022
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
23I00087	MF115947	\$156,243.05	\$0.00	\$15,624.32	\$9,085.77	\$180,953.14
Total Due		\$156,243.05	\$0.00	\$15,624.32	\$9,085.77	\$180,953.14

Penalty and interest have been calculated thru 10/31/2022. Payment remitted after 10/31/2022 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 10/24/2022

Billing Due Date: 11/23/2022

Customer Number: C000046383

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
23I00087	MF115947	\$156,243.05	\$0.00	\$15,624.32	\$9,085.77	\$180,953.14
Total Due		\$156,243.05	\$0.00	\$15,624.32	\$9,085.77	\$180,953.14
Amt. Paid						

Customer ID: C000046383
 Invoice Number: MF115947
 GLO Lease: BPX OPERATING COMPANY
 GLO Review: 202009-202108
 Review Period:

Category Gas
 Auditor/AE: LBUENTGEN
 Billing Date: 10/14/2022
 P&I Calculation Date: 10/31/2022
 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
Sep-20	08-285115	80,566	1	\$1.34	1.159433	\$124,982.06	\$15,622.76	\$0.00	\$15,622.76	715	5.75%	\$1,562.28	\$1,614.49	\$18,799.53
Oct-20	08-285115	54,742	1	\$0.63	1.142955	\$39,343.68	\$4,917.96	\$0.00	\$4,917.96	685	5.75%	\$491.80	\$484.99	\$5,894.75
Nov-20	08-285115	24,160	1	\$2.18	1.142623	\$60,074.00	\$7,509.25	\$0.00	\$7,509.25	654	4.25%	\$750.93	\$520.25	\$8,780.43
Dec-20	08-285115	17,224	1	\$2.38	1.151949	\$47,263.99	\$5,908.00	\$0.00	\$5,908.00	623	4.25%	\$590.80	\$387.99	\$6,886.79
Jan-21	08-285115	49,698	1	\$2.51	1.117462	\$139,537.21	\$17,442.15	\$0.00	\$17,442.15	595	4.25%	\$1,744.22	\$1,088.58	\$20,274.95
Feb-21	08-285115	38,427	1	\$2.49	1.15329	\$110,349.95	\$13,793.74	\$0.00	\$13,793.74	584	4.25%	\$1,379.37	\$811.09	\$15,984.20
Mar-21	08-285115	46,923	1	\$2.35	1.163179	\$128,269.62	\$16,033.70	\$0.00	\$16,033.70	534	4.25%	\$1,603.37	\$886.80	\$18,523.87
Apr-21	08-285115	37,428	1	\$2.57	1.085078	\$104,257.51	\$13,032.19	\$0.00	\$13,032.19	503	4.25%	\$1,303.22	\$673.75	\$15,009.16
May-21	08-285115	32,808	1	\$2.83	1.084816	\$100,666.25	\$12,583.28	\$0.00	\$12,583.28	473	4.25%	\$1,258.33	\$606.58	\$14,448.19
Jun-21	08-285115	31,445	1	\$3.14	1.109393	\$109,665.77	\$13,708.22	\$0.00	\$13,708.22	442	4.25%	\$1,370.82	\$611.33	\$15,690.37
Jul-21	08-285115	33,011	1	\$3.82	1.120863	\$141,352.14	\$17,669.02	\$0.00	\$17,669.02	411	4.25%	\$1,766.90	\$724.19	\$20,160.11
Aug-21	08-285115	31,113	1	\$4.12	1.124881	\$144,182.23	\$18,022.78	\$0.00	\$18,022.78	381	4.25%	\$1,802.28	\$675.73	\$20,500.79
TOTALS		477,546				\$1,249,944.40	\$156,243.05	\$0.00	\$156,243.05			\$15,624.32	\$9,085.77	\$180,953.14

COMMENTS: SALES VOLUMES REPORTED TO GLO ARE COMPARED TO RRC VOLUMES. THE VOLUMES REPORTED TO GLO IS UNDER REPORTED. RRC VOLUMES ARE F 08-285115, 08-285126, 08-290408, 08-290425

COLUMN (3) THE BILLING IS FOR THE UNDER REPORTED VOLUME TO GLO THAN RRC.
 COLUMNS (5) & (6) THE PRICE AND BTU IN THE BILLING ARE FROM THE AVERAGE PRICE AND BTU REPORTED IN GLO2, EXCEPT THE PRICE IN FEB 2021. WHICH IS FROM WAHU HUB PRICE LIST.
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL Lynn.Buentgen@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
 PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: accounts.services@glo.texas.gov and Lynn.Buentgen@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

ATTN: Patty Burg Santiago Reyes
 EMAIL: Patty.Burg@bpx.com Santiago.Reyes@bpx.com

