

MF116623

Lease Type	Control	Basefile	County
52.076 [Unleas	01-002792		MADISON
	01-002809		BRAZOS
	Survey		
	Block		
	Block Name		
	Township		
	Section/Tract		
	Land Part		
	Acres	Net: 20.220000	Gross: 20.220000
	Depth Below	Depth Above	Depth Other
			Allow All Depths
	Name	MANTI EQUITY PARTNERS, LP, COR...	
	Lease Date	7/1/2014	
	Primary Term	1 years	
	Bonus	\$20,220.00	
	Lease Royalty	0.25000000	
	Paid Up	NA	

Leasing: MC

Maps: _____

GIS: MC

Scanlab: _____



Contents of Mineral File Number: M-116623

1. BONVS 8/18/14

2. Pooling Agrmt Packet #6893
Coleman/McDonald Unit 8/29/14

3. Ltr. to Sabalo 8/29/14

Scanned sm 12/10/14

4. Recorded Designation Coleman McDonald
Unit # 7/30/15

5. Division Order 7/31/2015

Ce. AUA # 9414 Manti Eq (E)

MD Equity 9-18-15

Scanned RJ 11-3-15

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
072114	07/21/2014	NPLHC Bonus	22,200.00	0.00	22,200.00
			14717142		



9
4
5
5
N
3
6
3
1
0
1
1
9

121

①

File No. M-116623
Bonus

Date Filed: 8/10/14

Jerry E. Patterson, Commissioner

By [Signature]

Bonus

DO NOT DESTROY



Texas General Land Office UNIT AGREEMENT MEMO

UPA148220

Unit Number 6893
Operator Name Sabalo Exploration Operating, LLC
Customer ID C000049044
Unit Name Coleman/McDonald
County 1 Brazos **RRC District 1** 03
County 2 Madison **RRC District 2** 03
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Permanent
State Net Revenue Interest 0.00718040
State Part in Unit 0.02872159
Unit Depth Allow All Depths **Well**
From Depth **Formation**
To Depth **Participation Basis** Surface Acreage
Effective Date 07/01/2014
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF116623	1	20.220000	704.000000	0.028722	0.25000000	0.007180	No

API Number
4231331138

Remarks:

Prepared By:

Prepared Date:

GLO Base Updated By:

GLO Base Date:

RAM Approval By:

RAM Approval Date:

GIS By:

GIS Date:

Well Inventory By:

WI Date:

Pooling Committee Report

To: School Land Board UPA148220
Date of Board Meeting: 07/01/2014 Unit Number: 6893
Effective Date: 07/01/2014
Unit Expiration Date:
Applicant: Manti Equity Partners, LP
Attorney Rep:
Operator: Sabalo Energy, LLC
Unit Name: Coleman/McDonald
Field Name: Madisonville, W. (Woodbine)

County: Brazos
Madison

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
52.076	MF116623	0.25000000		1 years	20.220000	20.220000	0.00718040

A part of the Navasota River is being pooled pursuant to Texas Natural Resource Code 52.076.

Private Acres:	683.780000
State Acres:	20.220000
Total Unit Acres:	704.000000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	2.87%
State Net Revenue Interest:	0.72%

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

RRC Rules:	Spacing Acres:
No	160 + Rule 86

Working File Number: UPA148220

REMARKS:

- Manti Equity Partners, LP is requesting permanent oil and gas pooling of all depths in order to test the Woodbine Formation.
- The applicant plans to spud its first unit well in the beginning of July, 2014, with a proposed total depth of 16,000 feet MD.
- To compensate the State for lost lease bonus on the unleased Navasota River acreage, applicant has agreed to pay the Permanent School Fund \$1,000.00 per net mineral acre, which is \$20,220.00.
- With Board approval, the State's unit royalty participation will be 0.72%. State unit royalty participation may change slightly based on final survey results.
- The State will participate on a unitized basis from the date of first production.

POOLING COMMITTEE RECOMMENDATION:

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

Mary Smith by Pinelle Anderson

Mary Smith - Office of the Attorney General

6/18/2014

Date

RJH

Robert Hatter - General Land Office

6/18/14

Date

David Zimmerman

David Zimmerman - Office of the Governor

6/18/14

Date

MF114068

MELVIN LANGHAM
A-152

ELI FENN
A-96

FREDERICK SHRACK
A-209

THOMAS TOBY
A-222

L COPELAND
A-64

AA MILLICAN
A-164

MF116623

PBHL

A part of the Navasota River is being pooled pursuant to T.N.R.C. 52.076

BRAZOS COUNTY

ANDREW J BONDS
A-48

HF CHANDLER
A-9

MADISON COUNTY

THOMAS JAMES
A-25

ARCHIBALD D LANCASTER
A-150

UF CASE
A-71

PSL

THOMAS TOBY
A-221

EH ALLEN
A-35

WILLIAM CARLEY
A-76

ROBERTSON COUNTY

LEON COUNTY

MADISON COUNTY

BRAZOS COUNTY

GEORGE L RAMSTADT
A-193

Unit #6893

Manti Equity Partners/Sabalo Energy
Coleman/McDonald Unit
Madisonville, W (Woodbine - A) Field
Brazos and Madison Counties, Texas



2,000 1,000 0 2,000 Feet

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



Map Generated by:
Mark Conway
IS/BAS/GIS
July 2014

**POOLING AGREEMENT PURSUANT TO TNRC § 52.076
STATE OF TEXAS / MANTI EQUITY PARTNERS, LP
COLEMAN / MCDONALD UNIT
M-116623 – GLO UNIT NO. 6893
BRAZOS AND MADISON COUNTIES, TEXAS**

THIS AGREEMENT ("Agreement") is made and entered into effective July 1, 2014, by and between the Commissioner of the General Land Office of the State of Texas ("State"), and Manti Equity Partners, LP ("Manti").

WITNESSETH THAT:

WHEREAS, the State owns the minerals under 20.22 acres more or less of the Navasota River contained within the boundaries of the 704-acre, Coleman / McDonald Unit ("Unit"); said 20.22 acres being hereinafter referred to as the ("unleased interest"); and

WHEREAS, pursuant to Texas Natural Resources Code §52.076(a)(4), the School Land Board has authority to pool unleased river beds and channels owned by the State; and

WHEREAS, Manti and the State desire to pool the unleased interest into said Unit; and

WHEREAS, the School Land Board at its regular meeting on July 1, 2014, determined that pooling said unleased interest as to oil and gas as to all depths as further described in the attached exhibits, is in the best interest of the State.

NOW, THEREFORE, in consideration of the payment to the State of \$20,220.00 and of the mutual agreements hereinafter set forth and together with other valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, and for the purposes and upon the terms and conditions contained herein, the parties hereto agree as follows:

1. This Agreement is entered into pursuant to the authority granted in Chapter 52, of the Texas Natural Resources Code and Chapter 9 of Title 31 of the Texas Administrative Code and is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of minerals from the Unit and in the interpretation and application hereof this Agreement shall be, in all things, subject thereto.

2. The State and Manti agree that nothing herein shall be construed as granting a leasehold interest to Manti in the unleased interest but rather this Agreement affects a contractual pooling of interests with the respective rights and duties of the parties defined in paragraph 3, below.

3. The rights and duties of the State and Manti with respect to the unleased interest within the boundaries of the Unit shall be established, governed and controlled by the terms, conditions and covenants contained in Exhibit "1" and Exhibit "2" attached hereto and incorporated herein, wherein the State shall be considered the Lessor and Manti the Lessee and the State shall receive its share of unit production in the form of a royalty as provided in Exhibit "1" and allocated to the State as provided in Exhibit "2" with no obligation to the State for operating costs of any kind, including but not limited to exploring, drilling, equipping, completion, treating, transporting, marketing, plugging, abandonment or restoration.

4. This Agreement shall remain in effect for a term of one year from the effective date (herein called "primary term") and so long as the pooled mineral is being produced in paying quantities from the Unit, or so long as this Agreement is maintained in force by payment of shut-in oil or gas well royalties on a unit well, by drilling or rework operations on a unit well, or by other means in accordance with the terms of Exhibit "1" to this Agreement, or so long as the instrument creating the Unit remains in effect; provided that this Agreement shall automatically terminate on the date production of the pooled mineral ceases and there are no further operations on the unit to re-establish production of the pooled mineral, even though the instrument creating the pooled unit may remain in effect because a dissolution of unit has not been filed of record.

5. Inasmuch as the parties may not be able conveniently to execute one original hereof, it is agreed that a counterpart hereof may be executed by each party to this Agreement, each of which shall be considered an original, and all of said counterparts shall be construed together as one instrument.

6. The terms and provisions hereof shall extend to and be binding upon the heirs, legal representatives, successors, and assigns of the parties hereto.

7. This Agreement is to be performed in the State of Texas, and the substantive laws of the State of Texas will govern the validity, construction and enforcement of this Agreement.

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

Date Executed 8/26/14

STATE OF TEXAS

legal ymm
leas. ymm
cont. ymm
exec. ymm

Jerry E. Patterson
Jerry E. Patterson, Commissioner
General Land Office

Date Executed _____

MANTI EQUITY PARTNERS, LP

By: Barry K. Clark
Barry K. Clark, President

STATE OF TEXAS

COUNTY OF Morris

This instrument was acknowledged before me on July 21, 2014, by Barry K. Clark as President of Manti Equity Partners, LP, a Texas limited partnership on behalf of said limited partnership.

Philip N. Bell
Notary Public in and for the State of Texas



CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on July 1, 2014, the foregoing instrument was approved by said Board under the provisions of Chapter 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 28th day of August, 2014.

Stephanie Crenshaw
Secretary of the School Land Board

EXHIBIT "1"

§52.076 Exhibit 1, Revised 3/07

1. RESERVATION AND GRANT: There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted to Lessee, being the right to explore for, drill and produce the pooled mineral from the pooled area, and Lessor further reserves the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals and zones which are not covered by this Agreement. All of the rights in and to the pooled area retained by Lessor and all of the rights in and to the pooled area granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. PRODUCTION ROYALTIES: Upon production of the pooled mineral Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

(A) **OIL:** As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, $\frac{1}{4}$ part of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the land hereby pooled is sold, used or processed in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

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

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

(D) **OTHER PRODUCTS:** As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry" or any other gas, by fractionating, burning or any other processing, $\frac{1}{4}$ part of gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

- (1) On the basis of the highest market price of each product, during the same month in which such product is produced, or
- (2) On the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

(E) **NO DEDUCTIONS:** Lessee agrees that all royalties accruing to Lessor under this agreement shall be without deduction for the cost of producing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(F) **ROYALTY IN KIND:** Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this agreement be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use. Lessor's right to take its royalty in kind shall not diminish or negate Lessor's rights or Lessee's obligations, whether express or implied, under this agreement.

(G) **PLANT FUEL AND RECYCLED GAS:** No royalty shall be payable on any gas as may represent this agreement's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the General Land Office, Lessee may recycle gas for gas lift purposes on the pooled area after the liquid hydrocarbons-contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this agreement.

(H) **MINIMUM ROYALTY:** The royalties paid to Lessor each year in no event shall be less than \$5.00 per acre pooled; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of first production a sum equal to \$5.00 per acre pooled less the amount of royalties paid during the preceding year.

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

4. (A) RESERVES, CONTRACTS AND OTHER RECORDS: Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of pooled mineral reserves underlying the pooled area and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the pooled

mineral produced from the pooled area, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) DRILLING RECORDS: Written notice of all operations on the pooled unit shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall send a true copy of all logs on each unit well to the General Land Office within fifteen (15) days after the making of said log.

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

5. OFFSET WELLS: If the pooled mineral should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this agreement, the Lessee shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1,000) feet from the area covered by this agreement begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this agreement, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this agreement, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities. Only upon the determination of the Commissioner and with his written approval, may the payment of a compensatory royalty satisfy the obligation to drill an offset well or wells required under this Paragraph.

6. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM: If, at the expiration of the primary term, the pooled mineral is not being produced from the pooled area, but Lessee is then engaged in drilling or reworking operations thereon, this agreement shall remain in force so long as operations on said well or for drilling or reworking of any additional wells are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this agreement.

