

MF116646

DRR good to 5/15/2021

#7023
#7024

Lease Type
RAL

Control
07-109336

Basefile
151528

County
REEVES

Survey

T & P Ry Co

Block

57

Block Name

Township

3-S

Section/Tract

2

Land Part

SW/4 & NE/4

Acres

Net: 160.000000 Gross: 320.000000

Depth Below

Depth Above Depth Other

0

Base of Wellcamp
Formation

Name

BHP BILLITON PETROLEUM PROPERT...

Lease Date

5/15/2014

Primary Term

3 years

Bonus

\$400,800.00

Lease Royalty

0.12500000

Paid Up

Yes

Leasing: [Signature]

Maps: [Signature]

GIS: MC

Scanlab: _____



CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff

F1093852

6

6

4

6

Contents of Mineral File Number: 116646

1 R/L Review Sheet	5/27/14	<see MF112676 #17, Division Order>
2 Lease	6/6/14	<see MF112780 #27, Division Order>
3 Consideration	5/21/14	Scanned Wm 3.24.2025
4 Final Letter	9/22/14	116 surface damages 8/8/25
Sec # 8 in M-112676 For the State		Scanned sm 08/14/2025
Barlow 57-TZ-47x2 Unit # 7023		
Sec # 9 in M-112780 For the State		
Projects 57-TZ-47x2 Unit # 7024		
Scanned sm	12/8/14	
5. permit 389-34751	1-15-15	
6. permit 389-34553	6-29-15	
7. permit 389-34751	6-29-15	
8. Reconciliation Billing	6/13/16.	
scanned PJ	7-27-16	
9. Division Order	8/3/16	
scanned PJ	9-12-16	
10. Recon Billing	6/29/17	
scanned PJ	7-10-2017	
11. DRR payment	5/16/19	
scanned PJ	5-14-2019	
12. DRR Form	9/28/20	
scanned PJ	10-12-2020	
13. Letter accepting DRR Form	6/11/21	
SCANNED JP	6/18/2021	
14 Surface Damages	1/26/24	
Scanned sm	01/30/2024	
15. Partial Release	9/26/2024	
Scanned Wm	10.1.2024	

RAL REVIEW SHEET

Working File #:	RAL146225	MF:	
Lessor:	Brennand Lazy H Ranch, Ltd.	Lease Date:	05/15/2014
Lessee:	Bhp Billiton Petroleum Properties (N.a.), Lp	Gross Acres:	320.00
		Net Acres:	160.00

LEASE DESCRIPTION

County	Control #	Base File No	Part	Sec	Block	Twp	Survey	Abst No
Reeves	[REDACTED]	151528	SW/4 & NE/4	2	57	3-S	T & P Ry Co	5760

TERMS OFFERED

Primary Term:	3 Years			
Bonus / Acre:	\$5,010.00			
	2nd Yr	3rd Yr	4th Yr	5th Yr
Rental / Acre:	0.00	0.00		
Royalty	0.250000			

TERMS RECOMMENDED

Primary Term:	3 Years			
Bonus / Acre:	\$5,010.00			
	2nd Yr	3rd Yr	4th Yr	5th Yr
Rental / Acre:	0.00	0.00		
Royalty	0.250000			

COMPARISONS

Lease No	Lessee	Lease Date	Primary Term	Bonus/Acre	Rental/Acre				Royalty	Distance
MF116482	BHP Billiton Petroleum	03/01/2014	3 yr	\$3,250.00	\$0.00	0.00			0.250000	2.000000 West

Comments: Paid up

Approved: DR 5.27.14

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

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

FROM: Robert Hatter, Director of Mineral Leasing

Applicant: Bhp Billiton Petroleum Properties (N.a.), Lp County: Reeves
Prim. Term: 3 Years Bonus/Acre: \$5,010.00
Royalty: 0.25000000
Rental/Acre 2nd Yr: \$0.00 3rd Yr: \$0.00 4th Yr: \$0.00 5th Yr: \$0.00

Consideration

Recommended: RJA

Date: 5/28/14

Not Recommended: _____

Comments: Paid up

✓ Lease Form

Recommended: RJA

Date: 5/28/14

Not Recommended: _____

Comments: _____

Louis Renaud, Deputy Commissioner

Recommended: CLR

Date: 6.10.14

Not Recommended: _____

Bill Warnick, General Counsel

Recommended: WW

Date: 6/17/14

Not Recommended: _____

Larry Laine, Chief Clerk

Approved: LL

Date: 6/18/14

Not Approved: _____

Jerry Patterson, Commissioner

Approved: Jerry E. Patterson

Date: 6/18/14

Not Approved: _____

File No. 116046

to PAC Review Sheet

Date Filed: 5/27/14

Jerry E. Patterson, Commissioner

By GH

MF 116646

OIL AND GAS LEASE

ELS-0029D

THIS AGREEMENT is made and entered into this 15th day of May, 2014, between the State of Texas, acting by and through its agent, BRENNAND LAZY H RANCH, LTD., of 1330 Post Oak Blvd, Suite 2540, Houston, Texas 77056, said agent herein referred to as the owner of the soil (whether one or more), and BHP Billiton Petroleum Properties (N.A.), LP, of Post Office Box 22719, Houston, Texas 77027-9998 hereinafter called Lessee.