9

File No. MF 115947

Recon Billing County

Date Filed: 11/28/2022

George P. Bush, Commissioner

By VD



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

BPX Operating Company
Attn: Patty Burg
Office: WM11 6025-1
15377 Memorial Drive
Houston, TX 77079-4101

Billing Date: 10/24/2022
Billing Due Date: 11/23/2022
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
23I00088	MF115947	\$0.00	\$509,399.30	\$53,735.25	\$32,896.48	\$596,031.03
Total Due		\$0.00	\$509,399.30	\$53,735.25	\$32,896.48	\$596,031.03

Penalty and interest have been calculated thru 10/31/2022. Payment remitted after 10/31/2022 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 10/24/2022

Billing Due Date: 11/23/2022

Customer Number: C000046383

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
23I00088	MF115947	\$0.00	\$509,399.30	\$53,735.25	\$32,896.48	\$596,031.03
Total Due		\$0.00	\$509,399.30	\$53,735.25	\$32,896.48	\$596,031.03
Amt. Paid						

Customer ID: C000046383
 Invoice Number: MF115947
 GLO Lease: BPX OPERATING COMPANY
 GLO Review: 202009-202108
 Review Period:

Category Oil
 Auditor/AE: LBUENTGEN
 Billing Date: 10/14/2022
 P&I Calculation Date: 10/31/2022
 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
Sep-20	08-285115	14,557	1	\$37.21	1	\$541,625.68	\$67,703.21	\$0.00	\$67,703.21	725	5.75%	\$6,770.32	\$7,103.27	\$81,576.80
Oct-20	08-285115	6,021	1	\$37.00	1	\$222,766.56	\$27,845.82	\$0.00	\$27,845.82	695	5.75%	\$2,784.58	\$2,789.92	\$33,420.32
Nov-20	08-285115	(5,761)	1	\$38.82	1	-\$223,625.80	(\$27,953.22)	\$0.00	(\$27,953.22)	664	4.25%	\$0.00	\$0.00	(\$27,953.22)
Dec-20	08-285115	1,323	1	\$44.62	1	\$59,027.59	\$7,378.45	\$0.00	\$7,378.45	633	4.25%	\$737.85	\$493.14	\$8,609.44
Jan-21	08-285115	10,124	1	\$50.64	1	\$512,745.56	\$64,093.20	\$0.00	\$64,093.20	605	4.25%	\$6,409.32	\$4,074.75	\$74,577.27
Feb-21	08-285115	7,082	1	\$58.15	1	\$411,806.52	\$51,475.81	\$0.00	\$51,475.81	574	4.25%	\$5,147.58	\$3,086.79	\$59,710.18
Mar-21	08-285115	8,731	1	\$61.06	1	\$533,139.86	\$66,642.48	\$0.00	\$66,642.48	544	4.25%	\$6,664.25	\$3,763.47	\$77,070.20
Apr-21	08-285115	7,115	1	\$60.46	1	\$430,127.51	\$53,765.94	\$0.00	\$53,765.94	513	4.25%	\$5,376.59	\$2,842.23	\$61,984.76
May-21	08-285115	6,276	1	\$63.04	1	\$395,634.13	\$49,454.27	\$0.00	\$49,454.27	483	4.25%	\$4,945.43	\$2,441.55	\$56,841.25
Jun-21	08-285115	5,887	1	\$69.25	1	\$407,644.22	\$50,955.53	\$0.00	\$50,955.53	452	4.25%	\$5,095.55	\$2,331.74	\$58,382.82
Jul-21	08-285115	5,844	1	\$70.43	1	\$411,584.18	\$51,448.02	\$0.00	\$51,448.02	421	4.25%	\$5,144.80	\$2,168.57	\$58,761.39
Aug-21	08-285115	5,603	1	\$66.52	1	\$372,718.35	\$46,589.79	\$0.00	\$46,589.79	391	4.25%	\$4,658.98	\$1,801.05	\$53,049.82
TOTALS		72,802				\$4,075,194.38	\$509,399.30	\$0.00	\$509,399.30			\$53,735.25	\$32,896.48	\$596,031.03

COMMENTS: SALES VOLUMES REPORTED TO GLO ARE COMPARED TO RRC VOLUMES. THE VOLUMES REPORTED TO GLO IS UNDER REPORTED. RRC VOLUMES ARE F 08-285115, 08-285126, 08-290408, 08-290425

COLUMN (3) THE BILLING IS FOR THE VOLUMES UNDER REPORTED TO GLO COMPARED TO RRC VOLUMES. THE NEGATIVE VOLUME IN NOV 2020 WAS OVER REPORTED TO GLO AND TAKEN THE CREDIT TO THE B

COLUMNS (5) & (6) THE PRICE IN THE BILLING ARE FROM THE AVERAGE PRICE EPORTD IN GLO1.

COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL Lynn.Buentgen@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
 PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: accounts.services@glo.texas.gov and Lynn.Buentgen@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

ATTN: Patty Burg Santiago Reyes
 EMAIL: Patty.Burg@bpx.com Santiago.Reyes@bpx.com

10

File No. MF 115947

Recon Billing County

Date Filed: 11/28/2022

George P. Bush, Commissioner

By VD



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

BPX Operating Company
Attn: Patty Burg
OFC WM11 6025-1
15377 Memorial Dr
Houston, TX 77079-4101

Billing Date: 6/26/2023
Billing Due Date: 7/26/2023
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
23I01192	MF115947	\$225,629.80	\$0.00	\$22,562.99	\$9,499.24	\$257,692.03
Total Due		\$225,629.80	\$0.00	\$22,562.99	\$9,499.24	\$257,692.03

Penalty and interest have been calculated thru 6/30/2023. Payment remitted after 6/30/2023 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 6/26/2023

Billing Due Date: 7/26/2023

Customer Number: C000046383

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
23I01192	MF115947	\$225,629.80	\$0.00	\$22,562.99	\$9,499.24	\$257,692.03
Total Due		\$225,629.80	\$0.00	\$22,562.99	\$9,499.24	\$257,692.03
Amt. Paid						

Customer ID: C000046383
 Invoice Number: MF115947
 GLO Lease: BPX OPERATING COMPANY
 GLO Review: Sept 2021 - Aug 2022
 Review Period:

Category Gas
 Auditor/AE: ECortez
 Billing Date: 8/15/2023
 P&I Calculation Date: 8/30/2023
 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
Sep-21	08-285115	28.829	1	\$4.835	1.150583	\$160,361.65	\$20,045.21	\$0.00	\$20,045.21	592	4.25%	\$2,004.52	\$1,244.04	\$23,293.77
Oct-21	08-285115	30.078	1	\$5.424	1.134636	\$185,111.95	\$23,138.99	\$0.00	\$23,138.99	562	4.25%	\$2,313.90	\$1,355.22	\$26,808.11
Nov-21	08-285115	25.016	1	\$5.266	1.133286	\$148,293.70	\$18,661.71	\$0.00	\$18,661.71	531	4.25%	\$1,866.17	\$1,025.63	\$21,553.51
Dec-21	08-285115	24.800	1	\$3.731	1.133039	\$104,851.32	\$13,106.42	\$0.00	\$13,106.42	500	4.25%	\$1,310.64	\$673.01	\$15,090.07
Jan-22	08-285115	25.072	1	\$4.305	1.129307	\$121,895.92	\$15,235.74	\$0.00	\$15,235.74	472	4.25%	\$1,523.57	\$732.67	\$17,491.98
Feb-22	08-285115	23.872	1	\$4.602	1.125315	\$123,619.94	\$15,452.49	\$0.00	\$15,452.49	441	4.25%	\$1,545.25	\$687.32	\$17,685.06
Mar-22	08-285115	21.171	1	\$4.360	1.168805	\$107,859.17	\$13,482.40	\$0.00	\$13,482.40	411	4.25%	\$1,348.24	\$552.59	\$15,383.23
Apr-22	08-285115	26.207	1	\$6.238	1.167732	\$190,915.77	\$23,864.47	\$0.00	\$23,864.47	380	4.25%	\$2,386.45	\$891.98	\$27,142.90
May-22	08-285115	11.825	1	\$7.946	1.132671	\$106,433.32	\$13,304.16	\$0.00	\$13,304.16	350	4.25%	\$1,330.42	\$450.79	\$15,085.37
Jun-22	08-285115	24.488	1	\$7.052	1.182525	\$204,204.50	\$25,525.56	\$0.00	\$25,525.56	319	4.25%	\$2,552.56	\$772.76	\$28,850.88
Jul-22	08-285115	26.087	1	\$6.977	1.145788	\$224,527.17	\$28,065.90	\$0.00	\$28,065.90	288	4.25%	\$2,806.59	\$748.36	\$31,620.85
Aug-22	08-285115	13.067	1	\$8.407	1.146719	\$125,974.01	\$15,746.75	\$0.00	\$15,746.75	258	4.25%	\$1,574.68	\$364.87	\$17,686.30
TOTALS		282.613				\$1,905,036.41	\$225,629.80	\$0.00	\$225,629.80			\$22,562.99	\$9,499.24	\$257,092.03

COMMENTS: BILLING ON UNDER REPORTED GAS VOLUMES TO THE GLO FOR UNIT 8711 (08-285115, 08-285126, 08-289425, 08-289408)

COLUMN (3) UNDER REPORTED VOLUMES. REPORTED RRC VOLUMES MINUS REPORTED GLO2 VOLUMES
 COLUMNS (5) & (6) REPORTED GLO2 PRICES AND BTU FACTORS WERE USED
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/tract-forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.cortez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
 PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