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

8. SHUT-IN ROYALTIES: For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If at any time after the end of the primary term, a well capable of producing the pooled mineral in paying quantities is located on the pooled area, but the pooled mineral is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to \$10.00 per acre pooled, but not less than \$1,200 for each well capable of producing the pooled mineral in paying quantities. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term (2) 60 days after the Lessee ceases to produce the pooled mineral from the pooled area, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the terms of this agreement; whichever date is latest. If the shut-in oil or gas royalty is paid, this agreement shall be considered to be a producing agreement and the payment shall extend the term of the agreement for a period of one year from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the pooled mineral exists, Lessee may extend this agreement for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

9. COMPENSATORY ROYALTIES: If, during the period the agreement is kept in effect by payment of the shut-in oil or gas royalty, the pooled mineral is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the pooled area and completed in the same producing reservoir, or in any case in which drainage of the pooled mineral is occurring, the right to continue to maintain the agreement by paying the shut-in oil or gas royalty shall cease, but the agreement shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the agreement for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in this agreement of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the pooled area. The compensatory royalty is to be paid monthly to the Commissioner beginning on or before the last day of the month following the month in which the pooled mineral is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the pooled area; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments, which are not timely paid, will accrue penalty and interest in accordance with Paragraph 3 of this agreement.

10. USE OF WATER; SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the pooled area; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land.

11. POLLUTION: In developing this pooled area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

(A) Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

(B) No discharge of solid waste or garbage shall be allowed into State waters from any drilling or support vessels, production platform, crew or supply boat, barge, jack-up rig or other equipment located on the pooled area. Solid waste shall include but shall not be limited to containers, equipment, rubbish, plastic, glass, and any other man-made non-biodegradable items. A sign must be displayed in a high traffic area on all vessels and manned platforms stating, "Discharge of any solid waste or garbage into State Waters from vessels or platforms is strictly prohibited and may subject this agreement to forfeiture." Such statement shall be in lettering of at least 1" in size.

(C) PENALTY: Failure to comply with the requirements of this provision may result in the maximum penalty allowed by law including forfeiture of the agreement. Lessee shall be liable for the damages caused by such failure and any costs and expenses incurred in cleaning areas affected by the discharged waste.

12. IDENTIFICATION MARKERS: Lessee shall erect, at a distance not to exceed twenty-five (25) feet from each well on the premises covered by this agreement, a legible sign on which shall be stated the name of the operator, the State Lease Number designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are

connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this agreement.

13. ASSIGNMENTS: The agreement may be transferred at any time; provided, however, that the liability of the transferor to properly discharge its obligation under the agreement, including properly plugging abandoned wells, removing platforms or pipelines, or remediation of contamination at drill sites shall pass to the transferee upon the prior written consent of the Commissioner of the General Land Office. The Commissioner may require the transferee to demonstrate financial responsibility and may require a bond or other security. All assignments must reference this agreement by the State Lease Number and must be recorded in the county where the pooled area is located, and the recorded assignment or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such assignment or certified copy thereof. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior transferee of the agreement, including any liabilities to the state for unpaid royalties.

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

15. FORFEITURE: If Lessee shall fail or refuse to make the payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this agreement, or if this agreement is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this agreement shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease or pooling. However, nothing herein shall be construed as waiving the automatic termination of this agreement by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this agreement and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this agreement and the rules and regulations that may be adopted relative hereto.

16. RIVERBED TRACTS: Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in N.R.C. Sections 52.092-52.093, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

17. APPLICABLE LAWS AND DRILLING RESTRICTIONS: This agreement shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land (specifically including any rules promulgated that relate to plans of operations), payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this agreement. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this agreement, to be bound by and subject to all statutory and regulatory provisions relating to the General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140

18. REMOVAL OF EQUIPMENT: Upon the termination of this agreement, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells on State Land without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the pooled area the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of the pooled mineral therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

19. FORCE MAJEURE: Should Lessee be prevented from complying with any express or implied covenant of this agreement, from conducting drilling operations thereon, or from producing the pooled mineral therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of operations suspended as provided in the rules and regulations adopted by the School Land Board); and this agreement shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing the pooled mineral from the pooled area; provided, however, that nothing herein shall be construed to suspend the or to abridge Lessee's right to a suspension under any applicable statute of this State.

20. SECURITY: Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from the pooled area. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points of the pooled area's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

21. SUCCESSORS AND ASSIGNS: The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

22. ANTIQUITIES CODE: In the event that any site, object, location, artifact or other feature of archaeological, scientific, educational, cultural, archeological or historical interest are encountered on Permanent School Fund Land during the activities authorized by this agreement, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN: Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78711) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (Vernon 1993 & Supp. 1998).

23. VENUE: Lessor and lessee, hereby agree that venue for any dispute arising out of a provision of this agreement, whether express or implied, regarding interpretation of this agreement, or relating in any way to this agreement or to applicable case law, statutes, or administrative rules, shall be in a court of competent jurisdiction located in Travis County, State of Texas.

24. FILING: Pursuant to Chapter 9 of the Tex. Bus. & Com. Code, this agreement must be filed of record in the office of the County Clerk in any county in which all or any part of the pooled area is located, and recorded copies thereof must be filed in the General Land Office.

EXHIBIT "2"

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each tract or lease included within said unit.
- (f) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 704 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (g) This Agreement shall not relieve Lessee from the duty of protecting the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (h) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

5.

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

DISSOLUTION:

6.

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

RATIFICATION/WAIVER:


7.

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

EXHIBIT "A"

Coleman/McDonald Area:

1. Oil and Gas Lease dated September 12, 2012 by and between Terry M. Jones, husband of/and Mary E. Jones, Lessor, and Manti Equity Partners, LP Lessee, recorded via Memorandum of Oil and Gas Lease Volume 1192, Page 186, ,
2. Oil and Gas Lease dated September 13, 2012 by and between Mark B. Lindsay husband of/and Patricia Hill Lindsay, Lessor, and Manti Equity Partners, LP, Lessee, recorded via Memorandum of Oil and Gas Lease Volume 1192, Page 184
3. Oil and Gas Lease dated September 17, 2012 by and between Jay C. Coleman, Husband of/and Joyce M. Coleman, Lessor, and Manti Equity Partners, LP, Lessee, recorded via Memorandum of Oil and Gas Lease Volume 1192, Page 182,
4. Oil and Gas Lease dated October 8, 2009, by and between Celia A. Clay, Lessor, and Texbrit Corporation, Lessee, recorded Volume 993, Page 73,
5. Oil and Gas Lease dated January 10, 2013 by and between Barbara Jeffrey (O'Neal) Clay, Lessor and Manti Equity Partners, LP, Lessee, recorded Volume 1228, Page 38,
6. Oil and Gas Lease dated December 4, 2009 by and between David Henry Clay, Lessor, and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease Volume 1002, Page 46,
7. Oil and Gas Lease dated December 14, 2009 by and between Diane Berniece Clay Shannahan, Lessor, and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease Volume 1002, Page 48,
8. Oil and Gas Lease dated December 3, 2009 by and between Donald Eugene Clay, Lessor and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease Volume 1002, Page 40,
9. Oil and Gas Lease dated October 9, 2009 by and between Kathryn Clay Martine, Trustee of the Kathryn Clay Martine Trust under the Last Will and Testament of Eugene J. Clay, Lessor and Texbrit Corporation, Lessee, recorded Volume 993, Page 87,
10. Oil and Gas Lease dated October 20, 2009 by and between Laura L. Clay, Lessor and Texbrit Corporation, Lessee, recorded Volume 1002, Page 290,
11. Oil and Gas Lease dated December 4, 2009 by and between Mary Louise Clay Charrin, Lessor, and Texbrit Corporation, Lessee, recorded Volume 1002, Page 34,
12. Oil and Gas Lease dated September 30, 2009 by and between Clay Michael Roth, Trustee of the Clay Michael Roth Trust, under the Last Will and Testament of Barbara Clay Rutherford, Lessor and Texbrit Corporation, Lessee, recorded Volume 993, Page 80,
13. Oil and Gas Lease dated December 7, 2009, by and between Ralph Walter Clay, Lessor, and Texbrit Corporation, Lessee, recorded Volume 1002, Page 36,
14. Oil and Gas Lease dated December 2, 2009 by and between Richard Louis Clay, Lessor, and Texbrit Corporation, Lessee, recorded Volume 1002, Page 32,
15. Oil and Gas Lease dated October 2, 2009 by and between Renee Clay Fagan, Trustee of the Renee Clay Fagan Trust under the Last Will and Testament of Eugene J. Clay, Lessor and texbrit Corporation, Lessee, recorded Volume 993, Page 94,
16. Oil and Gas Lease dated November 30, 2009 by and between Rosanne Clay Oliver, Lessor and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease Volume 1002, Page 38,
17. Oil and Gas Lease dated November 30, 2009 by and between Thomas Joseph Clay, Lessor and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease Volume 1002, Page 42

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18. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Betty Ann McDonald Leifeste, Lessor, and Clay Exploration, Inc., Lessee, recorded Volume 8244, Page 167,
 19. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Billy Lee McDonald, Lessor, and Clay Exploration, Inc., Lessee, recorded Volume 8244, Page 93,
 20. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Bobby Sam McDonald, Lessor, and Clay Exploration, Inc., Lessee, recorded Volume 8244, Page 88,
 21. Oil, Gas and Mineral Lease dated July 22, 2009, by and between Helen McDonald, Lessor, and East Texas Oil & Gas LLC, Lessee, recorded Volume 9283, Page 194,
 22. Oil, Gas and Mineral Lease dated July 22, 2009, by and between Adrian G. McDonald, Jr., Lessor, and East Texas Oil & Gas, LLC, Lessee, recorded Volume 9283, Page 195,
 23. Oil, Gas and Mineral Lease dated July 22, 2009, by and between Sammy L. McDonald, Lessor, and East Texas Oil & Gas, LLC, Lessee, recorded Volume 9283, Page 196,
 24. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Sammy L. McDonald, Lessor, and East Texas Oil & Gas, LLC, Lessee, recorded Volume 8244, Page 103,
 25. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Stephen K. McDonald, Lessor, and Clay Exploration, Inc., Lessee, recorded Volume 8244, Page 98,
 26. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Thomas Daniel McDonald, Lessor, and East Texas Oil & Gas, LLC, Lessee, recorded Volume 8244, Page 83,
 27. Oil, Gas and Mineral Lease dated September 1, 2009, by and between Ransom Family Limited Partnership, Lessor, and Unit Petroleum Company, Lessee, recorded Volume 9434, Page 72.

All recording references provided for herein for Oil, Gas and Mineral Leases identified as per the Deed Records of Brazos County, Texas

No.	Owner	Base Deed	Unit Acreage	Reference
1	Ransom Family	160 Ac.	180.24 Ac.	2846-323
2	State of Texas		20.22 Ac.	
3	Mark B. Lindsay	178.0727 Ac.	179.10 Ac.	347-842
4	Jay C. Coleman	176.9111 Ac.	176.78 Ac.	347-856
5	Jay C. Coleman	40 Ac.	39.76 Ac.	425-535
6	Michael Hurt	149.903 Ac.	107.90 Ac.	6244-256
		Total:	704.00 Ac.	

Bearings shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone. Acreage for unit tracts is shown by deed calls as furnished by Sabalo. The boundaries for the well lease setbacks are from an on the ground survey.

This plat represents the approximate planned location of the wellbores and exact as drilled well locations may differ. Production allocations shall be made based on the actual "as-drilled" location of the wells.

