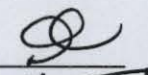


MF116448

Lease Type	Control	Basefile	County
Free Royalty	08-006098	149423	CULBERSON
	Survey	Public School Land	
	Block	45	
	Block Name		
	Township		
	Section/Tract	4	
	Land Part	all	
	Acres	Net: 640.810000	Gross: 640.810000
	Depth Below	Depth Above	Depth Other
	Name	PETROHAWK PROPERTIES LP	
	Lease Date	2/20/2012	
	Primary Term	3 years	
	Bonus	\$0.00	
	Lease Royalty	0.06250000	
	Paid Up	NA	

Leasing: 

Maps: 

GIS: mc

Scanlab: _____

M
F
1
1
6
4
4
8

Contents of Mineral File Number: 116448

1. Basefile info + plat 04/01/14

2. Ltr from R&D Energy 04/02/14

3. Lease 04/02/14

Scanned 1W 12-5-2014

4. Division Order 6-13-16

scanned PJ 7-27-16

5. Division Order 10-24-17

6. Division Order 1-5-18

7. Division Order 1-11-18

scanned PJ 1-23-2018

8. Recon Billing 10/30/18

scanned PJ 11-2-2018

**Basefile Number - 149423**Information for this County -
CULBERSON COUNTY[Related ALAMO Record](#)[Download GIS Data](#)[Energy Lease Information](#)**IDENTIFICATION NUMBERS**

LAND CLASS NUMBER - 08

CONTROL NUMBER 08-006098

SURVEY INFORMATION

SURVEY NAME - PSL

GRANTEE NAME - Antone, Chris

ABSTRACT - 6854

BLOCK - TOWNSHIP - 4 Public School 45

SECTION NUMBER - 4

SECTION/PART -

CURRENT ACRES - 640.810000

ORIGINAL ACRES - 640.81

PATENT INFORMATION:

PATENTEE NAME -

DISTRICT - Bexar

CLASSIFICATION - School

FILE NUMBER - 149423

PATENT DATE -

CERTIFICATE -

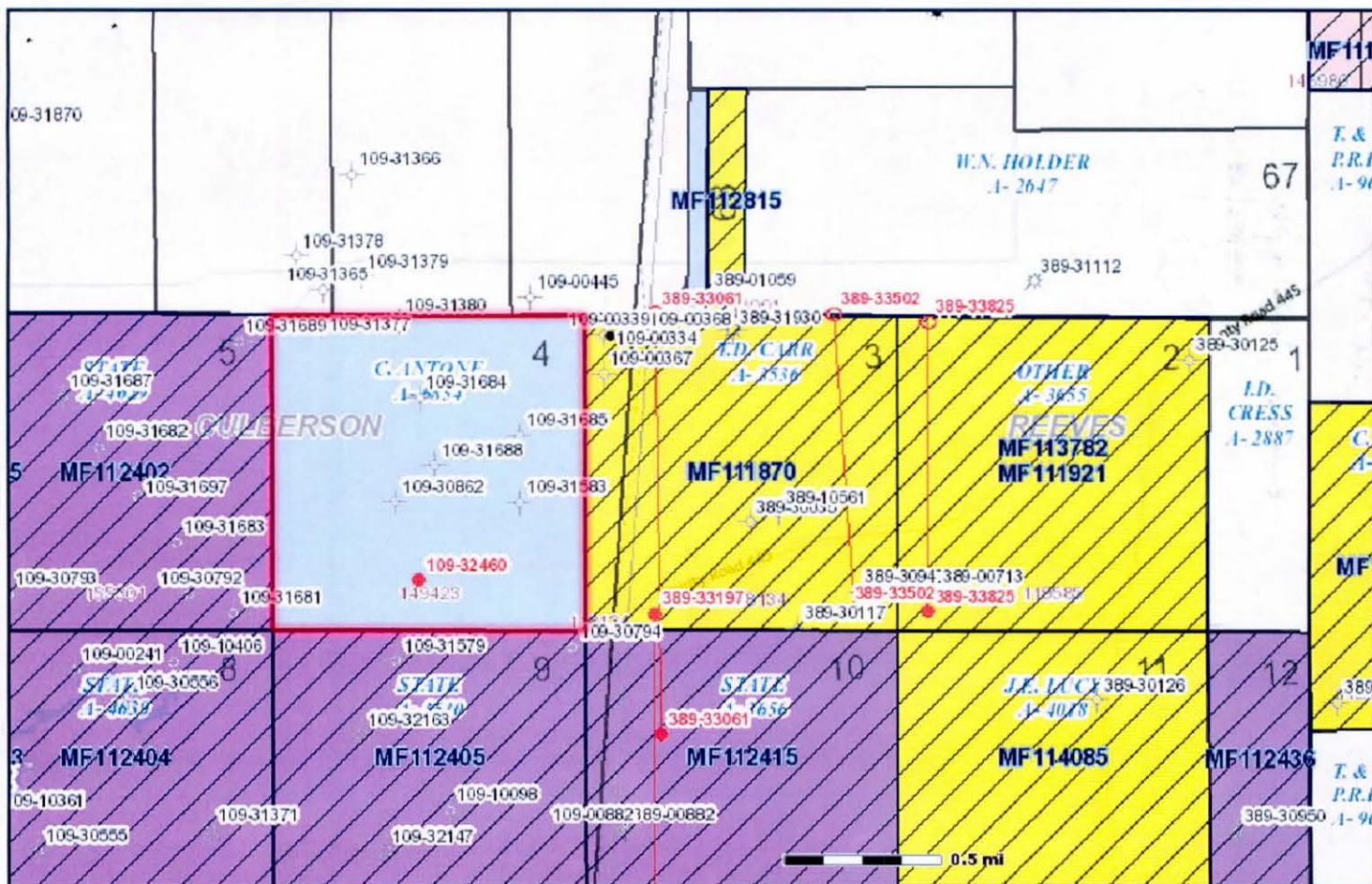
PATENT NUMBER -

PATENT VOLUME -

PAGE - 30

LEASE INFORMATION

1/14



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

Printed: Apr 01, 2014



File No. 116 448

Basefile info & plat

Date Filed: 04/01/14

Jerry E. Patterson, Commissioner

By 



636 E. Kings Hwy
Shreveport, Louisiana 71105

office number : (318) 861-4110
cell number: (318) 286-5626

March 29, 2012

Texas General Land Office
1700 North Congress Ave
Austin, TX 78701
Attn: Drew Reid

MF. 116448

Re: OIL, GAS & MINERAL LEASE
Culberson County, Texas

Dear Mr. Reid:

Enclosed is an Oil and Gas Lease which is subject to a free royalty interest and is dated 2/20/2012, covering Section 4, Blk 45, Culberson County, Texas. There is no Mineral File Number for this tract of land, at your convenience please provide us with the Mineral File Number you provide for this section.

Should you have any questions or need any additional information, please feel free to call me at (903) 539-5883 anytime. Once again, we greatly appreciate your cooperation.

Yours truly,
PETROHAWK PROPERTIES, LP



Glen Calhoun, Agent

Enclosures



April 14, 2014

Attention: Mr. Drew Reid
Texas General Land Office
P.O. Box 12873
Austin, TX 78711-2873

RE: MF 116448

Section 4, Blk 45
Culberson County, Texas

Dear Mr. Reid:

Enclosed you will find certified copies of the remaining leases you have not received yet for Section 4 Block 45 of Culberson County taken by Petrohawk Properties, LP (BHP Billiton). Please note that this section contains a free royalty reservation to the State of Texas.

Feel free to call me if you have any questions in this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Bailey Griffith'.