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit::

SW/4 and NE/4 of Section 2, Block 57, T-3, T&P Ry. Co. Survey

Containing 320 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Four Hundred Thousand Eight Hundred and 00/100ths Dollars
(\$400,800.00)

To the owner of the soil: Four Hundred Thousand Eight Hundred and 00/100ths Dollars
(\$400,800.00)

Total bonus consideration: Eight Hundred One Thousand Six Hundred and 00/100 Dollars
(\$801,600.00)

The total bonus consideration paid represents a bonus of Five Thousand Ten and no/100 ths Dollars (\$5,010) per acre, on 160 net acres.

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

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the N/A Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: _____
Dollars (\$ _____)
To the State of Texas: _____
Dollars (\$ _____)
Total Rental: _____
Dollars (\$ _____)

The total delay rental paid represents a rental of _____ Dollars (\$____ per acre, on ____ net acres.

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



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

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

(A) OIL. Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 25% of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived, in writing, by the royalty owners upon such terms and conditions as they prescribe.

(B) NON PROCESSED GAS. Royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) shall be 25% of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is the greater; provided that the maximum pressure base in measuring the gas under this lease shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to tests made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) PROCESSED GAS. Royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons shall be 25% of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%), or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arm's length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) OTHER PRODUCTS. Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be 25% of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

5. MINIMUM ROYALTY. During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than the sum of Twenty-Five Dollars (\$25.00) per acre ~~an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to of Twenty-Five Dollars (\$25.00) per acre the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be five dollars (\$5.00) per acre.~~

6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any



royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil's or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

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

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

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

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

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

(B) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells with a copy of the same to the owner of the soil. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank



batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

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

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

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

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

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to of Fifty Dollars (\$50.00) per acre ~~double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre.~~ To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease



for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 160 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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



records of the General Land Office and such designation shall be binding upon Lessee for all purposes. Lessee also agrees to provide a recorded copy of any release to the owner of the soil promptly following the recordation thereof.

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

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

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

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

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

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



22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land. Additionally, Lessee shall pay one-half (1/2) to the State of Texas and one-half (1/2) to the owner of the soil the damage amounts stipulated on Exhibit A attached hereto, which amounts shall be rebuttably presumptive evidence of actual damages. Lessee also agrees to comply with the other provisions set forth on Exhibit A. If the owner of the soil owns less than the entire undivided surface estate in the above described land, then the damages provided on Exhibit A shall be proportionately reduced, and paid in the proportion which owner of the soil's interest bears to the entire undivided surface estate.

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

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

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

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

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

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

- (1) a nominee of the owner of the soil;
- (2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;
- (3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;
- (4) a principal stockholder or employee of the corporation which is the owner of the soil;
- (5) a partner or employee in a partnership which is the owner of the soil;



- (6) a fiduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil; or
- (7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

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

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

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

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

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

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



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

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

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

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

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



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

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

LESSEE

BHP Billiton Petroleum Properties (N.A.), LP
By: BHP Billiton Petroleum Properties (GP), LLC, its
General Partner

By:

Name: Stephen L. Mahanay, Attorney-in-Fact

Date:

5/19/14

LESSOR

STATE OF TEXAS

BY: BRENNAND LAZY H RANCH, LTD.
Individually and as agent for the State of Texas

By: Brennand Interests, L.L.C., its general partner

Dawson O. George, III
(By: Dawson O. George, III Manager)

Date:

5/19/2014

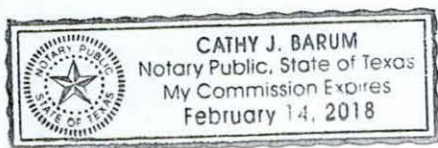


ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on May 19, 2014, by Dawson O. George, III, Manager of Brennand Interest, LLC, general partner of BRENNAND LAZY H RANCH, LTD., a Texas limited partnership, as agent for the State of Texas.



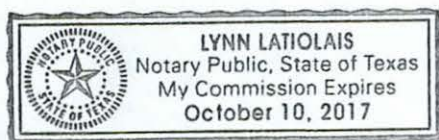
Cathy J. Barum
Notary Public in and for the State of Texas

My Commission expires: _____

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on May 19, 2014, by Stephen L. Mahanay, Attorney-in-Fact of BHP Billiton Petroleum Properties (GP), LLC, general partner of BHP Billiton Petroleum Properties (N.A.), LP, a Texas Limited Liability Company, on behalf of said entity.