WELL LOCATION PLAT
SABALO EXPLORATION OPERATING,LLC
COLEMAN McDONALD 1H
704.00 ACRES
 U. F. CASE SURVEY, A-71, U. F. CASE SURVEY, A-222,
 ARCH D. LANCASTER SURVEY, A-150, A. A. McMILLICAN
 SURVEY, A-164 & PART OF THE NAVASOTA RIVER
 MADISON & BRAZOS COUNTIES, TEXAS

PROPOSED TERMINUS LOCATION	
N.A.D. 1983	N.A.D. 1922
TX. CENTRAL ZONE LAT: 30° 56' 06.450"	TX. CENTRAL ZONE LAT: 30° 56' 05.771"
LONG: 98° 12' 22.807"	LONG: 98° 12' 21.952"
N: 10327831.70'	N: 485248.94'
E: 3590156.01'	E: 3293656.42'

PROPOSED PENETRATION POINT	
N.A.D. 1983	N.A.D. 1922
TX. CENTRAL ZONE LAT: 30° 55' 15.482"	TX. CENTRAL ZONE LAT: 30° 55' 14.810"
LONG: 98° 11' 31.513"	LONG: 98° 11' 30.660"
N: 10322853.02'	N: 480271.29'
E: 3594791.51'	E: 3298311.90'

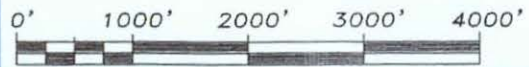
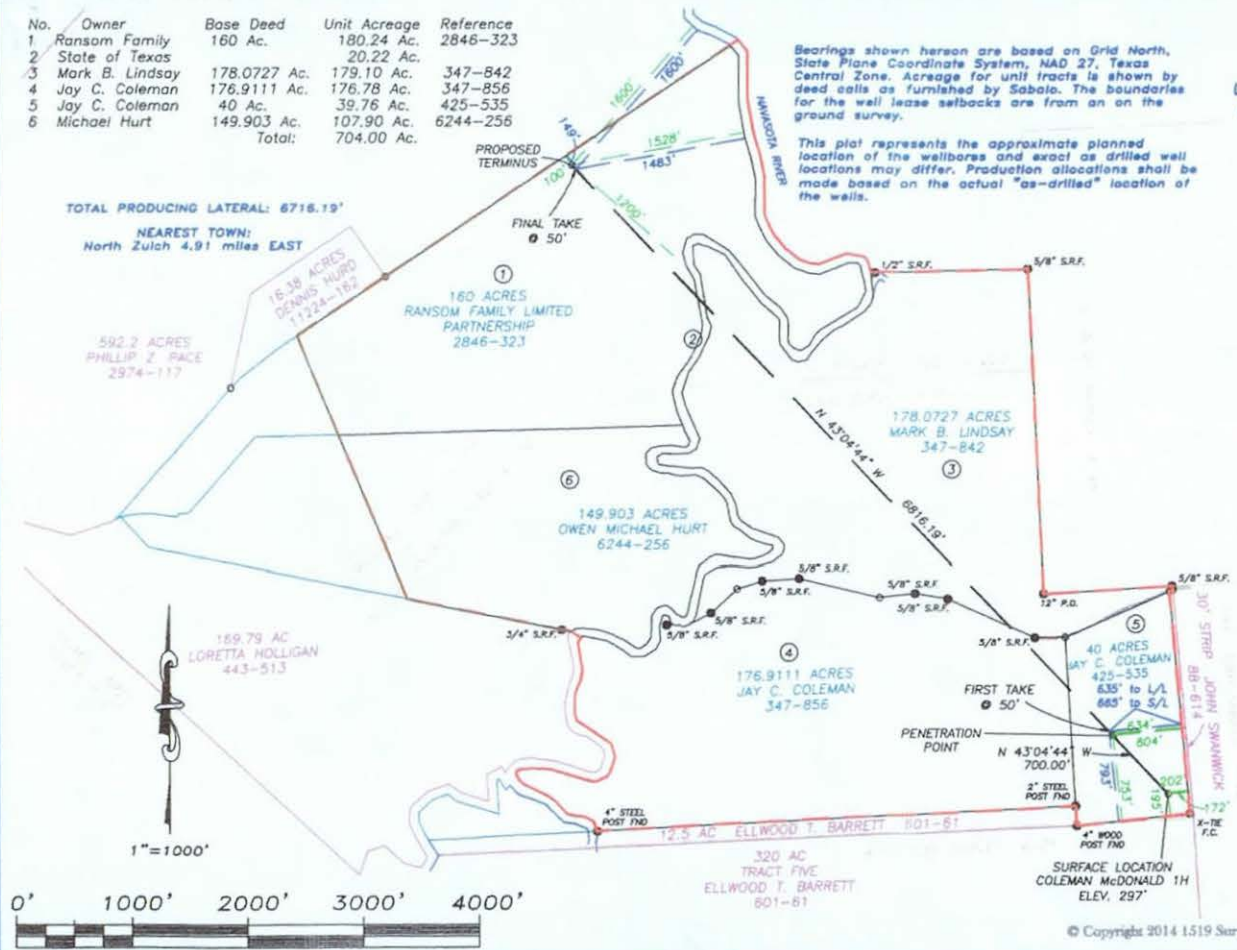
PROPOSED SURFACE LOCATION	
N.A.D. 1983	N.A.D. 1922
TX. CENTRAL ZONE LAT: 30° 55' 10.258"	TX. CENTRAL ZONE LAT: 30° 55' 09.578"
LONG: 98° 11' 26.248"	LONG: 98° 11' 25.393"
N: 10322341.73'	N: 479760.00'
E: 3595209.81'	E: 3298790.00'
ELEVATION: 297'	

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

June 10, 2014

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE.

Ray L. Vannoy
 R.P.L.S. No. 1988



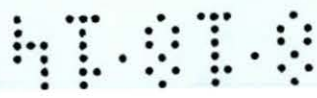
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1519 Surveying, LLC

7111 Bosque Blvd. Suite 101 Waco, TX 76710 Ph: 254-776-1519 TBPLS Firm# 10198968
 812 N. Dr. J.B. Riggs Drive Groesbeck, TX 76643 Ph: 254-729-7900 TBPLS Firm# 10118600

1519 Job: 5492	Drawn By: rlv
G.F. No.: 201304456	Sheet 1 of 1
Property Address:	Prepared For: Philip Bell Sabalo Exploration Operating, LLC

1519
 www.1519surveying.com
 www.1519gis.com



2

File No. M-116673
Pooling Agreement # 6893
Colenda McDonald v. F

Date Filed: 8/28/11
Jerry E. Patterson, Commissioner
By: [Signature]

000000

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 28, 2014

Mr. Philip N. Bell
Sabalo Exploration Operating, LLC
P. O. Box 2907
Corpus Christi, Texas 78403

RE: §52.076 Pooling Agreement
Coleman / McDonald Unit
M-116623 – GLO Unit No. 6893
Brazos and Madison Counties, Texas

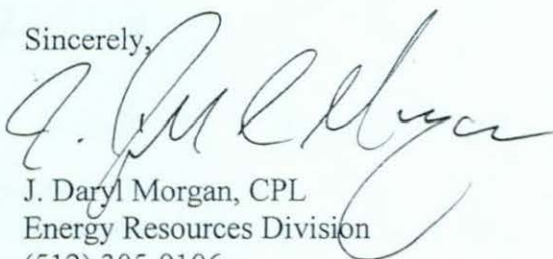
Dear Philip:

Enclosed is a duplicate original of the above referenced §52.076 Pooling Agreement that has been executed by Jerry E. Patterson, Commissioner of the Texas General Land Office (“GLO”). We have retained the other duplicate original of the Agreement, which will be filed in Mineral File **M-116623**. Please refer to this file number when reporting and paying royalties to the GLO and in all future correspondence involving the State’s unleased mineral interest within the referenced unit. For purposes of royalty reporting to the GLO, this Unit has been assigned **GLO Unit No. 6893**.

We also hereby acknowledge receipt of the \$22,200.00 as the consideration to the State for pooling the unleased interest.

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

Sincerely,



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

Enclosure

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

P.O. Box 12873 • Austin, Texas 78711-2873

512.463.5001 • 800.998.4GLO

glo.texas.gov

3

File No. M-116623
Ltr. to Sabalo

Date Filed: 8/20/14
Jerry E. Patterson, Commissioner

By: [Signature]

**DESIGNATION OF POOLED UNIT
COLEMAN MCDONALD #1H UNIT
BRAZOS AND MADISON COUNTIES, TEXAS**

The undersigned parties are the present owners of the Oil and Gas Lease (herein "Leases") described in Exhibit "A" attached hereto, and reference is hereby made for all purposes to said leases and any amendments, ratifications, extensions or other instruments pertaining thereto, which leases and related instruments are collectively hereafter called the "Leases".

NOW THEREFORE, the undersigned parties, by virtue of the authority conferred by the terms and provisions of the Leases, hereby pools, consolidates, combines and unitizes the Leases only insofar as the cover exploration, development and production of oil and gas, and associated hydrocarbons from the Woodbine Formation, hereafter called "Unitized Substances," in 704 gross acres from the Leases described in Exhibit "A" and depicted on the plat attached Exhibit "B" attached hereto, which lands are hereafter called "Unit Acreage," and pools, consolidates, combines and unitizes the royalties, working interests, overriding royalties and other interests, pertaining to the Leases, Unitized Substances and Unit Acreage for a single operating, production and completion unit known as the Coleman McDonald #1H Unit, hereafter called the "Unit". It is the intention of the undersigned parties to include, and the undersigned does hereby include, in the Unit all leases which the undersigned parties now own covering the Unit, and any additional lease or leases which may be hereafter acquired by the undersigned parties covering all or part of the Unit during the time the Unit remains effective. Subject to any conflicting provisions in the Leases:

1. The production of the Unitized Substances from a well from any part of the Unit Acreage shall constitute production of the Unitized Substances from all of the Leases contained in the Unit. Drilling or reworking operations or other operations conducted on any land or lease within the Unit for production of Unitized Substances from the Unit shall constitute such operations for the production of Unitized Substances on all lands and leases within the Unit.
2. Owners/parties hereby reserve the right, insofar as such rights may be permitted under the terms of the Leases, to amend this Designation of Pooled Unit from time to time and at any time in accordance therewith to add or remove formations, correct any area herein or to include within the unit area hereinabove described any uncommitted interest or unleased tracts of land or undivided interests located within the boundaries thereof, by appropriate amendment or ratification instrument or instruments signed by all parties to this Designation of Pooled unit correcting same or committing such uncommitted or outstanding interest to the unit.

1124056



3. The Unit hereby created shall become effective as of date of filing of this Designation of Pooled Unit or first production from the Coleman McDonald #1H Well, whichever occurs sooner, and shall remain in force until dissolved by written instrument duly executed and recorded in Brazos and Madison Counties, Texas, after a.) failure to establish unit production, b.) one hundred twenty (120) days after cessation of operations upon the above-described pooled unit or c.) one hundred twenty (120) days after cessation of production in commercial quantities; whichever is the last to occur. If, at any time, any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair or invalidate the unit as to any interest properly pooled or unitized hereby or is not otherwise committed to the unit.

4. For the purpose of computing the share of production, of unitized minerals to which each interest Owner is entitled, there shall be allocated to each of the tracts of land included within the unit created hereby, that portion of total production of unitized minerals from the unit area (after deducting any used for leases or unit operations) which the number of surface acres contained within such tract of land situated with the unit area bears to the total number of acres of land contained within the unit area, and production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty or other payments out of production, to be the entire production of unitized minerals from the tract of land to which it is allocated in the same manner as though produced from such tract of land.

This instrument may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument. Failure of any party hereto to execute a counterpart shall not render this instrument ineffective as to any other party hereto who does execute a counterpart thereof, but shall be binding upon each executing party and its, his or her heirs, legal representatives, successors and assigns. The executed counterparts may be combined into one or more instruments for recordation, by combining the signature pages and acknowledgments, and the executing parties agree that such instruments shall be treated and given effect for all purposes as a single instrument.

This Designation of Pooled Unit is binding on the parties signing this instrument, or a counterpart or ratification hereof, or any other instrument agreeing to the terms set forth in this instrument and shall be binding on such parties their heirs, successors and assigns.

EXECUTED by each party on the date shown for each such party's acknowledgement.