ATTN: Patty Burg
 EMAIL: patty.burg@glo.texas.gov DGLO@glo.texas.gov

File No. MF 115947 ¹¹
County _____
Recon Billing
Date Filed: 7/13/23
Commissioner Dawn Buckingham, M.D.
By: _____ ^{VD}



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

BPX Operating Company
Attn: Patty Burg
OFC WM11 6025-1
15377 Memorial Dr
Houston, TX 77079-4101

Billing Date: 6/26/2023
Billing Due Date: 7/26/2023
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
23I01196	MF115947	\$0.00	\$24,841.76	\$2,484.18	\$604.54	\$27,930.48
Total Due		\$0.00	\$24,841.76	\$2,484.18	\$604.54	\$27,930.48

Penalty and interest have been calculated thru 6/30/2023. Payment remitted after 6/30/2023 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 6/26/2023

Billing Due Date: 7/26/2023

Customer Number: C000046383

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
23I01196	MF115947	\$0.00	\$24,841.76	\$2,484.18	\$604.54	\$27,930.48
Total Due		\$0.00	\$24,841.76	\$2,484.18	\$604.54	\$27,930.48
Amt. Paid						

Customer ID: C000045383
 Invoice Number: MF115947
 GLO Lease: BPX OPERATING COMPANY
 GLO Review: Sept 2021 - Aug 2022
 Review Period:

Category Oil
 Auditor/AE: ECortez
 Billing Date: 6/13/2023
 P&I Calculation Date: 6/30/2023
 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
Aug-22	08-285115	2,130	1	\$93.317	1	\$198,734.11	\$24,841.76	\$0.00	\$24,841.76	268	4.25%	\$2,484.18	\$604.54	\$27,930.48
TOTALS		2,130				\$198,734.11	\$24,841.76	\$0.00	\$24,841.76			\$2,484.18	\$604.54	\$27,930.48

COMMENTS: BILLING ON UNDER REPORTED OIL VOLUMES TO THE GLO FOR UNIT 8711 (08-285115, 08-285126, 08-290425, 08-290406)

COLUMN (3) UNDER REPORTED VOLUMES REPORTED RRC VOLUMES MINUS REPORTED GLO1 VOLUMES

COLUMNS (5) & (6) REPORTED GLO1 PRICES WERE USED

COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:

<http://www.glo.texas.gov/energy-business/oil-gas/tract/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.cortez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
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 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

ATTN: Patty Burg
 EMAIL: patty.burg@bp.com

TXGLO@bp.com

12
File No. MF 115947
Recon Billing County
Date Filed: 7/13/23
Commissioner Dawn Buckingham, M.D.
By: VI



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

BPX Operating Company
Attn: Patty Burg
OFC WM11 6025-1
15377 Memorial Dr
Houston, TX 77079-4101

Billing Date: 6/26/2023
Billing Due Date: 7/26/2023
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
23I01192	MF115947	\$225,629.80	\$0.00	\$22,562.99	\$9,499.24	\$257,692.03
Total Due		\$225,629.80	\$0.00	\$22,562.99	\$9,499.24	\$257,692.03

Penalty and interest have been calculated thru 6/30/2023. Payment remitted after 6/30/2023 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 6/26/2023

Billing Due Date: 7/26/2023

Customer Number: C000046383

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
23I01192	MF115947	\$225,629.80	\$0.00	\$22,562.99	\$9,499.24	\$257,692.03
Total Due		\$225,629.80	\$0.00	\$22,562.99	\$9,499.24	\$257,692.03
Amt. Paid						

Customer ID: C000046383
 Invoice Number: MF115947
 GLO Lease: BPX OPERATING COMPANY
 GLO Review: Sept 2021 - Aug 2022
 Review Period:

Category Gas
 Auditor/AE: ECortez
 Billing Date: 6/16/2023
 P&I Calculation Date: 6/30/2023
 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
Sep-21	08-285115	28,829	1	\$4.835	1.150583	\$160,361.65	\$20,045.21	\$0.00	\$20,045.21	592	4.25%	\$2,004.52	\$1,244.04	\$23,293.77
Oct-21	08-285115	30,078	1	\$5.424	1.134636	\$185,111.95	\$23,138.99	\$0.00	\$23,138.99	562	4.25%	\$2,313.90	\$1,355.22	\$26,808.11
Nov-21	08-285115	25,016	1	\$5.266	1.133296	\$149,293.70	\$18,661.71	\$0.00	\$18,661.71	531	4.25%	\$1,866.17	\$1,025.63	\$21,553.51
Dec-21	08-285115	24,800	1	\$3.731	1.133039	\$104,851.32	\$13,106.42	\$0.00	\$13,106.42	500	4.25%	\$1,310.64	\$673.01	\$15,090.07
Jan-22	08-285115	25,072	1	\$4.305	1.129307	\$121,885.92	\$15,235.74	\$0.00	\$15,235.74	472	4.25%	\$1,523.57	\$732.67	\$17,491.98
Feb-22	08-285115	23,872	1	\$4.602	1.125315	\$123,619.94	\$15,452.49	\$0.00	\$15,452.49	441	4.25%	\$1,545.25	\$687.32	\$17,685.06
Mar-22	08-285115	21,171	1	\$4.360	1.168605	\$107,859.17	\$13,482.40	\$0.00	\$13,482.40	411	4.25%	\$1,348.24	\$552.59	\$15,383.23
Apr-22	08-285115	26,207	1	\$6.238	1.167732	\$190,915.77	\$23,864.47	\$0.00	\$23,864.47	380	4.25%	\$2,386.45	\$891.98	\$27,142.90
May-22	08-285115	11,825	1	\$7.946	1.132671	\$106,433.32	\$13,304.16	\$0.00	\$13,304.16	350	4.25%	\$1,330.42	\$450.79	\$15,085.37
Jun-22	08-285115	24,488	1	\$7.052	1.182525	\$204,204.50	\$25,525.56	\$0.00	\$25,525.56	319	4.25%	\$2,552.56	\$772.76	\$28,850.88
Jul-22	08-285115	28,087	1	\$6.977	1.145788	\$224,527.17	\$28,065.90	\$0.00	\$28,065.90	288	4.25%	\$2,806.59	\$748.36	\$31,620.85
Aug-22	08-285115	13,067	1	\$8.407	1.146719	\$125,974.01	\$15,746.75	\$0.00	\$15,746.75	258	4.25%	\$1,574.68	\$364.87	\$17,686.30
TOTALS		282,513				\$1,805,038.41	\$225,629.80	\$0.00	\$225,629.80			\$22,562.99	\$9,499.24	\$257,692.03

COMMENTS: BILLING ON UNDER REPORTED GAS VOLUMES TO THE GLO FOR UNIT 8711 (08-285115, 08-285126, 08-290425, 08-290408)

COLUMN (3) UNDER REPORTED VOLUMES: REPORTED RRC VOLUMES MINUS REPORTED GLO2 VOLUMES
 COLUMNS (5) & (6) REPORTED GLO2 PRICES AND BTU FACTORS WERE USED
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.cortez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
 PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

ATTN: Patty Burg
 EMAIL: patty.burg@bpx.com TXGLO@bpx.com

13
File No. MF 115947

Recon Billing County

Date Filed: 8/3/2023

Commissioner Dawn Buckingham, M.D.

By: VD



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

BPX Operating Company
Attn: Patty Burg
OFC WM11 6025-1
15377 Memorial Dr
Houston, TX 77079-4101

Billing Date: 6/26/2023
Billing Due Date: 7/26/2023
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
23I01196	MF115947	\$0.00	\$24,841.76	\$2,484.18	\$604.54	\$27,930.48
Total Due		\$0.00	\$24,841.76	\$2,484.18	\$604.54	\$27,930.48

Penalty and interest have been calculated thru 6/30/2023. Payment remitted after 6/30/2023 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 6/26/2023

Billing Due Date: 7/26/2023

Customer Number: C000046383

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
23I01196	MF115947	\$0.00	\$24,841.76	\$2,484.18	\$604.54	\$27,930.48
Total Due		\$0.00	\$24,841.76	\$2,484.18	\$604.54	\$27,930.48
Amt. Paid						

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF115947
 GLO Review: BPX OPERATING COMPANY
 Review Period: Sept 2021 - Aug 2022

Category Oil
 Auditor/AE: ECortez
 Billing Date: 6/13/2023
 P&I Calculation Date: 6/30/2023
 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
Aug-22	08-285115	2,130	1	\$93.317	1	\$198,734.11	\$24,841.76	\$0.00	\$24,841.76	268	4.25%	\$2,484.18	\$604.54	\$27,930.48
TOTALS		2,130				\$198,734.11	\$24,841.76	\$0.00	\$24,841.76			\$2,484.18	\$604.54	\$27,930.48

COMMENTS: BILLING ON UNDER REPORTED OIL VOLUMES TO THE GLO FOR UNIT 8711 (08-285115, 08-285126, 08-290425, 08-290408)

COLUMN (3) UNDER REPORTED VOLUMES: REPORTED RRC VOLUMES MINUS REPORTED GLO1 VOLUMES
 COLUMNS (5) & (6) REPORTED GLO1 PRICES WERE USED
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.cortez@glo.texas.gov

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 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

ATTN: Patty Burg
 EMAIL: patty.burg@bpx.com TXGLO@bpx.com

File No. MF 115947

Recon Billing County

Date Filed: 8/3/2023

Commissioner Dawn Buckingham, M.D.