Bailey Griffith
baileydgriffith@gmail.com
Office:(318)861-4110 Ext. 323
Fax: (318)861-4119
Cell:(318)464-2594

File No. 116448

Ltr from R+O Energy

Date Filed: 04/02/14

Jerry E. Patterson, Commissioner

By 

4.15.14

IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: March 21 2012
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
PAID UP OIL AND GAS LEASE

67772

THIS LEASE AGREEMENT is made as of the 20th day of February, 2012 between Jack Louis McGowen
711 North Travis St., Sherman, TX 75090

Petrohawk Properties, LP, 6100 South Yale, Suite 500, Tulsa, Oklahoma 74136

as Lessor (whether one or more), and
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

Section 4, Block 45: Public School Land

The royalties specified in paragraph three (3) herein shall be **25%**, rather than the specified 1/8th.

in the county of Culberson, State of Texas, containing 640.81 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit at: Pay direct to lessor at the above address

or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as anyone or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and

assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer, at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

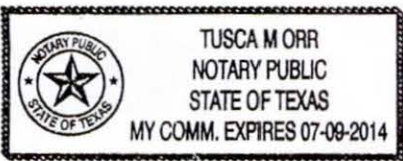
THE ADDENDUM ATTACHED HERETO AS EXHIBIT "A" IS HEREBY INCORPORATED HEREIN BY REFERENCE AS IF SET FORTH AT LENGTH AND ALL OF THE TERMS AND CONDITIONS OF EXHIBIT "A" SHALL OVERRIDE AND SUPERCEDE ALL PRIOR AND INCONSISTENT TERMS OF THE LEASE.


Jack Louis McGowen

STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on this 23 day of March, 2012, by Jack Louis McGowen.


Notary Public in and for the State of Texas



A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: March 21, 2012
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Linda C. Ward DEPUTY



Exhibit "A"
to Oil and Gas Lease
dated February 20, 2012, by and between
Jack Louis McGowen, lessor, and
Petrohawk Properties, LP, lessee

1. This lease is subject to a 1/16 free royalty interest belonging to the State of Texas. The lessor is to receive 3/16 royalty interest.
2. Lessor hereby grants Lessee the option to extend the primary term of this lease as to all of the lands covered by this lease for an additional one (1) year from the expiration of the original primary term hereof. This option may be exercised by Lessee or its successors or assigns, at any time prior to the expiration of the original primary term by paying the sum of one thousand dollars (\$1,000) per net mineral acre for each acre so extended to Lessor. Such payment shall be based upon the number of net mineral acres not at such time being included within a Producing Unit and maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor during the original primary term hereof. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of four (4) years.
3. Notwithstanding anything contained herein to the contrary at the end of the primary term, this lease will terminate as to all lands, except lands included in the maximum size proration units approved or allowed by the Railroad Commission of the State of Texas for each well from which oil and/or gas is being produced in paying quantities. However, if at the end of the primary term, Lessee has completed or is drilling at least one (1) well on the leased premises or lands pooled therewith, this lease shall continue so long as Lessee begins to drill (with diligence) a well within six (6) months after the end of the primary term, and begins thereafter to drill (with diligence) another well within each six (6) month interval after the primary term, this lease shall continue until Lessee fails to being to drill (with due diligence), a well during a six (6) month interval after the end of the primary term as provided above, then this lease will terminate as to all lands not included in a maximum size producing proration unit approved or allowed by the Railroad Commission of Texas, or as otherwise provided herein, of a well producing in paying quantities, and all depths one hundred feet (100') below the base of the deepest producing horizon or the stratigraphic equivalent thereof as to each producing well. After the primary term, if the production of oil or gas as to any proration unit should cease, this lease shall not terminate as to such proration unit if Lessee commences additional drilling, reworking or other operations to attempt to establish production of oil or gas in paying quantities without cessation of more than sixty (60) days and in the event production of oil or gas is restored, for so long thereafter as oil or gas is produced from such proration unit in paying quantities.

"Begins to drill" is the time when there has been erected a derrick, a rig and machinery, other than a cable tool, capable of drilling to the total depth and the machinery is drilling under power. As used in this lease, the term "producing in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operation expenses for the six (6) months last past.
4. In the event a portion of the land herein leased is pooled or unitized with other lands so as to form a pooled unit(s), operations on or production from such unit(s) will maintain this Lease in force only as to the land included in such unit(s). If at the end of the primary term and after continuous drilling or reworking operations have ceased, this pooled unit embracing lands covered hereby and other land and if at such time there is land covered hereby which is not situated in such unit(s) or as to which the Lease is not being maintained by operations or production, this Lease will terminate and be of no further force or effect as to the lands covered hereby which are not included in a unit or pooled and not otherwise being maintained in effect hereunder.
5. On each well located on any part of the subject lands that is capable of producing commercial quantities of oil and/or gas and from which oil and/or gas is not being sold for lack of market, Lessee may pay for each such well as royalty on or before ninety (90) days after the date in which, (1) said well is shut in, or (2) the land covered hereby or any portion thereof is included in a pooled unit on which a shut-in well is located, or (3) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and thereafter at annual intervals on or before the anniversary of the date the first payment is made, a sum equal to Twenty Five Dollars (\$25.00) per net mineral acre shall be made to Lessor, and if such payment is made or tendered, this lease shall not terminate, and it will be considered that oil and/or gas is being produced from this lease in paying quantities, provided however, this lease may not be maintained as to any acreage covered hereby solely by the payment of shut-in gas well royalty for a cumulative total of more than two (2) years. 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 3 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.


Jack Louis McGowen

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: March 21, 2012
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Maria C. Wynn DEPUTY



THE STATE OF TEXAS
COUNTY OF CULBERSON, I, Linda McDonald, 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 _____ dated _____ day of _____ at _____, Texas, under Clerk's File No. _____, and is for record in the _____ Records of Culberson County, Texas.

THE STATE OF TEXAS

COUNTY OF CULBERSON I, Linda McDonald, 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 March 23

2012 filed for record in my office this 27th day of March

2012, at 4:10 P M, under Clerk's File No. 107712 to be

recorded in the Oil & Gas Records of Culberson County,

Texas.

TO CERTIFY WHICH, Witness my hand and seal at Van Horn this 27th

day of March 2012

By Linda C. Woods, Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 1st day of May, 2012 between Russell T. Rudy, Manager of Russell T. Rudy Energy, LLC, 5701 Woodway Drive, Suite #222, Houston, Texas 77057, as Lessor (whether one or more), and Petrohawk Properties, LP, 6100 South Yale, Suite 500, Tulsa, Oklahoma 74136

as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

Section 4, Block 45: Public School Land

The royalties specified in paragraph three (3) herein shall be **25%**, rather than the specified 1/8th.

in the county of Culberson, State of Texas, containing 640.81 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit at: Pay direct to lessor at the above address

or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as anyone or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in



True and correct
copy of 1/6 B.
Original filed in 43-4
Culberson County
Clerks Office

ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

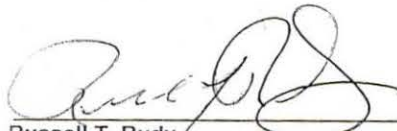
13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

15. Lessor hereby grants Lessee the option to extend the primary term of this lease as to all of the lands covered by this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee or its successors or assigns, at any time prior to the expiration of the original primary term by paying the sum of one thousand dollars (\$1,000) per net mineral acre for each acre so extended to Lessor. Such payment shall be based upon the number of net mineral acres not at such time being included within a Producing Unit and maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor during the original primary term hereof. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

PLEASE SEE EXHIBIT "A" FOR ADDITIONAL PROVISIONS


Russell T. Rudy
Manager of Russell T. Rudy Energy, LLC

STATE OF TEXAS
COUNTY OF HARRIS

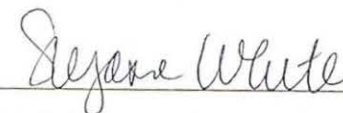
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(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Russell T. Rudy, known to me to be the person whose name is subscribed to the foregoing instruments as Manager of Russell T. Rudy Energy, LLC and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office, this the 18 day of May, 2012.




Suzanne White
Notary Public in and for the State of Texas



True and Correct
copy of 166
Original filed in
Culberson County
Clerks Office 314

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Exhibit "A"

to Oil and Gas Lease dated May 1, 2012, by and between
Russell T. Rudy, Manager of Russell T. Rudy Energy, LLC, Lessor, and
Petrohawk Properties, LP, Lessee

Notwithstanding anything to the contrary contained in the printed provisions of this oil and gas lease, the following terms and conditions shall control. The provisions hereunder constitute a material inducement for Lessor to execute and deliver the oil and gas lease.