1124056



A True and Correct
Copy of Original
Filed in Madison
County Clerk's Office

INTEREST OWNERS

MANTI EQUITY PARTNERS, LP
(Unit Operator)



By: Barry K. Clark
Title: President

WM OPERATING, LLC

By:
Title:

EAST TEXAS OIL & GAS, LLC

By:
Title:

HAWKWOOD ENERGY OPERATING, LLC

By:
Title:

NOTARY ACKNOWLEDGMENTS

STATE OF Texas §
 §
COUNTY OF Moran §

This instrument was acknowledged before me on August 25, 2014, by Barry K. Clark, President of Sabalo Energy, LLC, a Texas limited liability company, on behalf of said company

Bill
Philip N. Bell


1124056


True and Correct
Copy of Original
Filed in Madison
County Clerk's Office

Notary Public, State of _____

My Commission Expires:

Doc Bk Vol Pg
01206106 OR 12233 181

STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2014, by

Notary Public, State of _____

My Commission Expires:

1124056



EXHIBIT A

1. Oil and Gas Lease dated September 12, 2012 by and between Terry M. Jones, husband of and Mary E. Jones, Lessor, and Manti Equity Partners, LP Lessee, recorded via Memorandum of Oil and Gas Lease in Volume 1192, Page 186, Official Records, Madison County, Texas;
2. Oil and Gas Lease dated September 13, 2012 by and between Mark B. Lindsay husband of and Patricia Hill Lindsay, Lessor, and Manti Equity Partners, LP, Lessee, recorded via Memorandum of Oil and Gas Lease in Volume 1192, Page 184, Official Records, Madison County, Texas;
3. Oil and Gas Lease dated September 17, 2012 by and between Jay C. Coleman, husband of and Joyce M. Coleman, Lessor, and Manti Equity Partners, LP, Lessee, recorded via Memorandum of Oil and Gas Lease in Volume 1192, Page 182, Official Records, Madison County, Texas;
4. Oil and Gas Lease dated October 8, 2009, by and between Cella A. Clay, Lessor, and Texbrit Corporation, Lessee, recorded in Volume 993, Page 73, Official Records, Madison County, Texas;
5. Oil and Gas Lease dated January 10, 2013 by and between Barbara Jeffrey (O'Neal) Clay, Lessor and Manti Equity Partners, LP, Lessee, recorded in Volume 1228, Page 38, Official Records, Madison County, Texas;
6. Oil and Gas Lease dated December 4, 2009 by and between David Henry Clay, Lessor, and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease in Volume 1002, Page 46, Official Records, Madison County, Texas;
7. Oil and Gas Lease dated December 14, 2009 by and between Diane Bernice Clay Shannahan, Lessor, and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease in Volume 1002, Page 48, Official Records, Madison County, Texas;
8. Oil and Gas Lease dated December 3, 2009 by and between Donald Eugene Clay, Lessor and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease in Volume 1002, Page 40, Official Records, Madison County, Texas;
9. Oil and Gas Lease dated October 9, 2009 by and between Kathryn Clay Martine, Trustee of the Kathryn Clay Martine Trust under the Last Will and Testament of Eugene J. Clay, Lessor and Texbrit Corporation, Lessee, recorded in Volume 993, Page 87, Official Records, Madison County, Texas;
10. Oil and Gas Lease dated October 20, 2009 by and between Laura L. Clay, Lessor and Texbrit Corporation, Lessee, recorded in Volume 1002, Page 290, Official Records, Madison County, Texas;
11. Oil and Gas Lease dated December 4, 2009 by and between Mary Louise Clay Charrin, Lessor, and Texbrit Corporation, Lessee, recorded in Volume 1002, Page 34, Official Records, Madison County, Texas;
12. Oil and Gas Lease dated September 30, 2009 by and between Clay Michael Roth, Trustee of the Clay Michael Roth Trust, under the Last Will and Testament of Barbara Clay Rutherford, Lessor and Texbrit Corporation, Lessee, recorded in Volume 993, Page 80, Official Records, Madison County, Texas;
13. Oil and Gas Lease dated December 7, 2009, by and between Ralph Walter Clay, Lessor, and Texbrit Corporation, Lessee, recorded in Volume 1002, Page 36, Official Records, Madison County, Texas;
14. Oil and Gas lease dated December 2, 2009 by and between Richard Louis Clay, Lessor, and Texbrit Corporation, Lessee, recorded in Volume 1002, Page 32, Official Records, Madison County, Texas;
15. Oil and Gas Lease dated October 2, 2009 by and between Renee Clay Fagan, Trustee of the Renee Clay Fagan Trust under the Last Will and Testament of Eugene J. Clay, Lessor and Texbrit Corporation, Lessee, recorded in Volume 993, Page 94, Official Records, Madison County, Texas;
16. Oil and Gas lease dated November 30, 2009 by and between Rosanne Clay Oliver, Lessor and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease in Volume 1002, Page 38, Official Records, Madison County, Texas;



17. Oil and Gas Lease dated November 30, 2009 by and between Thomas Joseph Clay, Lessor and Texbrit Corporation, Lessee, recorded via Memorandum of Oil and Gas Lease in Volume 1002, Page 42, Official Records, Madison County, Texas;
18. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Betty Ann McDonald Leifeste, Lessor, and Clay Exploration, Inc., Lessee, recorded in Volume 8244, Page ~~167~~ 168, Official Records, Brazos County, Texas;
19. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Billy Lee McDonald, Lessor, and Clay Exploration, Inc., Lessee, recorded in Volume 8244, Page 93, Official Records, Brazos County, Texas;
20. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Bubby Sam McDonald, Lessor, and Clay Exploration, Inc., Lessee, recorded in Volume 8244, Page 88, Official Records, Brazos County, Texas;
21. Oil, Gas and Mineral Lease dated July 22, 2009, by and between Helen McDonald, Lessor, and East Texas Oil & Gas LLC, Lessee, recorded in Volume 9283, Page 194, Official Records, Brazos County, Texas;
22. Oil, Gas and Mineral Lease dated July 22, 2009, by and between Adrian G. McDonald, Jr., Lessor, and East Texas Oil & Gas, LLC, Lessee, recorded in Volume 9283, Page 195, Official Records, Brazos County, Texas;
23. Oil, Gas and Mineral Lease dated July 22, 2009, by and between Sammy L. McDonald, Lessor, and East Texas Oil & Gas, LLC, Lessee, recorded in Volume 9283, Page 196, Official Records, Brazos County, Texas;
24. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Sammy L. McDonald, Lessor, and East Texas Oil & Gas, LLC, Lessee, recorded in Volume 8244, Page 103, Official Records, Brazos County, Texas;
25. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Stephen K. McDonald, Lessor, and Clay Exploration, Inc., Lessee, recorded in Volume 8244, Page 98, Official Records, Brazos County, Texas;
26. Oil, Gas and Mineral Lease dated August 1, 2007, by and between Thomas Daniel McDonald, Lessor, and East Texas Oil & Gas, LLC, Lessee, recorded in Volume 8244, Page 83, Official Records, Brazos County, Texas;
27. Oil, Gas and Mineral Lease dated September 1, 2009, by and between Ransom Family Limited Partnership, Lessor, and Unit Petroleum Company, Lessee, recorded in Volume 9434, Page 72, Official Records, Brazos County, Texas.



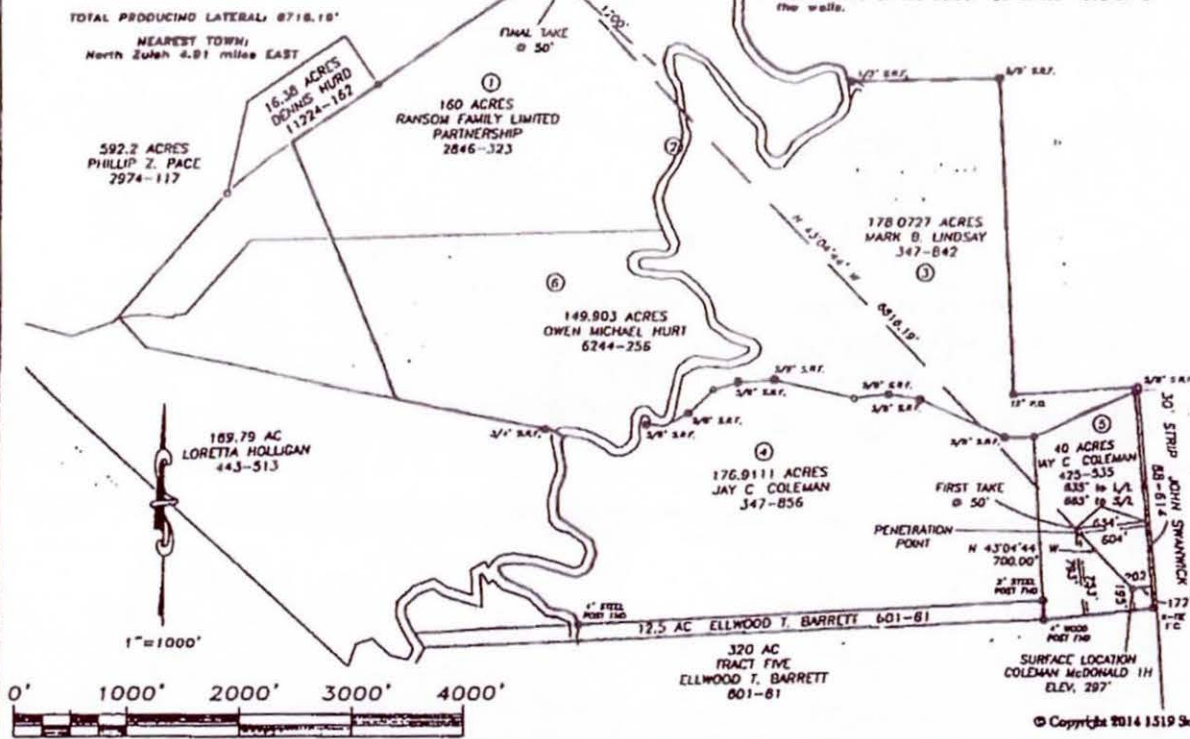


No.	Owner	Base Acre	Unit Acreage	Reference
1	Ransom Family	160 Ac.	160.24 Ac.	2846-323
2	State of Texas		20.22 Ac.	
3	Mark B. Lindsay	178.0727 Ac.	179.10 Ac.	347-842
4	Jay C. Coleman	176.9111 Ac.	178.78 Ac.	347-856
5	Jay C. Coleman	40 Ac.	39.76 Ac.	425-535
6	Michael Hurt	149.903 Ac.	107.90 Ac.	6244-256
		Total:	704.00 Ac.	

WELL LOCATION PLAT
SABALO EXPLORATION OPERATING, LLC
COLEMAN McDONALD 1H
704.00 ACRES
U. F. CASE SURVEY, A-71, U. F. CASE SURVEY, A-222,
ARCH D. LANCASTER SURVEY, A-150, A. A. McMILLICAN
SURVEY, A-184 & PART OF THE NAVASOTA RIVER
MADISON & BRAZOS COUNTIES, TEXAS

Bearings shown herein are based on Grid North, State Plane Coordinate System, NAD 27, Texas Central Zone. Assegs for unit tracts is shown by deed calls as furnished by Sabalo. The boundaries for the well lease setbacks are from an on the ground survey.

This plat represents the approximate planned location of the wellbores and areas as drilled well locations may differ. Production allocations shall be made based on the actual "as-drilled" location of the wells.



PROPOSED TERMINUS LOCATION	
N.A.D. 1983	N.A.D. 1982
TX. CENTRAL ZONE LAT: 30° 38' 08.230"	TX. CENTRAL ZONE LAT: 30° 38' 08.771"
LONG: 98° 11' 22.807"	LONG: 98° 11' 21.612"
N: 10327631.70'	N: 483340.04'
E: 389038.01'	E: 329388.43'

PROPOSED PENETRATION POINT	
N.A.D. 1983	N.A.D. 1982
TX. CENTRAL ZONE LAT: 30° 33' 10.482"	TX. CENTRAL ZONE LAT: 30° 33' 14.818"
LONG: 98° 11' 21.813"	LONG: 98° 11' 20.880"
N: 10322853.02'	N: 480271.39'
E: 3804791.81'	E: 3290311.90'

PROPOSED SURFACE LOCATION	
N.A.D. 1983	N.A.D. 1982
TX. CENTRAL ZONE LAT: 30° 33' 10.230"	TX. CENTRAL ZONE LAT: 30° 33' 08.579"
LONG: 98° 11' 22.248"	LONG: 98° 11' 23.233"
N: 10322841.73'	N: 479700.00'
E: 3363299.81'	E: 8200700.00'
ELEVATION: 297'	

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

June 10, 2014

PRELIMINARY. THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE.