By: JD



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

October 3, 2024

Certified USPS # 7016 2070 0000 7391 1480

BPX Operating Company
Attn: John Van Ackeren
1700 Platte St. Suite 150
Denver, CO 80202

Re: Partial Release of State Lease Nos. MF 065359; MF092207, MF115947, & MF118253
BHP Billiton State Sky Hook 57-T2-24 Unit (GLO Unit 8711)

All of Section 24, Block 57, Twp. 2, T&P RR Co. Survey, Reeves County, Texas being comprised
of 640 acres of land, more or less.

Mr. Van Ackeren:

The Texas General Land Office (GLO) has completed a review of the above captioned State Leases of which BPX Operating is the current listed operator. The review of our internal records indicated that the GLO has not received Partial Release(s) for depths as stipulated under Addendum 'A' of the State Sky Hook 57-T2-24 Unit / GLO Unit #8711 for State Lease Nos. MF065359, MF092207, and MF115947, being all depths below 11,712' TVD, and for depths above and below the unitized interval as stipulated in the Retained Acreage Clause in Paragraph No. 7(b) of State Lease No. MF118253, being from the surface to 4,545' TVD, and all depths below 11,712' TVD.

Please provide the GLO with Partial Release(s) of the above referenced State Leases as to the terminated depths as required under the aforementioned Oil & Gas Leases and Unit Agreement, effective as of August 1st, 2020. Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of the Partial Release, along with a filing fee of twenty-five dollars (\$25.00) for each State Lease affected by said Partial Release(s), is to be filed with our office.

Should you disagree with this assessment please provide evidence to the GLO at the address shown below within thirty (30) days of receipt of this letter. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

Best,

Johnny Boatright
Landman / Energy Resources
512-305-9106
Johnny.Boatright@glo.texas.gov

File No. MF 115947
Reeves County
Partial Release Letter
Date Filed: 10/3/2024
Commissioner Dawn Buckingham, M.D.
By: [Signature]

PARTIAL RELEASE OF OIL AND GAS LEASES

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF REEVES §

WHEREAS, the three (3) Oil and Gas Leases identified on the attached Exhibit "A" ("Leases") were entered into by and between the State of Texas ("Lessor") and various lessees, collectively covering 620 acres, more or less, in Section 24, Block 57, Township 2, T&P RR Co. Survey, Reeves County, Texas, and being more particularly described in each of the Leases recorded in the Official Public Records of Reeves County, Texas and on file in the Archives and Records of the Texas General Land Office in Mineral Files MF-065359, MF-092207, and MF-115947.

WHEREAS, Anadarko E&P Onshore LLC, whose address is 5 Greenway Plaza, Suite 110, Houston, Texas 77046, is a successor in interest to the various lessees and is a current lessee under the Leases ("Lessee").

WHEREAS, the Leases have partially terminated as to certain depths, and Lessee is executing this Partial Release of Oil and Gas Leases to evidence such partial terminations.

NOW THEREFORE, Lessee does hereby release, relinquish and surrender unto Lessor, its successors and assigns, all of Lessee's right, title and interest in and to the Leases **INSOFAR AND ONLY INSOFAR AS** said Leases cover the following depths:

Those certain depths lying beneath 11,712' below the surface.

This Partial Release of Oil and Gas Leases is executed by each party as of the date of their acknowledgement below.

[Signatures and Acknowledgements on the Following Pages]

True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Clerk
Page 1 of 4

ANADARKO E&P ONSHORE LLC

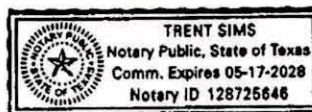
By [Signature]
Name: John V. Schneider
Title: Attorney-in-Fact

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on December 19th, 2024,
by John V. Schneider as Attorney-in-Fact of ANADARKO E&P
ONSHORE LLC, a Delaware limited liability company on behalf of said company.

[Signature]
Notary Public
Printed Name: Trent Sims
My Commission

Expires: 5/17/28



True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Clerk
Page 2 of 4

Exhibit "A"

1. AEP LEASE NO: 26063100
LESSOR: State of Texas MF-065359
LESSEE: Phillips Petroleum Company
LEASE DATE: 10/15/1970
RECORDING: Volume 301, Page 110, Reeves County, Texas
2. AEP LEASE NO: 26063200
LESSOR: State of Texas MF-092207
LESSEE: Richard C. Slack
LEASE DATE: 5/25/1987
RECORDING: Volume 477, Page 496, Reeves County, Texas
3. AEP LEASE NO: 26063300
LESSOR: State of Texas MF-115947
LESSEE: Petrohawk Properties, LP
LEASE DATE: 6/27/2013
RECORDING: Volume 1025, Page 124, Reeves County, Texas

True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Clerk
Page 3 of 4

Reeves County
Evangelina N. Abila
Reeves County Clerk

Instrument Number: 2024007488

eRecording - Real Property

PARTIAL RELEASE

Recorded On: December 23, 2024 09:49 AM

Number of Pages: 4

" Examined and Charged as Follows: "

Total Recording: \$33.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2024007488
Receipt Number: 20241223000002
Recorded Date/Time: December 23, 2024 09:49 AM
User: Rebecca G
Station: CLERK07

Record and Return To:

CSC

True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Cle
Page 4 of 4



STATE OF TEXAS
COUNTY OF REEVES

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of County, Texas.