1. Royalty Due. Accounting and payment to Lessor of royalties from the production of oil and gas herein provided shall commence no later than ninety (90) days after the date of first production. First production for a gas well shall be defined as the date of first sale of gas, and, for an oil well, the date oil is first produced, other than for testing purposes. Thereafter, unless otherwise specifically provided herein, all accountings and payments of royalties shall be made on or before the last day of the second calendar month following the calendar month in which the production occurred. Unless otherwise expressly provided, any royalties or other payments provided for in this lease which are suspended or not paid to Lessor within the time period specified therefore, shall accrue interest at the rate of twelve percent (12%) per annum, from due date until paid. Acceptance by Lessor, its successors, agents or assigns, of royalties which are past due shall not act as a waiver or estoppel of its rights to receive or recover any and all interest due thereon under the provisions hereof, unless the written acceptance or acknowledgement by Lessor to Lessee expressly so provides. Any tender or payment to Lessor of a sum less than the total amount due to Lessor hereunder, which is made or intended to be made as an offer of settlement or accord by or on behalf of Lessee, its agents, successors or assigns, must be accompanied by a notice. Lessee shall disclose to Lessor any well that has been spudded or completed on lessor's lands within the last 36 months and any well that is currently producing from Lessor's lands, for which royalties are not currently being paid to Lessor. This disclosure shall be made to Lessor in writing prior to the date this lease is executed, and shall provide Lessor with the date of completion, name of the well or wells, shall include API numbers or other identifiers and a summary of production information.

2. Free Royalty. All royalty due under this lease as provided in the royalties paragraph hereinabove, shall be paid without deduction for all costs of transportation, compression, dehydration, or other operations necessary for the marketing of oil and/or gas, save and except its proportionate part of taxes that may be due. In addition to the payment of the fair market value of the hydrocarbons at the well or point of sale, whichever is greater, as provided in this lease, Lessee shall additionally pay all post-production costs.

3. No Division Order. Lessor shall never be required to execute a division order submitted by Lessee as a precondition of receiving payment of the royalties as provided in this oil and gas lease.

4. Inclusion Within Unit. In the event a well or wells are drilled on the land covered by this lease, capable of producing gas or other gaseous substances, and such well is included in a pooled unit under the terms of Paragraph 4 of the base lease, it is agreed that lessee shall include as much of the then un-pooled interest under this lease in such pooled unit as would a reasonably prudent operator under the circumstances, but in no event shall such pooled unit include less than 50% of the then un-pooled interest under this lease unless inclusion of such interest would exceed the unit-size limits established under then existing field rules.

5. Vertical and Horizontal Pugh Clause. Notwithstanding anything herein contained to the contrary, it is understood and agreed at the end of the primary term hereof, this lease shall terminate and be at an end as to all acreage and oil and gas rights in all formations except those assigned to or included in a governmental unit for well producing or capable of producing oil, or gas, or either or both of them, in commercial quantities, and limited to the depth of 100 feet below the stratigraphic equivalent of the base of the deepest penetrated formation that is producing in paying quantities in each unit as established by the well log for each such well; provided, however, that at that time, if Lessee is then engaged in drilling a well or wells on the leased premises or on land pooled therewith in search of oil or gas, or either or both of them, this lease shall remain in force and effect so long as drilling operations are prosecuted with no cessation of more than 180 days, and upon cessation of drilling operations for more than 180 days, this lease shall thereupon terminate as to all of the oil and gas rights in all formations except those within the boundary lines of each proration unit or producing unit to the depth of 100 feet below the stratigraphic equivalent of the base of the deepest penetrated formation that is producing in paying quantities in each proration unit as established by the well log for each such well.

Upon the actual termination of this lease as to any part of the said land as provided for in this paragraph, Lessee agrees to furnish Lessor a recordable release covering the lands which are no longer subject hereto.

6. Title Opinion. Lessee shall furnish Lessor a copy of any and all opinions (the entire opinion) of title obtained by Lessee in connection with the acquisition of this lease or the drilling of any well or the inclusion within a unit, which opinions may not be relied upon by Lessor, but shall be furnished for information purposes only.

7. No Warranty. This lease is executed and delivered without warranty of title, either express or implied, with no obligation on the part of Lessor to return any bonus, rentals or royalties paid to Lessor herein.


Russell T. Rudy
Manager of Russell T. Rudy Energy, LLC



True and Correct
copy of 6B
Original filed in
Culberson County
Clerks Office 3-14

Filed for record on the 28th day of June, A.D. 2012 @ 4:43 o'clock P.M. and
duly recorded on the 16th day of July, A.D. 2012 @ 1:50 o'clock P.M.

By , Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the District Court Records of my office, found in VOL. 108, PAGE 34-36.

I hereby certified on 3rd April 2014

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY Theresa D. Byrd DEPUTY

THIS LEASE AGREEMENT is made as of the 8th day of May, 2012 between Patricia Ann Tidwell, dealing herein with her sole and separate property
1709 W. Sears Ave., Artesia, NM 88210

, as Lessor (whether one or more), and
Petrohawk Properties, LP, 6100 South Yale, Suite 500, Tulsa, Oklahoma 74136
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

Section 4, Block 45: Public School Land

The royalties specified in paragraph three (3) herein shall be **25%**, rather than the specified $1/8^{th}$.

in the county of Culberson, State of Texas, containing 640.81 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. Payment of shut-in royalty shall not maintain this lease in force or effect to any extent for a total period in excess of two (2) consecutive years after the date of the expiration of the primary term of this lease. 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 3 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.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit at: Pay direct to lessor at the above address

or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as anyone or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration



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describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 60 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

13. Lessor agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

14. Lessor hereby grants Lessee the option to extend the primary term of this lease as to all of the lands covered by this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee or its successors or assigns, at any time prior to the expiration of the original primary term by paying the sum of two thousand dollars (\$2,000.00) per net mineral acre for each acre so extended to Lessor. Such payment shall be based upon the number of net mineral acres not at such time being included within a Producing Unit and maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor during the original primary term hereof. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

Patricia Ann Tidwell
Patricia Ann Tidwell, dealing
herein with her sole and
separate property

STATE OF New Mexico §

COUNTY OF Eddy §

This instrument was acknowledged before me on this 16th day of May, 2012, by Patricia Ann Tidwell.



Glenda S. Gideon
Notary Public in and for the State of New Mexico



True and Correct
copy of 16
Original filed in
Culberson County
Clerks Office 12-14

Filed for record on the 26th day of July, A.D. 2012 @ 3:15 o'clock PM and
duly recorded on the 31st day of July, A.D. 2012 @ 8:35 o'clock AM.

By Linda McDonald, Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

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

The above and foregoing is a full, true and correct photographic copy of the
original record now in my lawful custody and possession, as the same is
filed/recorded in the Oil And Gas Records of my office, found
in VOL. 108, PAGE 24-257.

I hereby certified on 3rd April 2014

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY Vernice D. Buge DEPUTY

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Doc# 00000060000

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 20th day of June, 2012 between Christos Nicolaou Antonopoulos,
represented herein by John A. Rigas, as agent and attorney-in-fact
21, Nikolaou Farmaki Street, 30300 Nafpaktos - Greece

as Lessor (whether one or more), and

Petrohawk Properties, LP, 6100 South Yale, Suite 500, Tulsa, Oklahoma 74136

as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

Block 45: Public School Land
Section 4 - All

The royalties specified in paragraph three (3) herein shall be 25%, rather than the specified 1/8th.

in the county of Culberson, State of Texas, containing 640.81 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit at: Pay direct to lessor at the above address or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as anyone or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.



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Original filed in
Culberson County
Clerks Office 13/14

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

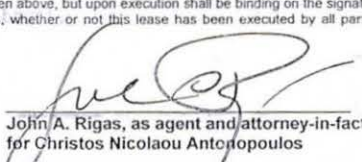
11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

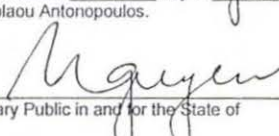
14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

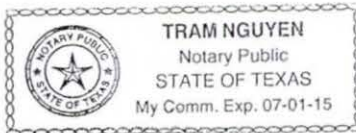
IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.