Roy L. Vannoy
R.P.L.S. No. 1988

© Copyright 2014 1519 Surveying, LLC. The content, color, and style of this plat processed by Copyright and all rights are reserved.

1519 Surveying, LLC

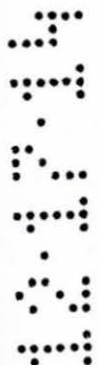
7111 Bosque Blvd. Suite 101 Waco, TX 76710 Ph: 254-776-1519 TBPLS Firm# 10192968
 812 N. Dr. J.B. Riggs Drive Groesbeck, TX 76649 Ph: 254-729-7900 TBPLS Firm# 10118600

1519 Job: 5492	Drawn By: rh
G.F. No.: 201304456	Sheet 1 of 1
Property Address:	Prepared For: Philip Bell Sabalo Exploration Operating, LLC

1519

www.1519surveying.com
www.1519gis.com





STATE OF TEXAS
COUNTY OF MADISON

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the Official Public Records of Madison County, Texas.

HONORABLE CHARLOTTE BARRETT, COUNTY CLERK
Madison County, TEXAS

Document Number: 88432

Amount: 50.00

Receipt Number: 15954

Vol: 1363 Page: 50

Recorded: Aug 27, 2014 at 11:14A

By:
Julia Arizpe, Deputy

Patricia Arizpe Corp
6226 Riverchase Trail
Lubbock TX 79405

STATE OF TEXAS
COUNTY OF MADISON

I, Charlotte Barrett, County Clerk of Madison County, Texas do hereby certify that the foregoing is a true and correct copy of the original record and as same appears on record to
Official Public Record Vol 1363
Page(s) 50-57 to Madison County, Texas
Given under my hand and seal of office on this day of
Aug 27 2014

By:  Deputy

Julia Arizpe

Doc Bl: Vol Pg
01206106 OR 12233 186

Filed for Record in:
BRAZOS COUNTY

On: Aug 27, 2014 at 11:59A

As a
Recording

Document Number: 01206106

Amount 52.00

Receipt Number - 520967

By:
Cynthia Rincon

STATE OF TEXAS COUNTY OF BRAZOS
I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the Official Public records of:

BRAZOS COUNTY

as stamped hereon by me.

Aug 27, 2014

Karen McQueen, Brazos County Clerk
BRAZOS COUNTY

417191

File No. MF 116623
Recorded Designation Coleman
McDonald IH Unit
Date Filed: 7/30/2015
By: Jerry E. Patterson, Commissioner
VH



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 31, 2015

Deborah Shamel
Sabalo Operating, LLC
PO BOX 2907
Corpus Christi, TX 78403

Re: State Lease No. MF116623 (Unit 6893) Coleman McDonald Unit 1H

Dear Mrs. Shamel:

The Texas General Land Office (GLO) has received your Division Order for the referenced unit. The 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

MF116623 / Unit 6893

DIVISION ORDER

To: Sabalo Exploration Operating, LLC
P. O. Box 2907
Corpus Christi, TX 78403
(361) 888-7708
FAX: (361) 888-4418

Date: December, 2014
Effective Date: Date of First Production

Property Name: Coleman McDonald Unit #1H
Operator: Sabalo Exploration Operating, LLC
County/State: Brazos and Madison Counties, Texas
Description: Coleman McDonald Unit #1H well, API No. 42-313-31138, comprised of 704 acres, more or less, located in the U. F. Case Survey , Abstract No. 71, the U. F. Case Survey, Abstract No. 222, the A. A. McMillican Survey, Abstract No. 164 and the A. D. Lancaster Survey, Abstract No. 150, Brazos and Madison Counties, Texas; more further described in Designation of Pooled Unit, recorded in Volume 12233, Page 178, Brazos County Texas and Vol. 1363, Page 50, Madison County, Texas.
Production: Oil and Gas

Owner Number	Owner Name/Address	Decimal Interest	Type of Interest
00202	State of Texas c/o Commission Of General Land Office Stephen F. Austin Bldg. 1700 N. Congress Avenue Austin, Texas 78701	.00718040 ✓ DK	RI

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above, payable by Sabalo Exploration Operating, LLC (Payor).

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

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

Payor may accrue proceeds until the total amount equals \$25.00, or pay annually, whichever occurs first, or as required by applicable state statute.

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

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

State of Texas

Owner Signature: _____

By: _____

Owner Tax I.D. Number: [REDACTED]

Owner Daytime Telephone: _____

Owner Email: _____

YOUR COPY

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31% tax withholding and will not be refunded by Payor.



December 12, 2014

TO: Royalty Interest Owners

FROM: Land Department – Deborah Shamel – Administrative Landman

RE: Coleman McDonald Unit #1H – API No. 42-313-31138
Division Order
Brazos County, Texas

Enclosed are duplicate copies of a Division Order covering your proportionate interest in the referenced Coleman McDonald Unit #1H well. Also enclosed is a recorded copy of the Unit Designation for your files.

Please return one signed copy of the Division Order, in the enclosed self-addressed envelope, the remaining copy of the Division Order may be retained for your files.

Should you have any questions regarding the Division Order please contact Deborah at DShamel@sabaloenergy.com or by phone at 361-888-7708.

Should you have any questions regarding the revenue disbursement timing or any information regarding the actual check please contact Melissa Sutton at MKsutton@sabaloenergy.com. Thank you.

Enclosures

File No. MF 116623
Division Order

Date Filed: 7/31/2015

Jerry E. Patterson, Commissioner

By VH

15.7.74



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 25, 2015

Clark Jobe, Attorney for MD America Energy, LLC
McElroy, Sullivan, Miller, Weber & Olmstead, LLP
1201 Spyglass Dr. Ste 200
Austin, TX 78746

Dear Mr. Jobe:

RE: GLO Assignment ID #9414 – MF116623 Brazos & Madison County

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

Assignment, Conveyance and Bill of Sale is effective September 1, 2014 from Manti Equity Partners LP, as assignor, to MD America Energy, LLC., as assignee.

Filing fees of \$100.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

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

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

P.O. Box 12873 • Austin, Texas 78711-2873

512.463.5001 • 800.998.4GLO

glo.texas.gov

**McELROY, SULLIVAN, MILLER,
WEBER & OLNSTEAD, L.L.P.**
Attorneys at Law

MF-116623

MAILING ADDRESS

P.O. BOX 12127
AUSTIN, TX 78711

1201 SPYGLASS DRIVE
SUITE 200
AUSTIN, TX 78746
WWW.MSMTX.COM

TELEPHONE
(512) 327-8111

FAX
(512) 327-6566

September 18, 2015

Mr. Mark Adams
Landman
Mineral Leasing, Energy Resources
Texas General Land Office
1700 No. Congress Avenue, 8th Floor
Austin, Texas 78701

RECEIVED
CB
9-18-15

Re: Assignment from Manti Equity Partners, LP into
MD America Energy, LLC,
MF-116623, Brazos and Madison Counties

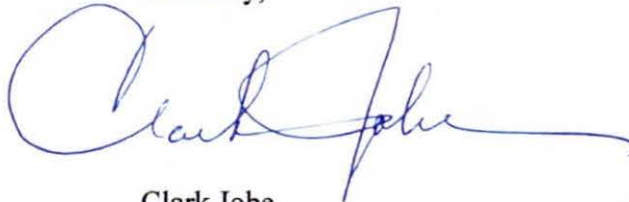
Dear Mr. Adams:

Enclosed are two certified copies of the same assignment affecting the above-referenced Mineral File. One copy has been filed of record in Brazos County; the other, in Madison County.

Also attached is Check No. 13587, in the amount of \$100 to cover the \$50 filing fee for the filing in each county. The Assignment was executed in May and June of this year, but was made effective as of September 1, 2014.

If I can provide you additional assistance with this assignment, please let me know. Thank you for your help with this matter.

Sincerely,



Clark Jobe
Attorney for MD America Energy, LLC

Enclosures:

Brazos County: Document 01236860 – Vol. 12815, Page 244
Madison County: Document 94057 – Vol. 1454, Page 70

03/11

McELROY, SULLIVAN, MILLER,
WEBER & OLMSTEAD, LLP
PETTY CASH ACCOUNT
P.O. BOX 12127
AUSTIN, TX 78711-2127

13587

30-9/1140
59

DATE 9/17/15

CHECK ARMOR

PAY TO THE ORDER OF

Texas General Land Office \$ 100.00
One hundred and 00/100 DOLLARS

 **Frost**
www.frostbank.com

MI=116623

Patricia J. Brees

FOR

⑈013587⑈

Receipt #

003982



Texas General Land Office
1700 North Congress Ave.
Austin, Texas 78701

Date: 9-18-15 Mail Code: _____

Dollars \$ 100.00

Received from McELROY, Sullivan, Miller,
Address Weber, & Olmstead, LLP
For MF 116623
CK# 13587

Cash Check Money Order Credit Card

Received by

[Signature]

ASSIGNMENT, CONVEYANCE AND BILL OF SALE

ID# 9414

STATE OF TEXAS
COUNTIES OF BRAZOS AND
MADISON

§
§
§

MF116623

eff 9-1-14

THIS ASSIGNMENT, CONVEYANCE, AND BILL OF SALE (this "Conveyance") is by and among **MANTI EQUITY PARTNERS LP**, a Texas limited partnership, whose address is 800 N. Shoreline Boulevard, Corpus Christi, Texas 78401 (herein called "Grantor") and **MD AMERICA ENERGY, LLC**, a Delaware limited liability company, whose mailing address is 301 Commerce St, Fort Worth, Texas 76102 (herein called "Grantee").

Article I
Assignment

Section 1.1 Assignment. Grantor, for Ten Dollars (\$10.00) and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER, and DELIVER unto Grantee all of Grantor's right, title, and interest in and to the following (exclusive of the Excluded Assets) (the "Assets"):

(i) the oil, gas and mineral leases (the "Leases"), leasehold interests, record title interests, mineral fee interests, operating rights, carried interests, reversionary interests, conversion rights and options, and other similar interests of whatever kind or character, whether legal or equitable, vested or contingent, in and to said Leases and interests described in the attached Exhibit A hereto, the land covered by said Leases and interests and the lands included in any pooled or communitized units and governmental unit orders covering any of such leases and interests described in Exhibit A (collectively, the "Lands"), whether or not such interests are described in Exhibit A:

(ii) any and all oil, gas, water, CO2, or injection or disposal wells thereon or on pooled, communitized, or unitized acreage that includes all or any part of the Properties, including the interests in the wells shown on Exhibit B, whether producing, non-producing, permanently or temporarily plugged and abandoned, whether or not fully described on Exhibit B (the "Wells");

(iii) all crude oil, natural gas, condensate, distillate, natural gasoline, natural gas liquids, plant products, refined petroleum products, other liquid or gaseous hydrocarbons (including, without limitation, coalbed methane), sulfur, other gases (including, without limitation, hydrogen and carbon dioxide), and every other mineral or substance, or any of them, the right to explore for which, or an interest in which, is granted pursuant to the Properties (collectively "Hydrocarbons") (a) produced from, or attributable to, the Properties from and after the Effective Date, (b) to the extent related or attributable to the Properties, all production, plant, and transportation imbalances as of the Effective Date, and (c) all Hydrocarbon inventories from or attributable to the Properties that are in pipelines, storage tanks, or other processing or storage facilities upstream of the delivery points to the relevant purchasers on the Effective Date:

SCANNED

SEP 03 2015 MB

(iv) any and all surface leases; rights-of-way and easements; operating agreements; exploration agreements; Hydrocarbon purchase, sales, exchange, processing, gathering, storage, treatment, compression, transportation and balancing agreements; farm-out and farm-in agreements (not otherwise expressly excluded and reserved herefrom); dry hole, bottom hole, acreage contribution, purchase and acquisition agreements; area of mutual interest agreements; salt water injection and disposal agreements; unitization, communitization or pooling agreements; permits; licenses; servitudes; and all other similar contracts and agreements and any amendments thereto relating to the Properties, to the extent applicable to the Properties (all such contracts and agreements and amendments thereto being herein referred to collectively as the "Existing Contracts"); provided, however, that the term "Existing Contracts" does not include the Leases or any recorded assignments thereof in Grantor's chain of title to the Properties;