Evangelina N. Abila
Reeves County Clerk
Reeves County, TX

Evangelina N. Abila



Oxy USA Inc
P O Box 2647
Houston, TX 77252-2647

PAYMENT DOCUMENT

2000967226

TEXAS GENERAL LAND OFFICE
PO Box 12873
AUSTIN TX 78711-2873

DATE
02/06/2025

CHECK NO.
0100111878

30019753

DATE	INVOICE/CREDIT MEMO	COMPANY CODE	PO NUMBER	DISCOUNT	NET
2/4/2025 Partial Release of Oil &	020425	0200			50.00
25704272					
THE ATTACHED CHECK IS IN PAYMENT FOR ITEMS DESCRIBED ABOVE			TOTAL >		\$50.00



Oxy USA Inc
P O Box 2647
Houston, TX 77252-2647

JPMorgan Chase Bank, N.A.
Syracuse, NY

50-937
213

CHECK NO.

100111878

EXACTLY Fifty and 00/100 Dollars

25704272

DATE
06-Feb-25

US DOLLARS

CHECK AMOUNT
*****\$50.00

PAY TO THE ORDER OF:
TEXAS GENERAL LAND OFFICE
PO Box 12873
AUSTIN TX 78711-2873



AUTHORIZED SIGNATURE

Void after 90 days

0100111878

File No. MF115947
Reeves County
Partial Release of OGL
Date Filed: 2/11/25
Commissioner Dawn Buckingham, M.D.
By: 



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

BPX Operating Company
Attn: Patty Burg
OFC WM11 6025-1
15377 Memorial Dr
Houston, TX 77079-4101

Billing Date: 6/9/2025
Billing Due Date: 7/9/2025
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25I00844	MF115947	\$0.00	\$46,919.25	\$4,691.93	\$4,623.43	\$56,234.61
Total Due		\$0.00	\$46,919.25	\$4,691.93	\$4,623.43	\$56,234.61

Penalty and interest have been calculated thru 6/30/2025. Payment remitted after 6/30/2025 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

BPX Operating Company

Billing Date: 6/9/2025

Billing Due Date: 7/9/2025

Customer Number: C000046383

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
25I00844	MF115947	\$0.00	\$46,919.25	\$4,691.93	\$4,623.43	\$56,234.61
Total Due		\$0.00	\$46,919.25	\$4,691.93	\$4,623.43	\$56,234.61
Amt. Paid						

Customer ID: C000046383
 Invoice Number: MF115947
 GLO Lease: BPX OPERATING COMPANY
 GLO Review: Sept 2023 - Aug 2024
 Review Period:

Category Oil
 Auditor/AE: Eric M
 Billing Date: 6/5/2025
 P&I Calculation Date: 6/30/2025
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Sep-23	08-285126	422	1	\$89.357	1	\$37,708.51	\$4,713.56	\$0.00	\$4,713.56	603	8.50%	\$471.36	\$597.14	\$5,782.06
Oct-23	08-285126	441	1	\$85.242	1	\$37,591.88	\$4,698.98	\$0.00	\$4,698.98	573	8.50%	\$469.90	\$562.46	\$5,731.34
Nov-23	08-285126	488	1	\$77.223	1	\$37,684.95	\$4,710.62	\$0.00	\$4,710.62	542	9.50%	\$471.06	\$592.18	\$5,773.86
Dec-23	08-285126	386	1	\$73.239	1	\$28,270.17	\$3,533.77	\$0.00	\$3,533.77	511	9.50%	\$353.38	\$415.73	\$4,302.88
Jan-24	08-285126	462	1	\$72.980	1	\$33,716.69	\$4,214.59	\$0.00	\$4,214.59	482	9.50%	\$421.46	\$464.01	\$5,100.06
Feb-24	08-285126	402	1	\$75.795	1	\$30,469.77	\$3,808.72	\$0.00	\$3,808.72	451	9.50%	\$380.87	\$388.59	\$4,578.18
Mar-24	08-285126	392	1	\$80.418	1	\$31,523.98	\$3,940.50	\$0.00	\$3,940.50	421	9.50%	\$394.05	\$371.27	\$4,705.82
Apr-24	08-285126	395	1	\$84.374	1	\$33,327.79	\$4,165.97	\$0.00	\$4,165.97	390	9.50%	\$416.60	\$358.90	\$4,941.47
May-24	08-285126	360	1	\$78.312	1	\$28,192.19	\$3,524.02	\$0.00	\$3,524.02	360	9.50%	\$352.40	\$276.08	\$4,152.50
Jun-24	08-285126	332	1	\$77.000	1	\$25,564.05	\$3,195.51	\$0.00	\$3,195.51	329	9.50%	\$319.55	\$224.56	\$3,739.62
Jul-24	08-285126	306	1	\$79.212	1	\$24,239.00	\$3,029.88	\$0.00	\$3,029.88	298	9.50%	\$302.99	\$188.48	\$3,521.35
Aug-24	08-285126	357	1	\$75.812	1	\$27,065.00	\$3,383.13	\$0.00	\$3,383.13	268	9.50%	\$338.31	\$184.03	\$3,905.47
TOTALS		4,743				\$375,353.99	\$46,919.25	\$0.00	\$46,919.25			\$4,691.93	\$4,623.43	\$56,234.61