John A. Rigas, as agent and attorney-in-fact
for Christos Nicolaou Antonopoulos

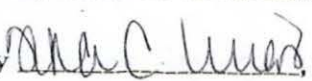
STATE OF Texas §
COUNTY OF Harris §

This instrument was acknowledged before me on this 26 day of June, 2012, by John A. Rigas, as agent and attorney-in-fact for Christos Nicolaou Antonopoulos.


Notary Public in and for the State of



Filed for record on the 26th day of July, A.D. 2012 @ 3:29 o'clock P.M and
duly recorded on the 31st day of July, A.D. 2012 @ 8:50 o'clock A.M.

By , Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS



True and Correct
copy of 
Original filed in 43-14
Culberson County
Clerks Office

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

The above and foregoing is a full, true and correct photographic copy of the
original record now in my lawful custody and possession, as the same is
filed/recorded in the Oil And Gas Records of my office, found
in VOL. 108, PAGE 263-264.

I hereby certified on 3rd April 2014

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY Monica B. Bay DEPUTY

Doc# 00000060091

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 20th day of June, 2012 between George Nicolaou Antonopoulos, represented herein by John A. Rigas, as agent and attorney-in-fact

20, Thrassivoulou Street, 16345 - Ilioupolis - Greece

, as Lessor (whether one or more), and

Petrohawk Properties, LP, 6100 South Yale, Suite 500, Tulsa, Oklahoma 74136

as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

**Block 45: Public School Land
Section 4 - All**

The royalties specified in paragraph three (3) herein shall be **25%**, rather than the specified 1/8th.

in the county of Culberson, State of Texas, containing 640.81 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit at: Pay direct to lessor at the above address

or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as anyone or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.



True and Correct
copy of 1168
Original filed in 1168-14
Culberson County
Clerks Office

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

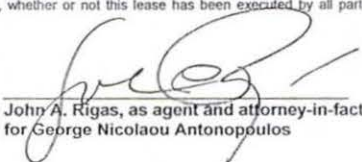
11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

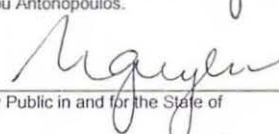
14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

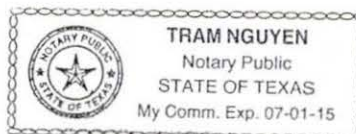
IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.


John A. Rigas, as agent and attorney-in-fact
for George Nicolaou Antonopoulos

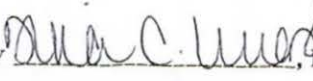
STATE OF Texas §
COUNTY OF Harris §

This instrument was acknowledged before me on this 26 day of June, 2012, by John A. Rigas, as agent and attorney-in-fact for George Nicolaou Antonopoulos.


Notary Public in and for the State of



Filed for record on the 26th day of July, A.D. 2012 @ 3:29 o'clock P.M. and
duly recorded on the 31st day of July, A.D. 2012 @ 8:55 o'clock A.M.

By , Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS



True and Correct
copy of 166
Original filed in
Culberson County
Clerks Office 4-3-14

Stelle

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Diland Deco Records of my office, found in VOL 108, PAGE 265-266.

I hereby certified on 3rd April 2014

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY Munias Bay DEPUTY

IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: March 27, 2012



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 20th day of February, 2012 between R.B. McGowen III
711 North Davis St., Sherman, TX 75090

47771

Petrohawk Properties, LP, 6100 South Yale, Suite 500, Tulsa, Oklahoma 74136

as Lessor (whether one or more), and
as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

Section 4, Block 45: Public School Land

The royalties specified in paragraph three (3) herein shall be **25%**, rather than the specified 1/8th.

in the county of Culberson, State of Texas, containing 640.81 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessee at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit at: Pay direct to lessor at the above address or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as anyone or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and

assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

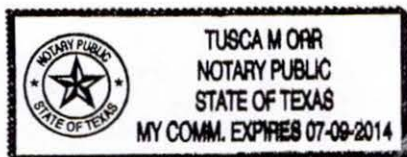
THE ADDENDUM ATTACHED HERETO AS EXHIBIT "A" IS HEREBY INCORPORATED HEREIN BY REFERENCE AS IF SET FORTH AT LENGTH AND ALL OF THE TERMS AND CONDITIONS OF EXHIBIT "A" SHALL OVERRIDE AND SUPERCEDE ALL PRIOR AND INCONSISTENT TERMS OF THE LEASE.

R.B. McGowen III
R.B. McGowen III

STATE OF TEXAS §

COUNTY OF §

This instrument was acknowledged before me on this 23 day of March, 2012, by R.B. McGowen III.



Tusca M. Orr
Notary Public in and for the State of Texas

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: March 21, 2012
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Linda C. Uuan DEPUTY



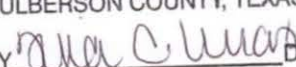
Exhibit "A"
to Oil and Gas Lease
dated February 20, 2012, by and between
R.B. McGowen III, lessor, and
Petrohawk Properties, LP, lessee

1. This lease is subject to a 1/16 free royalty interest belonging to the State of Texas. The lessor is to receive 3/16 royalty interest.
2. Lessor hereby grants Lessee the option to extend the primary term of this lease as to all of the lands covered by this lease for an additional one (1) year from the expiration of the original primary term hereof. This option may be exercised by Lessee or its successors or assigns, at any time prior to the expiration of the original primary term by paying the sum of one thousand dollars (\$1,000) per net mineral acre for each acre so extended to Lessor. Such payment shall be based upon the number of net mineral acres not at such time being included within a Producing Unit and maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor during the original primary term hereof. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of four (4) years.
3. Notwithstanding anything contained herein to the contrary at the end of the primary term, this lease will terminate as to all lands, except lands included in the maximum size proration units approved or allowed by the Railroad Commission of the State of Texas for each well from which oil and/or gas is being produced in paying quantities. However, if at the end of the primary term, Lessee has completed or is drilling at least one (1) well on the leased premises or lands pooled therewith, this lease shall continue so long as Lessee begins to drill (with diligence) a well within six (6) months after the end of the primary term, and begins thereafter to drill (with diligence) another well within each six (6) month interval after the primary term, this lease shall continue until Lessee fails to begin to drill (with due diligence), a well during a six (6) month interval after the end of the primary term as provided above, then this lease will terminate as to all lands not included in a maximum size producing proration unit approved or allowed by the Railroad Commission of Texas, or as otherwise provided herein, of a well producing in paying quantities, and all depths one hundred feet (100') below the base of the deepest producing horizon or the stratigraphic equivalent thereof as to each producing well. After the primary term, if the production of oil or gas as to any proration unit should cease, this lease shall not terminate as to such proration unit if Lessee commences additional drilling, reworking or other operations to attempt to establish production of oil or gas in paying quantities without cessation of more than sixty (60) days and in the event production of oil or gas is restored for so long thereafter as oil or gas is produced from such proration unit in paying quantities.

"Begins to drill" is the time when there has been erected a derrick, a rig and machinery, other than a cable tool, capable of drilling to the total depth and the machinery is drilling under power. As used in this lease, the term "producing in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operation expenses for the six (6) months last past.
4. In the event a portion of the land herein leased is pooled or unitized with other lands so as to form a pooled unit(s), operations on or production from such units(s) will maintain this Lease in force only as to the land included in such unit(s). If at the end of the primary term and after continuous drilling or reworking operations have ceased, this pooled unit embracing lands covered hereby and other land and if at such time there is land covered hereby which is not situated in such unit(s) or as to which the Lease is not being maintained by operations or production, this Lease will terminate and be of no further force or effect as to the lands covered hereby which are not included in a unit or pooled and not otherwise being maintained in effect hereunder.
5. On each well located on any part of the subject lands that is capable of producing commercial quantities of oil and/or gas and from which oil and/or gas is not being sold for lack of market, Lessee may pay for each such well as royalty on or before ninety (90) days after the date in which, (1) said well is shut in, or (2) the land covered hereby or any portion thereof is included in a pooled unit on which a shut-in well is located, or (3) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and thereafter at annual intervals on or before the anniversary of the date the first payment is made, a sum equal to Twenty Five Dollars (\$25.00) per net mineral acre shall be made to Lessor, and if such payment is made or tendered, this lease shall not terminate, and it will be considered that oil and/or gas is being produced from this lease in paying quantities, provided however, this lease may not be maintained as to any acreage covered hereby solely by the payment of shut-in gas well royalty for a cumulative total of more than two (2) years. 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 3 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.