(v) all valid Hydrocarbon unitization and pooling agreements and/or orders in effect with respect to the Properties, including, without limitation, all units formed under orders, rules, regulations, or other official acts of any Governmental Body having jurisdiction, voluntary unitization agreements, designations and/or declarations, and so-called "working interest units" created under operating agreements or otherwise relating to the Properties, together with all regulatory permits in effect with respect to the Properties;

(vi) all pipelines, plants, gathering and processing systems located on or under the Properties (including the pipeline system and gathering lines that are described and generally depicted on Exhibit B-2 to the Purchase Agreement), together with all equipment, machinery, fixtures, and other tangible personal property, appurtenances, and improvements (a) that are located on the Properties and are used or held for use primarily in connection with the operation of the Properties and the Wells or the production or transportation of Hydrocarbons therefrom, and (b) that have, prior to the date hereof, been charged or billed to the Properties or Wells or that are charged or billed to the Properties or Wells after the date hereof (the "Equipment");

(vii) all geological, geophysical and engineering information and data relating to the Properties, other than any such information and data the transfer of which requires consent of third parties under agreements and for which Grantor shall have utilized commercially reasonable efforts to obtain the consent of such third parties (but without obligation to expend funds unless paid by Grantee); and

(viii) all of the applicable files, records and data directly relating to the items described in subsections (i) through (vii) (but including only copies of the hereinafter described tax and accounting records), including, without limitation, joint interest billings, check receipts and third party disbursement records, copies of records relating to Property Taxes and severance, sales, excise, and other production-related taxes, legal files, land and lease files, title records, division order records, contracts, production records, electric logs, core data, pressure data and decline curves and graphical production curves, and all related matters in the possession of Grantor and relating to the items described in subsections (i) through (vii) except where the transfer or disclosure of such data and records is restricted by agreement with third parties (and Grantor shall have used commercially reasonable efforts to obtain consent to transfer from such third parties, but without obligation to expend funds unless paid by Grantee) or excluded by the terms of the Purchase Agreement (collectively the "Records"); provided, however, that Grantor has the rights with respect to such Records as provided in Section 1.4 of the Purchase Agreement.

EXCLUDING AND RESERVING unto Grantor, however, the items described in Section 1.2 below, all of which are excluded from this Conveyance and retained by Grantor.

Section 1.2 Excluded Assets. The Assets do not include, and there is hereby expressly excepted therefrom and reserved to Grantor, the following (the "Excluded Assets"):

- (i) all corporate, financial, legal, and Tax records of Grantor;
- (ii) all deposits, cash, checks in process of collection, cash equivalents, accounts receivable and funds attributable to the Assets, in each case, for the period prior to the Effective Date;
- (iii) all rights, interests, and claims that Grantor may have under any policy of insurance or indemnity, surety bond, or any insurance or condemnation proceeds or recoveries from third Persons relating to property damage or Casualty Loss affecting the Assets, in each case, occurring prior to the Effective Date;
- (iv) all claims, whether in contract, in tort, or arising by operation of law, and whether asserted or unasserted as of the Closing Date, that Grantor may have against any individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Body, and including any successor, by merger or otherwise, of any of the foregoing (each a "Person") arising out of acts, omissions, or events, or injury to or death of persons or loss or destruction of or damage to property, relating in any way to, the Assets that occurred prior to the Effective Date, except to the extent relating to obligations or liabilities assumed by Grantee under the Purchase Agreement; provided, however, that no such claim may be settled, compromised, or otherwise resolved in a manner that results in an obligation borne by Grantee or the Assets on and after the Effective Date without the prior written consent of Grantor;
- (v) any and all rights to use Grantor's names, marks, trade dress or insignia, or to use the name of Grantor, and all of Grantor's intellectual property, including, without limitation, proprietary or licensed computer software; patents; trade secrets; copyrights; all non-transferable geophysical data that is subject to restrictions upon transfer under agreements for which Grantor has utilized commercially reasonable efforts (without obligation of payment) to obtain requisite consents to transfer unless Grantee provides Grantor with evidence that Grantee has acquired a license to such geophysical data; economic analyses; and pricing forecasts;
- (vi) all amounts due or payable to Grantor as adjustments to insurance premiums related to the Assets for periods prior to the Effective Date;
- (vii) all claims of Grantor for any Tax refunds and loss carry-forwards and carry backs with respect to any Taxes relating to the Assets for periods prior to the Effective Date;
- (viii) all audit rights and all amounts due or payable to Grantor as refunds, adjustments, or settlements of disputes arising under the Properties or the Existing Contracts for periods prior to the Effective Date, except to the extent relating to obligations or liabilities assumed by Grantee under the Purchase Agreement;

- (ix) all inventories of pipe and equipment other than the Equipment;
- (x) Grantor's interests in office leases and buildings; and
- (xi) all interests, rights, property and assets listed on Schedule 1.6.

TO HAVE AND TO HOLD the Assets unto Grantee, its successors and assigns, forever, subject to, however, all of the following terms and conditions:

Section 1.3 Special Warranty and Disclaimers. Subject to the provisions of the Purchase Agreement, **GRANTOR WARRANTS DEFENSIBLE TITLE TO THE ASSETS UNTO GRANTEE AND GRANTEE'S LAWFUL SUCCESSORS AND ASSIGNS, AGAINST THE CLAIMS AND DEMANDS OF ALL PERSONS CLAIMING, OR TO CLAIM THE SAME, OR ANY PART THEREOF, BY, THROUGH, OR UNDER GRANTOR, BUT NOT OTHERWISE, SUBJECT TO THE PERMITTED ENCUMBRANCES.** Further, to the extent permitted by Law, Grantee shall be subrogated to Grantor's rights in and to representations, warranties, and covenants given with respect to the Assets including rights, claims and causes of action on title warranties made by Grantor's predecessors in interest. Grantor hereby grants and transfers to Grantee, its successors and assigns, to the extent so transferable and permitted by Law, the benefit of and the right to enforce the covenants, representations, and warranties including rights, claims, and causes of action on title warranties given or made by Grantor's predecessors, if any, which Grantor is entitled to enforce with respect to the Assets.

(i) **EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 6.2 OF THE PURCHASE AGREEMENT, IN THIS CONVEYANCE, OR IN THE CERTIFICATE DELIVERED BY GRANTOR AT THE CLOSING PURSUANT TO SECTION 11.4.9 OF THE PURCHASE AGREEMENT, GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE ASSETS. TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE OPERATIVE, THE DISCLAIMERS OF WARRANTIES CONTAINED IN THIS SECTION 1.3 ARE "CONSPICUOUS DISCLAIMERS" FOR PURPOSES OF ANY APPLICABLE LAW. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 6.2 OF THE PURCHASE AGREEMENT, IN THIS CONVEYANCE, OR IN THE CERTIFICATE DELIVERED BY GRANTOR AT THE CLOSING PURSUANT TO SECTION 11.4.9 OF THE PURCHASE AGREEMENT AND SUBJECT TO THE PROCEDURES AND REMEDIES APPLICABLE TO TITLE DEFECTS UNDER ARTICLE 3 OF THE PURCHASE AGREEMENT, CASUALTY LOSS UNDER ARTICLE 4 OF THE PURCHASE AGREEMENT, AND ENVIRONMENTAL DEFECTS UNDER ARTICLE 5 OF THE PURCHASE AGREEMENT, GRANTEE AGREES THAT GRANTOR IS DISCLAIMING ANY REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED AT COMMON LAW, BY STATUTE, OR OTHERWISE (ALL OF WHICH GRANTOR HEREBY DISCLAIMS AND GRANTEE EXPLICITLY WAIVES RELIANCE UPON), RELATING TO (I) TITLE, (II) OPERATING CONDITION, (III) MERCHANTABILITY, DESIGN, OR QUALITY, (IV) FITNESS FOR ANY PARTICULAR PURPOSE, (V) ABSENCE OF LATENT DEFECTS, (VI) ENVIRONMENTAL CONDITION OF THE ASSETS, (VII) VALUE OR FUTURE**

REVENUES, (VIII) THE CONTENTS, CHARACTER OR NATURE OF ANY REPORT OF ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, (IX) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS, OR (X) ANY OTHER MATTER WHATSOEVER, IT BEING UNDERSTOOD THAT, EXCEPT AS OTHERWISE PROVIDED IN THE PURCHASE AGREEMENT, THIS CONVEYANCE, OR GRANTOR'S CERTIFICATE AT CLOSING PURSUANT TO SECTION 11.4.9 OF THE PURCHASE AGREEMENT, GRANTOR IS CONVEYING TO GRANTEE, AND GRANTEE IS ACCEPTING, THE ASSETS "AS IS," "WHERE IS," "WITH ALL FAULTS," AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR, AND GRANTEE IS ASSUMING ALL RISK WITH RESPECT TO THE ASSETS, INCLUDING, WITHOUT LIMITATION, ALL RISK ASSOCIATED WITH TITLE DEFECTS AND ENVIRONMENTAL DEFECTS WHICH ARE DEEMED TO HAVE BEEN WAIVED UNDER THE TERMS OF THIS CONVEYANCE.

(ii) GRANTEE WAIVES ITS RIGHTS, IF ANY, UNDER THE DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTION 17.41, ET SEQ., TEXAS BUSINESS AND COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF ITS OWN SELECTION, GRANTEE VOLUNTARILY CONSENTS TO THIS WAIVER.

(iii) Except for the special warranty of title set forth in this Conveyance and without limiting Grantee's remedies for Title Defects set forth in Article 3 of the Purchase Agreement, (a) Grantor makes no warranty or representation, express, implied, statutory or otherwise, with respect to Grantor's title to any of the Assets, and (b) Grantee hereby acknowledges and agrees that Grantee's sole remedy for any defect of title, including any Title Defect, with respect to the Assets shall be pursuant to the special warranty of title set forth in this Conveyance.

(iv) Without limiting Grantee's remedies for Environmental Defects set forth in Article 5 of the Purchase Agreement, and except for Grantor's express representations and warranties set forth in Section 6.2.21 of the Purchase Agreement and in Grantor's Officer's Certificate delivered at Closing pursuant to Section 11.4.9 of the Purchase Agreement, (a) Grantor makes no warranty or representation, express, implied statutory or otherwise, with respect to environmental matters, and (b) Grantee hereby acknowledges and agrees that Grantee's exclusive right and remedy for any environmental matter, including any Environmental Defect, with respect to the Assets shall be set forth in Article 5 and Section 12.3.4(b) of the Purchase Agreement.

Article II Assumption and Retention of Obligations

Section 2.1 Assumed Obligations. Subject to the terms of the Purchase Agreement, Grantee assumes and agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all of the Assumed Obligations.

Section 2.2 Existing Contracts. Grantee is taking the Assets subject to the terms of all of the Existing Contracts, and hereby assumes and agrees (in each case) to fulfill, perform, pay and discharge all of Grantor's obligations thereunder, subject in each case to the terms of the Purchase Agreement.

Section 2.3 Retained Obligations. Subject to the terms of the Purchase Agreement, Grantee retains and agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all of the Retained Obligations.

Article III Miscellaneous

Section 3.1 Subject to Agreement. This Conveyance is subject to the terms and provisions of that certain Purchase and Sale Agreement (the "Purchase Agreement") dated as of December 1, 2014 between Grantor and Grantee. To the extent of any conflict between the terms and provisions of this Conveyance and the Purchase Agreement, the terms and provisions of the Purchase Agreement shall govern and control in all cases. Capitalized terms used in this Conveyance that are not otherwise defined in this Conveyance have the meaning given those terms in the Purchase Agreement.

Section 3.2 Further Assurances. Grantor and Grantee shall execute, acknowledge, and deliver all such further documents and instruments and take such other actions, as are necessary or useful in carrying out the purposes of this Conveyance.

Section 3.3 Successors and Assigns. This Conveyance shall be binding upon and inure to the benefit of the Parties and their respective permitted successors, assigns, and legal representatives.