COMMENTS: BILLING IS FOR UNDERREPORTED VOLUMES FOR RRC ID: 08-285126 08-285115 08-290408 08-290425

COLUMN (3) UNDERREPORTED VOLUMES REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC
 COLUMNS (5) & (6) AVERAGE PRICE IS CALCULATED AND USED IN THE CALCULATION
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.martinez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
 PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.martinez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

EMAIL: Patty Burg Santiago Reyes
 Patty.Burg@bpx.com Santiago.Reyes@bpx.com

17
File No. MF 115 947

Recon Billing County

Date Filed: 6/17/2025

Commissioner Dawn Buckingham, M.D.

By: VD



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

BPX Operating Company
Attn: Patty Burg
OFC WM11 6025-1
15377 Memorial Dr
Houston, TX 77079-4101

Billing Date: 6/9/2025
Billing Due Date: 7/9/2025
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25I00846	MF115947	\$3,811.61	\$0.00	\$381.17	\$441.30	\$4,634.08
Total Due		\$3,811.61	\$0.00	\$381.17	\$441.30	\$4,634.08

Penalty and interest have been calculated thru 6/30/2025. Payment remitted after 6/30/2025 will result in additional penalty and interest charges.

NOTICE

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Detach and return with payment

Reconciliation Billing
BPX Operating Company
Billing Date: 6/9/2025
Billing Due Date: 7/9/2025
Customer Number: C000046383

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
25I00846	MF115947	\$3,811.61	\$0.00	\$381.17	\$441.30	\$4,634.08
Total Due		\$3,811.61	\$0.00	\$381.17	\$441.30	\$4,634.08
Amt. Paid						

Customer ID: C000046383
Invoice Number:
GLO Lease: MF115947
GLO Review: BPX OPERATING COMPANY
Review Period: Sept 2023 - Aug 2024

Category Gas
Auditor/AE: Eric M
Billing Date: 6/5/2025
P&I Calculation Date: 6/30/2025
Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Sep-23	08-285126	3221	1	\$1,944	1	\$6,260.68	\$782.58	\$0.00	\$782.58	593	8.50%	\$78.26	\$97.32	\$958.16
Oct-23	08-285126	3299	1	\$1,669	1	\$5,504.47	\$688.06	\$0.00	\$688.06	563	8.50%	\$68.81	\$80.76	\$837.63
Nov-23	08-285126	3184	1	\$1,481	1	\$4,716.75	\$589.59	\$0.00	\$589.59	532	9.50%	\$58.96	\$72.58	\$721.13
Dec-23	08-285126	3295	1	\$1,531	1	\$5,045.40	\$630.68	\$0.00	\$630.68	501	9.50%	\$63.07	\$72.55	\$766.30
Jan-24	08-285126	2380	1	\$2,777	1	\$6,608.21	\$826.03	\$0.00	\$826.03	472	9.50%	\$82.60	\$88.79	\$997.42
Feb-24	08-285126	2564	1	\$0,919	1	\$2,357.38	\$294.67	\$0.00	\$294.67	441	9.50%	\$29.47	\$29.30	\$353.44
TOTALS		17,943				\$30,492.89	\$3,811.61	\$0.00	\$3,811.61			\$381.17	\$441.30	\$4,634.08

COMMENTS: BILLING IS FOR UNDERREPORTED VOLUMES FOR RRC ID: 08-285115 08-285126 08-290408 08-290425

COLUMN (3) UNDERREPORTED VOLUMES REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC
COLUMNS (5) & (6) AVERAGE PRICE IS CALCULATED AND USED IN THE CALCULATION
COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/rtrac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.martinez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.martinez@glo.texas.gov
NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

EMAIL: Patty Burg Patty.Burg@bpx.com Santiago Reyes Santiago.Reyes@bpx.com

File No. MF 115947

County

Recon Billing

Date Filed: 6/17/2025

Commissioner Dawn Buckingham, M.D.

By: VS