R.B. McGowen III

THE STATE OF TEXAS
COUNTY OF CULBERSON, I, Linda McDonald, 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 _____ dated _____
filed for record in my office this _____ day of _____
at _____, TX, under Clerk's File No. _____
recorded in the _____ Records of Culberson County,
Texas.
TO CERTIFY WHICH, witness my hand and seal at Van Horn this _____ day of _____
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: March 21, 2012
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY  DEPUTY



THE STATE OF TEXAS

COUNTY OF CULBERSON I, Linda McDonald, 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 March 23

2012 filed for record in my office this 27th day of March

2012 at 4:10 P.M, under Clerk's File No. 67771 to be

recorded in the Oil & Gas Records of Culberson County,

Texas.

TO CERTIFY WHICH, Witness my hand and seal at Van Horn this 27th
day of March 2012

By Linda C. Uvas Deputy LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

553

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

OIL, GAS, AND MINERAL LEASE

THIS AGREEMENT made on this 24th day of January, 2013, between Murray B. Roark, as Trustee of The Wilma Finley Family Trust, as Lessor, whose address is 2629 Dame Brisen Dr., Lewisville, TX 75056, and Petrohawk Properties, LP, a Texas Limited Partnership, as Lessee, whose address is 1360 Post Oak Boulevard, Suite 150, Houston, TX 77056, WITNESSETH:

1. Lessor in consideration of Ten Dollars (\$10.00) and other valuable consideration, in hand paid, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purposes of investigating, exploring, prospecting, drilling and mining for and producing oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, frac ponds, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land ("Leased Premises") in Culberson County, Texas, to-wit:

640.81 acres, more or less, being all of Section 4, Block 45, A-6854, Public School Land Survey, Culberson County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter acquired or claimed by Lessor which are contiguous or adjacent to the Leased Premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any bonus or other payment hereunder, the Leased Premises shall be deemed to be comprised of 640.81 acres, whether it actually comprises more or less.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other minerals are produced or operations as provided herein are being conducted on the Leased Premises or land with which the Leased Premises is pooled hereunder.

3. As royalty, Lessee covenants and agrees: (a) to deliver to the credit of Lessor, in the pipelines to which Lessee may connect its wells, the equal One-Quarter (1/4) part of all oil produced and saved by Lessee from the Leased Premises, or from time to time, at the option of Lessee, to pay Lessor the average posted price of such One-Quarter (1/4) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear One-Quarter (1/4) of the cost of treating oil to render it marketable pipe line oil and any applicable transportation charges or deductions; (b) to pay Lessor for gas and casinghead gas produced from the Leased Premises (1) when sold by Lessee, One-Quarter (1/4) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off the Leased Premises or in the manufacture of gasoline or other products, One-Quarter (1/4) of the amount realized from the sale of gasoline or other products extracted therefrom and One-Quarter (1/4) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) to pay Lessor on all other minerals mined and marketed or utilized by Lessee from the Leased Premises, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well(s) on the Leased Premises or on lands with which the Leased Premises or any portion thereof has been pooled, capable of producing oil or gas, and such well(s) are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on the Leased Premises for so long as said well(s) are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said well(s), but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, such well(s) are shut-in for a period of ninety consecutive days, and during such time there are no operations on the Leased Premises, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. For purposes of shut-in royalty, a well that has been drilled and cased shall be considered to be a shut-in well capable of producing in paying quantities, regardless of whether the well has been perforated, fractured, or has otherwise undergone any other completion work. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be paid direct to Lessor at the above address or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownership thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Lessee's failure to pay or tender or to properly or timely pay or tender such sum as royalty shall render Lessee liable for the amount due, but it shall not operate to terminate this lease. Nothing herein shall impair Lessee's right to release as provided in paragraph 17 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee shall have the continuing and recurring right, but not the obligation, to pool all or any part of the Leased Premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the Leased Premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for a vertical oil well shall not exceed 160 acres plus a maximum acreage tolerance of 10%, and for an oil or gas well, which is a horizontal well or for a vertical gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that Lessee has the right, but not the obligation, to form larger units for an oil well or gas well, whether or not a horizontal well, as permitted by the well spacing, density or allowable regulations of the governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority, which has jurisdiction over such matters. The term "horizontal well" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval equals or exceeds 100 feet in length. Lessee may pool all or any part of the Leased Premises or interest therein as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit, and the effective date of pooling shall be the date specified in such declaration which may be any date selected by Lessee and if no effective date is specified, the effective date shall be the date of filing. Lessee in its sole discretion may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the Leased Premises, regardless of whether such production was obtained or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if there were production, drilling or reworking operations



True and Correct
copy of
Original filed in
Culberson County
Clerks Office 1-3-14

on the Leased Premises and references herein to production from or operations on the Leased Premises shall be deemed to include production from or operations on any portion of such pooled unit. If after creation of a pooled unit a well is drilled on land within the unit area (other than the Leased Premises), which is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole drilled on the Leased Premises for purposes of the Lessee being authorized to conduct additional drilling and reworking operations on the Leased Premises or Pooled Unit. If a gas well on a Pooled Unit, which includes all or a portion of the Leased Premises, is reclassified as an oil well, with respect to all lands which are included within the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of the Lessee being authorized to conduct additional drilling and reworking operations on the Leased Premises or Pooled Unit. The production on which Lessor's royalty is calculated shall be that proportion of the total Pooled Unit production, which the net mineral acreage covered by this lease and included in the unit bears to the total surface acreage in the unit, but only to the extent that such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise by expansion or contraction or both any existing unit formed hereunder, either before or after commencement of production, in order to establish a unit that is permitted by the well spacing or density, or allowable regulations of the governmental authority having jurisdiction, or court order, or when to do so would, in the judgment of the Lessee, promote the conservation or development of oil, gas, and other minerals that may be produced from the Leased Premises. When revising an existing Pooled Unit, Lessee shall file of record a written declaration describing the revised unit with the effective date of the revision the date specified in the declaration by Lessee, or, if no date is specified, the date of filing of the written declaration. To the extent any portion of the Leased Premises is included in or excluded from the revised unit, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, with the effective date of dissolution the date specified in the declaration, or, if no date is specified, the date of filing of the written declaration. 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 the lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of the production as herein provided. Lessee shall not be obligated to protect against drainage, if any, between separate tracts covered by this lease. Furthermore, the inclusion of two or more separate tracts within the description of this lease shall not be construed as an offer by Lessor or Lessee to pool the royalty interests among the royalty owners of the separate tracts. As used herein 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. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. At the expiration of the primary term of this lease or at the end of the extended period for continuous development provided in Paragraph 6 below, whichever is later, this lease shall terminate SAVE and EXCEPT for (i) one hundred sixty (160) acres of land plus a tolerance of ten percent (10%) surrounding each vertical oil well; (ii) six hundred forty (640) acres of land plus a tolerance of ten percent (10%) surrounding each vertical gas well and surrounding each horizontal oil or gas well; and (iii) any part of the Leased Premises included in a pooled unit created under authority granted in Paragraph 4 above. In the event the governmental authority having jurisdiction permits, pursuant to its regulations, the assignment of more acreage than that specified herein in this paragraph to a well for purposes of well spacing, or density, or allowable determination then this lease shall continue in force and effect as to the additional amount of acreage surrounding each well as permitted by such regulations. Lessee shall designate the acreage to be retained by each well under this provision ("Retained Tract(s)") by filing a written description or plat of each Retained Tract in the real property records of the county in which the lands are located, at any time up to or within six (6) months after the expiration of the primary term or the cessation of the continuous drilling program, whichever is later. In the case of a Pooled Unit, the Retained Tract shall be that portion of the Leased Premises included in the unit for which the description of the unit in the Unit Declaration shall suffice for compliance herein.