Section 3.4 Headings. The headings of articles and sections used in this Conveyance are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Conveyance.

Section 3.5 Execution in Counterparts. This Conveyance is being executed in several counterparts all of which are identical except that, to facilitate recordation, certain counterparts hereof may contain only that portion of the Exhibits which contains specific descriptions of Assets located in the recording jurisdiction in which the particular counterpart is to be recorded, with other portions of the Exhibits being included in such counterparts by reference only. All of such counterparts together shall constitute one and the same instrument.

Section 3.6 Waiver. No waiver of any of the provisions of this Conveyance shall be deemed or shall constitute a waiver of any other provisions of this Conveyance (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 3.7 GOVERNING LAW. **THIS VALIDITY OF THIS CONVEYANCE (AND THE WARRANTIES OF TITLE THEREUNDER) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTIONS IN WHICH THE ASSETS ARE LOCATED (EXCEPT ANY CONFLICTS OF LAWS RULES OR PRINCIPLES OF SUCH JURISDICTION WHICH MIGHT COMPEL APPLICATION OF THE LAWS OF ANOTHER JURISDICTION).**

Section 3.8 Waiver of Jury Trial. THE PARTIES WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS CONVEYANCE, THE TRANSACTIONS CONTEMPLATED HEREBY, OR ANY DOCUMENT EXECUTED IN CONNECTION HEREWITH.

Signature and acknowledgment pages follow

IN WITNESS WHEREOF this Conveyance has been executed by parties on the date of their respective acknowledgments effective for all purposes, as of 7:00 a.m. local time at the locations of the Assets, on September 1, 2014 (the "Effective Date").


"GRANTOR"

MANTI EQUITY PARTNERS LP

By: Manti Equity Partners GP, LLC, its general partner

By: Manti Exploration, LP, its sole member

By: Manti Exploration GP, LLC, its general partner

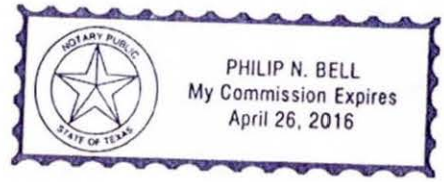
By: 
Name: Barry K. Clark
Title: President

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the 4th day of June, 2015, by Barry K. Clark, the President of **MANTI EXPLORATION GP, LLC**, a limited liability company, the general partner of **MANTI EXPLORATION, LP**, a limited partnership, the sole member of **MANTI EQUITY PARTNERS GP, LLC**, a limited liability company, the general partner of **MANTI EQUITY PARTNERS LP**, a limited partnership, on behalf of said limited partnership.

Philip N. Bell



“GRANTEE”

MD AMERICA ENERGY, LLC

By: C. Eric Waller
Name: C. Eric Waller
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Texas §
COUNTY OF Tarrant §

This instrument was acknowledged before me on the 29th day of May, 2015, by C. Eric Waller, the Chief Executive Officer of **MD AMERICA ENERGY, LLC**, a Delaware limited liability company, on behalf of said limited liability company.

Deanna Short O'Neil

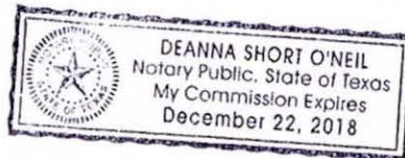


EXHIBIT A

LEASES

I. BRAZOS COUNTY, TEXAS

<u>LESSOR</u>	<u>LESSEE</u>	<u>RECORDING DATA</u>	<u>LEASE DATE</u>
State of Texas Pooling Agreement No. M-116623	Manti Equity Partners, LP	Vol. 12248, Pg. 286	7/1/2014

All references in this Section I are to the Official Public Records of Brazos County, Texas.

II. MADISON COUNTY, TEXAS

<u>LESSOR</u>	<u>LESSEE</u>	<u>RECORDING DATA</u>	<u>LEASE DATE</u>
State of Texas Pooling Agreement No. M-116623	Manti Equity Partners, LP	Vol. 1365, Pg. 91	7/1/2014

All references in this Section II are to the Official Public Records of Madison County, Texas.

End of Exhibit A

Filed for Record in:
BRAZOS COUNTY

On: Jul 15, 2015 at 01:30P

As a
Recordings

Document Number: 01236860

Amount 56.00

Receipt Number - 550092

By:
Becky Wright

STATE OF TEXAS COUNTY OF BRAZOS
I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the Official Public records of:

BRAZOS COUNTY

as stamped hereon by me.

Jul 15, 2015

Karen McQueen, Brazos County Clerk
BRAZOS COUNTY

-----*
Official Receipt for Recording in:

Brazos County Clerk
P.O. BOX 111
Official Records Department
Bryan 77806-0111

Issued To:
M D AMERICA
301 COMMERCE ST SUITE 2500
FORT WORTH TX 76102

Recording Fees

Document Description	Number	Volm	Page	Recording Amount
Recording	01236860	12815	00244	56.00
NORECORD	01236861	12815	00254	28.00
NORECORD	01236862	12815	00257	28.00

				112.00

Collected Amounts

Payment Type		Amount
Check	47173	56.00
Check	46095	56.00

		112.00

Total Received : 112.00
Less Total Recordings: 112.00

Change Due : .00

Thank You
KAREN MCQUEEN - Brazos County Clerk

By - Becky Wright

Receipt# Date Time
0550092 07/15/2015 01:30p

ZD# 9414

Doc 94057 Bk DR Vol 1454 Ps 70

ASSIGNMENT, CONVEYANCE AND BILL OF SALE

STATE OF TEXAS §
COUNTIES OF BRAZOS AND §
MADISON §

MF116623
eff 9-1-14

THIS ASSIGNMENT, CONVEYANCE, AND BILL OF SALE (this "Conveyance") is by and among MANTI EQUITY PARTNERS LP, a Texas limited partnership, whose address is 800 N. Shoreline Boulevard, Corpus Christi, Texas 78401 (herein called "Grantor") and MD AMERICA ENERGY, LLC, a Delaware limited liability company, whose mailing address is 301 Commerce St, Fort Worth, Texas 76102 (herein called "Grantee").

Article I
Assignment

Section 1.1 Assignment. Grantor, for Ten Dollars (\$10.00) and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER, and DELIVER unto Grantee all of Grantor's right, title, and interest in and to the following (exclusive of the Excluded Assets) (the "Assets"):

(i) the oil, gas and mineral leases (the "Leases"), leasehold interests, record title interests, mineral fee interests, operating rights, carried interests, reversionary interests, conversion rights and options, and other similar interests of whatever kind or character, whether legal or equitable, vested or contingent, in and to said Leases and interests described in the attached Exhibit A hereto, the land covered by said Leases and interests and the lands included in any pooled or communitized units and governmental unit orders covering any of such leases and interests described in Exhibit A (collectively, the "Lands"), whether or not such interests are described in Exhibit A;

(ii) any and all oil, gas, water, CO2, or injection or disposal wells thereon or on pooled, communitized, or unitized acreage that includes all or any part of the Properties, including the interests in the wells shown on Exhibit B, whether producing, non-producing, permanently or temporarily plugged and abandoned, whether or not fully described on Exhibit B (the "Wells");

(iii) all crude oil, natural gas, condensate, distillate, natural gasoline, natural gas liquids, plant products, refined petroleum products, other liquid or gaseous hydrocarbons (including, without limitation, coalbed methane), sulfur, other gases (including, without limitation, hydrogen and carbon dioxide), and every other mineral or substance, or any of them, the right to explore for which, or an interest in which, is granted pursuant to the Properties (collectively "Hydrocarbons") (a) produced from, or attributable to, the Properties from and after the Effective Date, (b) to the extent related or attributable to the Properties, all production, plant, and transportation imbalances as of the Effective Date, and (c) all Hydrocarbon inventories from or attributable to the Properties that are in pipelines, storage tanks, or other processing or storage facilities upstream of the delivery points to the relevant purchasers on the Effective Date;

SCANNED

SEP 03 2015

(iv) any and all surface leases; rights-of-way and easements; operating agreements; exploration agreements; Hydrocarbon purchase, sales, exchange, processing, gathering, storage, treatment, compression, transportation and balancing agreements; farm-out and farm-in agreements (not otherwise expressly excluded and reserved herefrom); dry hole, bottom hole, acreage contribution, purchase and acquisition agreements; area of mutual interest agreements; salt water injection and disposal agreements; unitization, communitization or pooling agreements; permits; licenses; servitudes; and all other similar contracts and agreements and any amendments thereto relating to the Properties, to the extent applicable to the Properties (all such contracts and agreements and amendments thereto being herein referred to collectively as the "Existing Contracts"); provided, however, that the term "Existing Contracts" does not include the Leases or any recorded assignments thereof in Grantor's chain of title to the Properties;

(v) all valid Hydrocarbon unitization and pooling agreements and/or orders in effect with respect to the Properties, including, without limitation, all units formed under orders, rules, regulations, or other official acts of any Governmental Body having jurisdiction, voluntary unitization agreements, designations and/or declarations, and so-called "working interest units" created under operating agreements or otherwise relating to the Properties, together with all regulatory permits in effect with respect to the Properties;

(vi) all pipelines, plants, gathering and processing systems located on or under the Properties (including the pipeline system and gathering lines that are described and generally depicted on Exhibit B-2 to the Purchase Agreement), together with all equipment, machinery, fixtures, and other tangible personal property, appurtenances, and improvements (a) that are located on the Properties and are used or held for use primarily in connection with the operation of the Properties and the Wells or the production or transportation of Hydrocarbons therefrom, and (b) that have, prior to the date hereof, been charged or billed to the Properties or Wells or that are charged or billed to the Properties or Wells after the date hereof (the "Equipment");

(vii) all geological, geophysical and engineering information and data relating to the Properties, other than any such information and data the transfer of which requires consent of third parties under agreements and for which Grantor shall have utilized commercially reasonable efforts to obtain the consent of such third parties (but without obligation to expend funds unless paid by Grantee); and

(viii) all of the applicable files, records and data directly relating to the items described in subsections (i) through (vii) (but including only copies of the hereinafter described tax and accounting records), including, without limitation, joint interest billings, check receipts and third party disbursement records, copies of records relating to Property Taxes and severance, sales, excise, and other production-related taxes, legal files, land and lease files, title records, division order records, contracts, production records, electric logs, core data, pressure data and decline curves and graphical production curves, and all related matters in the possession of Grantor and relating to the items described in subsections (i) through (vii) except where the transfer or disclosure of such data and records is restricted by agreement with third parties (and Grantor shall have used commercially reasonable efforts to obtain consent to transfer from such third parties, but without obligation to expend funds unless paid by Grantee) or excluded by the terms of the Purchase Agreement (collectively the "Records"); provided, however, that Grantor has the rights with respect to such Records as provided in Section 1.4 of the Purchase Agreement.

EXCLUDING AND RESERVING unto Grantor, however, the items described in Section 1.2 below, all of which are excluded from this Conveyance and retained by Grantor.