6. Notwithstanding any other provision herein to the contrary, the lease as to the Leased Premises shall remain in full force and effect for so long as Lessee is conducting continuous drilling operations as provided herein. Upon the expiration of the primary term or upon cessation of continuous drilling operations, whichever date is later (such later date being the "partial termination date"), this lease shall terminate as to the Leased Premises save and except those lands designated by Lessee as Retained Tracts as provided in paragraph 5 herein. Lessee shall be considered to be engaged in continuous drilling operations at the expiration of the primary term if Lessee is engaged in drilling operations on the Leased Premises, or lands pooled therewith, at the expiration of the primary term, or if Lessee has completed a well as a producer or completed a well as a dry hole within 180 days prior to the expiration of the primary term. In such event(s), Lessee shall be considered to be engaged in continuous drilling operations for so long thereafter as Lessee conducts drilling operations on the Leased Premises, or lands pooled therewith, with due diligence and with intervals of no more than 180 days between the date of completion of a well and the date of commencement of drilling operations on an additional well. All operations conducted off the Leased Premises that are intended to result in the completion of a producing well on the Leased Premises shall be considered operations on the Leased Premises. Continuous drilling operations shall be deemed to have ceased upon the failure of Lessee to commence drilling operations on an additional well within such 180 day period. If on the partial termination date, there is a well located on the Leased Premises, or on lands pooled therewith, which is not capable of producing in paying quantities, but Lessee is conducting reworking operations on such well in an effort to return the well to production, the partial termination date shall be extended for so long as reworking operations are conducted on such well with no cessation of more than 180 consecutive days. In that event, the partial termination date shall be the date on which the 180 consecutive day period expires without such reworking operations being conducted on such well. As used in this paragraph: i) the terms "commenced" and "commencement" mean the date the actual drilling or preparation for drilling operations have commenced which ultimately culminate in the drilling of a well, and ii) the terms "completed" and "completion" of a well shall mean the earliest of the following dates: (i) the date on which the initial potential test is run; (ii) the date on which a dry hole is plugged; (iii) the date ninety (90) days after the date on which the total depth has been reached in drilling operations; (iv) the date certified to the Railroad Commission of Texas as the date a well has been completed as a producing well. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the Leased Premises described herein to and from each Retained Tract created pursuant to this lease, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the Leased Premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above. In conducting such continuous drilling operations, Lessee shall be entitled to accumulate and bank any part of each 180 day period not used, between the completion and commencement of any and all wells drilled in the continuous drilling operations hereunder. Such accumulated and banked time in the Lessee's discretion may be allocated to any one or more of the given 180 day periods to extend such periods for the commencement of new wells until such bank is exhausted.

7. Lessee shall have the right at any time during or after the expiration of this lease to remove any and all property and fixtures placed by Lessee on Leased Premises, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on the Leased Premises without Lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the Leased Premises, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of the recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner or owners of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

9. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or a reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the Leased Premises shall arise during the primary term. Should oil, gas or other minerals be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one vertical oil well per one hundred sixty (160) acres plus a maximum acreage tolerance of 10% or more than one vertical gas well or one horizontal oil or gas well per six hundred forty (640) acres plus a maximum acreage tolerance of 10% or the amount of acreage permitted to be assigned to a Retained Tract as provided herein, whichever is greater. If after the expiration of the primary term, Lessor considers that the operations are not at any time being conducted in compliance with this lease, Lessor



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

555
shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

10. Lessor hereby warrants and agrees to defend the title to the Leased Premises and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon Leased Premises, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of the Leased Premises than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, or by Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the Leased Premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding, but said time shall be added to any remaining primary term pursuant to paragraphs 2 and 13 hereof or banked time pursuant to paragraph 6 hereof, as applicable.

12. Lessor hereby grants Lessee the option to extend the primary term of this lease as to all or any portion of the Leased Premises for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee or its successors or assigns, at any time prior to the expiration of the original primary term by paying to Lessor at the same place and in the same manner as provided for the payment of shut-in royalties under Paragraph 3 above an amount equal to three-quarters (3/4) of the original bonus payment per net mineral acre for each acre so extended. Such payment shall be based upon the number of net mineral acres neither previously released under Paragraph 16 hereof nor being maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor during the original primary term hereof.

13. Each of the parties hereto expressly warrants and represents, and does hereby affirm and stipulate, that no representation, promise or agreement, or statement of a past or existing fact, not expressed in the written agreement, was made to induce the execution of same. Furthermore, the parties hereto do each expressly warrant and represent, and hereby affirm and stipulate, that they have not relied upon any representation, promise or agreement, or statement of a past or existing fact, which is not expressed in this written agreement. Each of the parties hereto recognize that this paragraph is binding, as a matter of law and fact, and shall preclude them from asserting that they were wrongfully induced to enter into this Agreement by any representation, promise or agreement, or statement of a past or existing fact, which is not found within the four (4) corners of this Agreement.

14. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the Leased Premises, with the lease becoming effective upon expiration of this lease or any part thereof, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

15. Lessee shall have the right to use, free from royalty, water, oil and gas, produced on the Leased Premises necessary for operations under this lease except water from Lessor's water wells or tanks shall not be used without Lessor's consent; provided, however Lessee is hereby granted the right to test any of Lessor's water wells or tanks to determine if such wells or tanks may meet the Lessee's requirements for water usage on the lease, including tests for flow rate and chemical composition. If any such well or tank of Lessor is deemed suitable by Lessee for its operations on the Leased Premises, and Lessor elects to allow Lessee to use such water, Lessor and Lessee shall agree upon a reasonable price per barrel for Lessee's use of such water from Lessor's wells or tanks. Notwithstanding the foregoing Lessee shall have the right at any time to drill a water well or wells as Lessee deems necessary for its operations on the lease or acreage pooled therewith, at Lessee's sole cost, and in that event, Lessee shall not owe compensation to Lessor for any such water from wells drilled by Lessee. In the event Lessee drills one or more water wells on the Leased Premises, Lessor shall have the concurrent use of such well or wells with Lessee, with Lessor bearing any incidental costs, provided such use does not interfere with Lessee's water requirements for lease operations. Lessee shall have the right to transport water from locations off the Leased Premises for use on the Leased Premises, and to lay temporary water lines from offsite locations onto the Leased Premises, provided that Lessee agrees to promptly remove such temporary water lines when they are no longer needed for operations on the Leased Premises or acreage pooled therewith.

16. Lessee shall have the right to release all or any portion of the Leased Premises at any time without further obligation as to that portion of the Leased Premises released. Such release shall not relieve the Lessee of any obligations that have accrued up to the date such release is filed of record.

17. Lessee may record a Memorandum of Lease in the County where the Leased Premises are located to evidence and place of Public Record the existence of this lease.

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


Murray B. Roark, as Trustee of The Wilma Finley Family Trust

ACKNOWLEDGEMENT

STATE OF _____
COUNTY OF Dallas) ss.

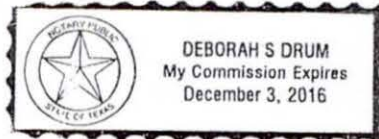
This instrument was acknowledged before me on the 22nd day of May, 2013 by Murray B. Roark, in his capacity as Trustee of The Wilma Finley Family Trust.


Notary Public, State of Texas



True and Correct
copy of L.B.
Original filed in
Culberson County
Clerks Office 3-14

3



Filed for record on the 14th day of June, A.D. 2013 @ 3:05 o'clock P.M and
duly recorded on the 17th day of June, A.D. 2013 @ 10:35 o'clock A.M.

By , Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

File No. 116448

Lease

Date Filed: 04/02/14
Jerry E. Patterson, Commissioner

By [Signature]

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Oil And Gas Records of my office, found in VOL. 109, PAGE 553-555.

I hereby certified on 3rd April 2014

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY [Signature] DEPUTY

MF116448
DIVISION ORDER

To: Capitan Energy, Inc.
P. O. Box 2308
Carlsbad, New Mexico 88221

Effective Date: Date of First Production
Property No.:
Lease Name: Pat Fee 4 #1H
Date Issued: 12/15/2015

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all oil, gas and related liquid hydrocarbons produced from the property described below:

All of Section 4, Block 45, Public School Land Survey, Abstract No. 6854, Culberson County, Texas, containing 640.81 acres, more or less.

OWNER NO.