Section 1.2 Excluded Assets. The Assets do not include, and there is hereby expressly excepted therefrom and reserved to Grantor, the following (the "Excluded Assets"):

- (i) all corporate, financial, legal, and Tax records of Grantor;
- (ii) all deposits, cash, checks in process of collection, cash equivalents, accounts receivable and funds attributable to the Assets, in each case, for the period prior to the Effective Date;
- (iii) all rights, interests, and claims that Grantor may have under any policy of insurance or indemnity, surety bond, or any insurance or condemnation proceeds or recoveries from third Persons relating to property damage or Casualty Loss affecting the Assets, in each case, occurring prior to the Effective Date;
- (iv) all claims, whether in contract, in tort, or arising by operation of law, and whether asserted or unasserted as of the Closing Date, that Grantor may have against any individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Body, and including any successor, by merger or otherwise, of any of the foregoing (each a "Person") arising out of acts, omissions, or events, or injury to or death of persons or loss or destruction of or damage to property, relating in any way to, the Assets that occurred prior to the Effective Date, except to the extent relating to obligations or liabilities assumed by Grantee under the Purchase Agreement; provided, however, that no such claim may be settled, compromised, or otherwise resolved in a manner that results in an obligation borne by Grantee or the Assets on and after the Effective Date without the prior written consent of Grantor;
- (v) any and all rights to use Grantor's names, marks, trade dress or insignia, or to use the name of Grantor, and all of Grantor's intellectual property, including, without limitation, proprietary or licensed computer software; patents; trade secrets; copyrights; all non-transferable geophysical data that is subject to restrictions upon transfer under agreements for which Grantor has utilized commercially reasonable efforts (without obligation of payment) to obtain requisite consents to transfer unless Grantee provides Grantor with evidence that Grantee has acquired a license to such geophysical data; economic analyses; and pricing forecasts;
- (vi) all amounts due or payable to Grantor as adjustments to insurance premiums related to the Assets for periods prior to the Effective Date;
- (vii) all claims of Grantor for any Tax refunds and loss carry-forwards and carry backs with respect to any Taxes relating to the Assets for periods prior to the Effective Date;
- (viii) all audit rights and all amounts due or payable to Grantor as refunds, adjustments, or settlements of disputes arising under the Properties or the Existing Contracts for periods prior to the Effective Date, except to the extent relating to obligations or liabilities assumed by Grantee under the Purchase Agreement;

- (ix) all inventories of pipe and equipment other than the Equipment;
- (x) Grantor's interests in office leases and buildings; and
- (xi) all interests, rights, property and assets listed on Schedule 1.6.

TO HAVE AND TO HOLD the Assets unto Grantee, its successors and assigns, forever, subject to, however, all of the following terms and conditions:

Section 1.3 Special Warranty and Disclaimers. Subject to the provisions of the Purchase Agreement, **GRANTOR WARRANTS DEFENSIBLE TITLE TO THE ASSETS UNTO GRANTEE AND GRANTEE'S LAWFUL SUCCESSORS AND ASSIGNS, AGAINST THE CLAIMS AND DEMANDS OF ALL PERSONS CLAIMING, OR TO CLAIM THE SAME, OR ANY PART THEREOF, BY, THROUGH, OR UNDER GRANTOR, BUT NOT OTHERWISE, SUBJECT TO THE PERMITTED ENCUMBRANCES.** Further, to the extent permitted by Law, Grantee shall be subrogated to Grantor's rights in and to representations, warranties, and covenants given with respect to the Assets including rights, claims and causes of action on title warranties made by Grantor's predecessors in interest. Grantor hereby grants and transfers to Grantee, its successors and assigns, to the extent so transferable and permitted by Law, the benefit of and the right to enforce the covenants, representations, and warranties including rights, claims, and causes of action on title warranties given or made by Grantor's predecessors, if any, which Grantor is entitled to enforce with respect to the Assets.

(i) **EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 6.2 OF THE PURCHASE AGREEMENT, IN THIS CONVEYANCE, OR IN THE CERTIFICATE DELIVERED BY GRANTOR AT THE CLOSING PURSUANT TO SECTION 11.4.9 OF THE PURCHASE AGREEMENT, GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE ASSETS. TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE OPERATIVE, THE DISCLAIMERS OF WARRANTIES CONTAINED IN THIS SECTION 1.3 ARE "CONSPICUOUS DISCLAIMERS" FOR PURPOSES OF ANY APPLICABLE LAW. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 6.2 OF THE PURCHASE AGREEMENT, IN THIS CONVEYANCE, OR IN THE CERTIFICATE DELIVERED BY GRANTOR AT THE CLOSING PURSUANT TO SECTION 11.4.9 OF THE PURCHASE AGREEMENT AND SUBJECT TO THE PROCEDURES AND REMEDIES APPLICABLE TO TITLE DEFECTS UNDER ARTICLE 3 OF THE PURCHASE AGREEMENT, CASUALTY LOSS UNDER ARTICLE 4 OF THE PURCHASE AGREEMENT, AND ENVIRONMENTAL DEFECTS UNDER ARTICLE 5 OF THE PURCHASE AGREEMENT, GRANTEE AGREES THAT GRANTOR IS DISCLAIMING ANY REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED AT COMMON LAW, BY STATUTE, OR OTHERWISE (ALL OF WHICH GRANTOR HEREBY DISCLAIMS AND GRANTEE EXPLICITLY WAIVES RELIANCE UPON), RELATING TO (I) TITLE, (II) OPERATING CONDITION, (III) MERCHANTABILITY, DESIGN, OR QUALITY, (IV) FITNESS FOR ANY PARTICULAR PURPOSE, (V) ABSENCE OF LATENT DEFECTS, (VI) ENVIRONMENTAL CONDITION OF THE ASSETS, (VII) VALUE OR FUTURE**

REVENUES, (VIII) THE CONTENTS, CHARACTER OR NATURE OF ANY REPORT OF ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, (IX) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS, OR (X) ANY OTHER MATTER WHATSOEVER, IT BEING UNDERSTOOD THAT, EXCEPT AS OTHERWISE PROVIDED IN THE PURCHASE AGREEMENT, THIS CONVEYANCE, OR GRANTOR'S CERTIFICATE AT CLOSING PURSUANT TO SECTION 11.4.9 OF THE PURCHASE AGREEMENT, GRANTOR IS CONVEYING TO GRANTEE, AND GRANTEE IS ACCEPTING, THE ASSETS "AS IS," "WHERE IS," "WITH ALL FAULTS," AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR, AND GRANTEE IS ASSUMING ALL RISK WITH RESPECT TO THE ASSETS, INCLUDING, WITHOUT LIMITATION, ALL RISK ASSOCIATED WITH TITLE DEFECTS AND ENVIRONMENTAL DEFECTS WHICH ARE DEEMED TO HAVE BEEN WAIVED UNDER THE TERMS OF THIS CONVEYANCE.

(ii) GRANTEE WAIVES ITS RIGHTS, IF ANY, UNDER THE DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTION 17.41, ET SEQ., TEXAS BUSINESS AND COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF ITS OWN SELECTION, GRANTEE VOLUNTARILY CONSENTS TO THIS WAIVER.

(iii) Except for the special warranty of title set forth in this Conveyance and without limiting Grantee's remedies for Title Defects set forth in Article 3 of the Purchase Agreement, (a) Grantor makes no warranty or representation, express, implied, statutory or otherwise, with respect to Grantor's title to any of the Assets, and (b) Grantee hereby acknowledges and agrees that Grantee's sole remedy for any defect of title, including any Title Defect, with respect to the Assets shall be pursuant to the special warranty of title set forth in this Conveyance.

(iv) Without limiting Grantee's remedies for Environmental Defects set forth in Article 5 of the Purchase Agreement, and except for Grantor's express representations and warranties set forth in Section 6.2.21 of the Purchase Agreement and in Grantor's Officer's Certificate delivered at Closing pursuant to Section 11.4.9 of the Purchase Agreement, (a) Grantor makes no warranty or representation, express, implied statutory or otherwise, with respect to environmental matters, and (b) Grantee hereby acknowledges and agrees that Grantee's exclusive right and remedy for any environmental matter, including any Environmental Defect, with respect to the Assets shall be set forth in Article 5 and Section 12.3.4(b) of the Purchase Agreement.

Article II
Assumption and Retention of Obligations

Section 2.1 Assumed Obligations. Subject to the terms of the Purchase Agreement, Grantee assumes and agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all of the Assumed Obligations.

Section 2.2 Existing Contracts. Grantee is taking the Assets subject to the terms of all of the Existing Contracts, and hereby assumes and agrees (in each case) to fulfill, perform, pay and discharge all of Grantor's obligations thereunder, subject in each case to the terms of the Purchase Agreement.

Section 2.3 Retained Obligations. Subject to the terms of the Purchase Agreement, Grantee retains and agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all of the Retained Obligations.

Article III
Miscellaneous

Section 3.1 Subject to Agreement. This Conveyance is subject to the terms and provisions of that certain Purchase and Sale Agreement (the "Purchase Agreement") dated as of December 1, 2014 between Grantor and Grantee. To the extent of any conflict between the terms and provisions of this Conveyance and the Purchase Agreement, the terms and provisions of the Purchase Agreement shall govern and control in all cases. Capitalized terms used in this Conveyance that are not otherwise defined in this Conveyance have the meaning given those terms in the Purchase Agreement.

Section 3.2 Further Assurances. Grantor and Grantee shall execute, acknowledge, and deliver all such further documents and instruments and take such other actions, as are necessary or useful in carrying out the purposes of this Conveyance.

Section 3.3 Successors and Assigns. This Conveyance shall be binding upon and inure to the benefit of the Parties and their respective permitted successors, assigns, and legal representatives.

Section 3.4 Headings. The headings of articles and sections used in this Conveyance are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Conveyance.

Section 3.5 Execution in Counterparts. This Conveyance is being executed in several counterparts all of which are identical except that, to facilitate recordation, certain counterparts hereof may contain only that portion of the Exhibits which contains specific descriptions of Assets located in the recording jurisdiction in which the particular counterpart is to be recorded, with other portions of the Exhibits being included in such counterparts by reference only. All of such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF this Conveyance has been executed by parties on the date of their respective acknowledgments effective for all purposes, as of 7:00 a.m. local time at the locations of the Assets, on September 1, 2014 (the "Effective Date").

"GRANTOR"

MANTI EQUITY PARTNERS LP

By: Manti Equity Partners GP, LLC, its general partner
By: Manti Exploration, LP, its sole member
By: Manti Exploration GP, LLC, its general partner

By: 
Name: Barry K. Clark
Title: President

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the 4th day of June, 2015, by Barry K. Clark, the President of MANTI EXPLORATION GP, LLC, a limited liability company, the general partner of MANTI EXPLORATION, LP, a limited partnership, the sole member of MANTI EQUITY PARTNERS GP, LLC, a limited liability company, the general partner of MANTI EQUITY PARTNERS LP, a limited partnership, on behalf of said limited partnership.

Philip N. Bell



EXHIBIT A

Doc 94057 Bk OR Vol 1454 Pg 79

LEASES

I. BRAZOS COUNTY, TEXAS

<u>LESSOR</u>	<u>LESSEE</u>	<u>RECORDING DATA</u>	<u>LEASE DATE</u>
State of Texas Pooling Agreement No. M-116623	Manti Equity Partners, LP	Vol. 12248, Pg. 286	7/1/2014

All references in this Section I are to the Official Public Records of Brazos County, Texas.

II. MADISON COUNTY, TEXAS

<u>LESSOR</u>	<u>LESSEE</u>	<u>RECORDING DATA</u>	<u>LEASE DATE</u>
State of Texas Pooling Agreement No. M-116623	Manti Equity Partners, LP	Vol. 1365, Pg. 91	7/1/2014

All references in this Section II are to the Official Public Records of Madison County, Texas.

End of Exhibit A

STATE OF TEXAS
COUNTY OF MADISON

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the Official Public Records of Madison County, Texas.

HONORABLE SUSANNE MORRIS, COUNTY CLERK
Madison County, TEXAS

Document Number: 94057

Amount: 62.00

Receipt Number: 18174

Vol: 1454 Page: 70

Recorded: Jul 15, 2015 at 02:06P

By:
Julia Bazan, Deputy

MD America Energy LLC
301 Commerce St. Ste 2500
Ft Worth, Texas 76102

 Official Receipt for Recording in:

Madison County Clerk
 103 West Trinity
 Suite 104
 Madisonville, Texas 77864

Issued To:

MD AMERICA ENERGY LLC
 301 COMMERCE ST STE 2500
 FT WORTH TX 76102

Recording Fees

Filing Type	Number	Volm	Page	Time	Recording Amount
Recording	94057	01454	00070	02:06:14p	62.00
ASSIGNMENT DR-MANTI EQUITY PARTNERS LP IN-MD AMERICA ENERGY LLC					

 62.00

Collected Amounts

Payment Type	Amount
Check	47196
	62.00
	----- 62.00

Total Received :	62.00
Less Total Recordings:	62.00
Change Due :	----- .00

Thank You
 HONORABLE SUSANNE MORRIS - COUNTY CLERK

By - Julia Bazan

Receipt# Date Time
 0018174 07/15/2015 02:06p

File No. MF 116623
Acct # 9414 Manti Equity
to MD Equity

Date Filed: 9-18-15

By George P. Bush, Commissioner 