OWNERSHIP

INTEREST

Commissioner of the
General Land Office
Of the State of Texas
P.O. Box 12873
Austin, TX 78711-2873

0.0625000 R.I. ✓

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

The following provisions apply to each interest owner ("owner") who executes this Agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs and/or gas produced during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

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

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party. In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

WITNESS:

SIGNATURE OF INTEREST OWNER:

(Witness Signature)

(Owner's Signature)

(Title)

(Witness' Printed Name)

(Owner's Printed Name)

Owner's Social Security / Tax I.D. Number: # _____

WORK PHONE NUMBER:

HOME PHONE NUMBER:

FAX NUMBER:

()

()

()

Mailing address if different or not provided above: _____

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

Slate Land & Right-of-Way Services

INCLUDING LAND ADMINISTRATIVE ASSISTANCE

P. O. Box 550
Big Spring, Texas 79721-0550
(432) 267-3601

December 15, 2015

Certified Mail:
7014 3490 0001 9673 8987

Texas General Land Office
Energy Resources/Mineral Leasing
Attn: Vivian Hernandez
P.O. Box 12873
Austin, TX 78711-2873

RE: **MF-116448** - Division Order for the
Pat Fee 4-1H, Culberson County, TX.

Ms. Hernandez,

Enclosed, please find the State's Division Order for the Pat Fee #1H (API# 42-109-32861). Capitan Energy, Inc. will disburse revenue on a monthly basis as your earnings reach a minimum balance amount of \$100.00.

Should you have any questions or need anything further, please do not hesitate to call; our toll-free number is 1-877-589-8858.

Sincerely,



Kyle Conley
Petroleum Landman

KC/df
Encl: As stated above



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 9, 2016

Kyle Conley
Petroleum Landman
Capitan Energy, Inc.
P.O. BOX 550
Big Spring, Texas 79721-0550

Re: State Lease Nos. MF117340 Jess Fee 40 1H;
MF117340/MF117341/MF117342 Shelly Fee 40 1H;
✓ MF116448 Pat Fee A 1H; MF111240 W A State 3H; and
MF116249/MF116245 State Alexandra 14-11 1H

Dear Mr. Conley:

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

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

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

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

Thank you,

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

File No. MF 116448
Division Order

Date Filed: 6-13-16

George P. Bush, Commissioner

By UH

MF116448
DIVISION ORDER

To: Capitan Energy, Inc.
P.O. Box 2308
Carlsbad, New Mexico 88221

Effective Date: Date of First Production
Property No:
Lease Name: Pat Fee 4 #2H
Date Issued: August 10, 2017

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all oil, gas and related liquid hydrocarbons produced from the property described as follows (the "Lands"):

All of Section 4, Block 45, PSL Survey, A-6854, containing 640.81 acres, more or less.

Name/Address	NRI	Interest Type
Commissioner of the General Land Office of the State of Texas P.O. Box 12873 Austin, TX 78711	0.06250000	FR

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

The following provisions apply to each interest owner ("owner") who executes this Agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs and/or gas produced during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

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

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party. In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

Owner Signature: _____	Title: _____
Owner Tax ID #: _____	Telephone: _____
Witness Signature: _____	Witness Printed Name: _____
Date: _____	

Failure to furnish your Social Security/Tax I.D. number will result in 31% withholding tax in accordance with federal law, and any tax withheld will not be refundable by Payor.

Slate Land & Right-of-Way Services

Including Land Administrative Assistance

P. O. Box 550

Big Spring, Texas 79721-0550

(432) 267-3601

August 10, 2017

Commissioner of the General Land Office of
the State of Texas

Attn: Vivian Hernandez

P.O. Box 12873

Austin, TX 78711

Certified Mail:

7016 1370 0000 9057 8895

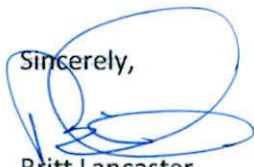
Re: Division Order for the Pat Fee 4 #2H located on Section 4, Block 45, PSL survey, Culberson County,
Texas.

Dear Ms. Hernandez:

Enclosed you will find two (2) Division Orders for the well described above. Please execute one Division Order per the instruction sheet, which has also been attached, and keep the other Division Order for your records. Upon completion, please return one (1) Division Order in the self-addressed envelope to my attention at Slate Land & Right of Way Services at the address provided on the instruction sheet.

Please contact me if you have any questions or concerns. Our toll-free number is 1-877-589-8858 or you can contact me via e-mail at slsbritt@crcom.net

Sincerely,



Britt Lancaster
Petroleum Landman
BL/df

Dear Interest Owner:

Please sign and return your Division Order that is enclosed so that we may place your interest in pay status. If you are in several leases, you will be receiving more Division Orders for your signature over the next couple of weeks.

Division Order Instructions:

Signature: Sign your name exactly as it is shown on the Division Order. Have your signature witnessed by an uninterested party.

Signature by Second Party: If the Division Order is to be signed by any party other than the named owner; we must have evidence of the 2nd party's right to sign.

Partnerships: If only one member of a Partnership executes this Order, please include evidence of his right to do so.

Corporations: (1) A duly authorized official of the company should sign the Division Order.

(2) Have the signature attested by the appropriate corporation officer.

(3) Affix the corporate seal.

Mailing Address: Print or type your Tax I.D. or Social Security Number in the space allotted. In order to receive your checks promptly, please include your "zip + 4" zip code.

Legal Description: Please provide a legal description **IF** it is blank on the Division Order.

Your division Order should not be changed in any way unless you include documentary evidence justifying change.

Please return one copy of the Division Order to Slate Land & Right-of-Way Services at the address below. **YOU SHOULD KEEP ONE COPY FOR YOUR RECORDS.** We will process your Division Order as quickly as possible.

***Please return original executed Division Orders to Slate Land & Right-of-Way Services, P.O. Box 550, Big Spring, TX 79721, fax at the number listed below or scan and e-mail to slsbritt@crcom.net.**

Kindest Regards,

Britt Lancaster
Slate Land & Right-of-Way Services
P.O. Box 550
Big Spring, Texas 79721-0550
(432) 267-3601 Office
(724) 996-7974 Cell
(432) 263-4589 Fax





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

October 23, 2017

Britt Lancaster
Petroleum Landman
Slate Land & Right of Way Services
P.O. Box 550
Big Spring, Texas 79720

Re: State Lease No. MF116448 Pat Fee 4 No. 2H

Dear Ms. Lancaster:

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 files.

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

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

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

Thank you,

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

File No. MF 116448

____ County

Division Order

Date Filed: 10-24 2017

By V.H. George P. Bush, Commissioner

MF 116448
(KEEP THIS COPY FOR YOUR RECORDS)



DIVISION ORDER

To: Plains Marketing L.P.
P.O. Box 4648
Houston, TX 77210-4648

Property Name: PAT FEE 4 1H
Operator: CAPITAN ENERGY INC
County and State: CULBERSON, TX
Production: OIL / CONDENSATE (GAS)
109-32861

Date: 11/07/2017
Property Descr: SEE EXHIBIT 'A'
Effective 7 A.M.: 11/01/2017
Decimal Interest: 0.06250000
Type of Interest: RI
ROYALTY INTEREST

Owner Number
0062639
Property Number:
01 217026

Owner Name and Address: COMMISSIONER GENERAL LD OFFICE
STATE OF TEXAS
1700 NORTH CONGRESS AVENUE
AUSTIN, TX 78701-1495

COMMISSIONER GENERAL LD OFFICE
STATE OF TEXAS
1700 NORTH CONGRESS AVENUE
AUSTIN, TX 78701-1495

[Correspondence Address]

[Remittance Address]

The undersigned severally and not jointly certifies the ownership of their decimal interest in production or proceeds as described above payable by Plains Marketing, L.P. (hereinafter called "Payor").

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to reimburse Payor any amount attributable to an interest to which the undersigned is not entitled. Unless otherwise required by law, Payor shall not be required to pay interest on payments withheld due to a title dispute or adverse claim.

Payments of less than \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or until December 31 of each year, whichever occurs first.

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

The undersigned will be paid in accordance with the division of interests set out above. As to oil and/or condensate, the Payor shall pay all parties at the price agreed to by the operator for oil and/or condensate to be sold pursuant to this division order. Payor shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. As to gas, the undersigned will be paid in accordance with the division of interest set forth herein. The Payor will pay all parties for their respective interest in the gas proceeds paid to Payor by the operator for disbursement at the price and upon the terms agreed to by the operator for the gas marketed by the operator. Payor is a disbursement service provider only and does not purchase the gas nor take title to the gas. The operator is responsible for marketing gas produced from the property described in the attached property description. Payor does not assume any obligations of the lessee or operator under any oil and gas lease, gas sales contract or other agreement to which Payor is not a party.

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

Special Clauses/Requirements: If applicable, see Exhibit 'A'.

Owner Social Security #
or Taxpayer ID #: [REDACTED]

Owner Daytime Telephone #: _____

Owner FAX #: _____

Email Address: _____

Owner BY: _____

Signature: _____

OWNER #: 0062639

Signature of two

Witnesses/Attest _____

TITLE: _____

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER.
FAILURE TO COMPLY WILL RESULT IN 28% TAX WITHHOLDING AND WILL NOT BE REFUNDABLE BY PAYOR.

47.57.17

(KEEP THIS COPY FOR YOUR RECORDS)

EXHIBIT 'A'

PROPERTY NUMBER: 01 217026

OWNER: 0062639

OWNER	NAME/ADDRESS	SSN/TIN	INTEREST	TYPE	PAY ST	EFFECTIVE	CLAUSES	REQUIREMENTS
0062639	COMMISSIONER GENERAL LD OFFICE STATE OF TEXAS 1700 NORTH CONGRESS AVENUE AUSTIN, TX 78701-1495		0.06250000	RI	3U	11/01/2017	1	N/A

CLAUSES

- 1 EFFECTIVE NOV 1, 2017 PRODUCTION, PLAINS MARKETING, L.P. WAS DESIGNATED AS OIL PURCHASER FOR THE PAT FEE 4 1H LEASE BY THE OPERATOR, CAPITAN ENERGY INC THIS DIVISION ORDER WAS PREPARED BASED ON A CONTRACT BRIEF EXHIBIT PROVIDED BY THE OPERATOR, CAPITAN ENERGY INC.

LEGAL DESCRIPTION

S2 BLK 112 PSL / LEDEHAM, J M SRVY
CULBERSON COUNTY, TX.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 4, 2018

Barbara Woods
Division Order Analyst
Plains Marketing L.P.
P.O. Box 4648
Houston, TX 77210-4648

Re: State Lease No. MF116448 Pat Fee 4 1H

Dear Mrs. Woods:

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.

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

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

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

Thank you,

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

File No. File No. MF116448

County _____
Division Order _____

Division Order

Date Filed: _____ 1-5-2018

George P. Bush, Commissioner

By VH. By _____

MT 116448
DIVISION ORDER

To: Capitan Energy, Inc.
P.O. Box 2308
Carlsbad, New Mexico 88221

Effective Date: Date of First Production
Property No: _____
Lease Name: Pat Fee 4 #3H
Date Issued: November 16, 2017

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all oil, gas and related liquid hydrocarbons produced from the property described below (the "Lands"):

Section 4, Block 45, PSL Survey, Abstract No. 6854, Culberson County, Texas, containing 640.81 acres, more or less.

Name/Address	NRI	Interest Type
Commissioner of the General Land Office of the State of Texas P.O. Box 12873 Austin, TX 78711	0.06250000	FR

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

The following provisions apply to each interest owner ("owner") who executes this Agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs and/or gas produced during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

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

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party. In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

Owner Signature: _____	Title: _____
Owner Tax ID #: _____	Telephone: _____
Witness Signature: _____	Witness Printed Name: _____
Date: _____	
Owner Phone: _____	Owner E-Mail: _____

Failure to furnish your Social Security/Tax I.D. number will result in 31% withholding tax in accordance with federal law, and any tax withheld will not be refundable by Payor.

Slate Land & Right-of-Way Services

Including Land Administrative Assistance

P. O. Box 550

Big Spring, Texas 79721-0550

(432) 267-3601

November 16, 2017

Commissioner of the General Land Office of
the State of Texas
Attn: Vivian Hernandez
P.O. Box 12873
Austin, TX 78711

Certified Mail:
7016 1370 0000 4217 6735

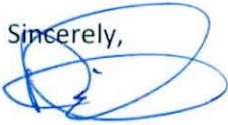
Re: Division Order for the Pat Fee 4 #3H located on Section 4, Block 45, PSL Survey, Culberson County, Texas, containing 640.81 acres, more or less.

Dear Ms. Hernandez:

Enclosed you will find two (2) Division Orders for the well described above. Please execute one Division Order per the instruction sheet, which has also been attached, and keep the other Division Order for your records. Upon completion, please return one (1) Division Order in the self-addressed envelope to my attention at Slate Land & Right of Way Services at the address provided on the instruction sheet.

Please contact me if you have any questions or concerns. Our toll-free number is 1-877-589-8858 or you can contact me via e-mail at slsbritt@crcom.net

Sincerely,



Britt Lancaster
Petroleum Landman
BL/df



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 11, 2018

Britt Lancaster
Petroleum Landman
Slate Land & Right of Way Services
P.O. Box 550
Big Spring, Texas 79721

Re: State Lease No. MF116448 Pat Fee 4 3H

Dear Ms. Lancaster:

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.

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

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

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

Thank you,

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

File No. MF116448

County _____

Division Order

Date Filed: 1-11-18

By VH. George P. Bush, Commissioner

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee

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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

Capitan Energy Incorporated
Street and Apt No., or PO Box No.

City, State, ZIP+4[®]

PO BOX 2476
CARLSBAD, NM 88221-2476

MF 116448

Postmark
Here

7016 0600 0000 6595 5479

Certified Mail service provides the following benefits:

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece; for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.
 - Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
 - Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
 - Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.



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

Capitan Energy Incorporated
PO Box 2476
Carlsbad, NM 88221-2476

Billing Date: 10/22/2018
Billing Due Date: 11/21/2018
Customer Number: C000045321

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00104	MF116448	\$0.00	\$2,776.61	\$277.66	\$143.45	\$3,197.72
Total Due		\$0.00	\$2,776.61	\$277.66	\$143.45	\$3,197.72

Penalty and interest have been calculated thru 10/31/2018. Payment remitted after 10/31/2018 will result in additional penalty and interest charges.

Contact Info: Mike Nicklaus (512) 475-1517 or Mike.Nicklaus@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

Capitan Energy Incorporated

Billing Date: 10/22/2018

Billing Due Date: 11/21/2018

Customer Number: C000045321

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
19I00104	MF116448	\$0.00	\$2,776.61	\$277.66	\$143.45	\$3,197.72
Total Due		\$0.00	\$2,776.61	\$277.66	\$143.45	\$3,197.72
Amt. Paid						

Customer ID: C000045321
 Invoice Number:
 GLO Lease: MF116448
 GLO Review: Capitan Energy Incorporated
 Review Period: SEPT 2016 - AUG 2017

Category: Oil
 Auditor/AE: Mnicklau
 Billing Date: 10/18/2018
 P&I Calculation Date: 10/31/2018
 Royalty Rate: 6.250%

(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
May-17	08-820253	856	1.00000000	\$ 43.601399	1.000000	\$37,332.39	\$2,333.27	\$0.00	\$2,333.27	483	4.50%	\$233.33	\$121.97	\$2,688.57
Jun-17	08-820253	13,423	1.00000000	\$ 39.485700	1.000000	\$530,028.40	\$33,126.77	\$32,683.43	\$443.34	452	4.50%	\$44.33	\$21.48	\$509.15
TOTALS		14,280				\$567,360.79	\$35,460.04	\$32,683.43	\$2,776.61			\$277.66	\$143.45	\$3,197.72

COMMENTS: COLUMNS (3) & (5)—VOLUMES AND PRICES SHOWN WERE TAKEN FROM YOUR GLO1 REPORTS FILED FOR STATE LEASE M-116448, RRC #08-820253 (PAT FEE 4 #2H).

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>

ATTENTION: CHRISTY LOGSDON

CERTIFIED MAIL: 7016 0600 0000 6595 5479

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.

8

File No. MF 116448

County

Recon Billing

Date Filed: 10/30/18

George P. Bush, Commissioner

By: [Signature]