Lynn Latilais
Notary Public in and for the State of Texas

My Commission expires: _____



EXHIBIT A

SURFACE DAMAGE SCHEDULE

May 15, 2014

Brennand Lazy H Ranch, Ltd.

I. Lessee as a covenant of this lease, agrees to pay one-half (1/2) to the owner of the soil and one-half (1/2) to the State of Texas, within thirty (30) days after such operations are conducted, for the respective types of operations conducted on the Leased Premises, the sums set forth below:

Type of Operation

- | | |
|---|----------------------------------|
| 1. Well location (up to 5 acre pad site) | \$25,000.00 |
| 2. Additional wellbores from same well pad | \$ 5,000.00 |
| 3. Fresh Water Frac Pit (calculated from inside of berm) | \$.30/sf |
| Unused pits must be closed by end of primary term | |
| Requires reseeding upon closure of pit | |
| Fresh Water Frac Pit Site (calculated from outside of berm) | \$.10/sf |
| 4. Geophysical Permits | |
| 2-D | \$1,500 plus \$3,000.00 per mile |
| 3-D | \$1,000 plus \$20.00 per acre |
| 5. Roads for access to wells on location only (Maximum 10-year term) | |
| (a) Dirt Roads (limited to 15' in width) | \$50.00 per rod |
| (b) Caliche and gravel roads (limited to 15' wide) | \$55.00 per rod |
| (c) Temporary roads and pull-outs (less than 15') | \$500.00 each |
| (d) Use of existing roads | \$16.50 per rod |
| 6. Pipeline Easements for wells on location use only (Maximum 10-year term) | |
| (a) Less than 4" | \$22.00 per rod |
| (b) 4" to less than 6" | \$26.00 per rod |
| (c) 6" to less than 12" | \$42.00 per rod |
| (d) 12" to less than 24" | \$62.00 per rod |
| (e) 24" to 40" | \$100.00 per rod |
| Replacement of pipe due to damage 1/2 of original easement, minimum of \$500 | |
| 8. Utility Line Easement for use of wells on location only and limited to a single line pole (Maximum 10-year term) | \$ 100.00 per rod |
| 9. Workover and completion rigs, per occurrence | \$1,500.00 |
| 10. Tank Battery (on or off well location) | \$10,000.00 |
| 11. Leaks and spills | \$.25/sf |
| Minimum payment for any leak or spill shall be on basis of 500 square feet. All leaks or spills shall be reported to surface owner immediately and cleaned up and affected dirt hauled off within 30 days. If not cleaned up within first 30 days there will be additional payments due of the same amount each and every 30 days thereafter. | |

The amounts set forth in the above damage schedule shall increase by 5%, compounded, on each anniversary date of this agreement.

II. Surface/Subsurface Protection Clauses: As a part of the consideration of this Lease, Lessee covenants and agrees as follows:

- (a) Prior to commencing any operations under this lease, Lessee shall consult surface owner and provide information as to the form of operations, the proposed date of



commencement and the location of said operations.

(b) Lessee and all persons entering or leaving said lands in connection with Lessee's operations hereunder shall keep all outside and interior gates along the route or routes designated for such use securely closed except immediately before and immediately after each such separate use. Lessee agrees that it will promptly repair any gate, fence or other improvement that may suffer damage or injury by reason of Lessee's operations hereunder.

(c) Lessee will maintain approaches, gates, cattle guards and roadways designated and used in connection with its operations in a good state of repair and will promptly cause to be repaired and restored any damage thereto occasioned by or resulting from Lessee's operations.

(d) Within ninety (90) days after completion of a well capable of producing in paying quantities or as soon thereafter as weather permits, Lessee will remove all pit liners (if used), fill all pits, level all mounds and other excavations, remove all caliche or other base materials from the drillsite except as to a minimum area around the wellbore necessary for maintaining and operating such well not exceeding 200' x 200', restore the top soil uniformly across the entire location area except the remaining location pad and clean up the well site and remove from said lands any and all oil and/or gas waste materials, oil spills, junk materials, pieces of iron, pipes, steel and other debris and foreign materials, and all deleterious materials and substances that might cause injury to persons or livestock and generally restore such location to its original condition

Within ninety (90) days after a well is plugged or any compression facility, tank battery or storage facility, metering station or other location on which Lessee erects surface facilities in connection with operations on and production from this Lease is abandoned or as soon thereafter as weather permits, Lessee shall remove all caliche or other base materials from the location and road leading to such location or facility (unless such road is then being utilized to gain access to another existing well or facility and restore the top soil uniformly across the entire location area (and, if applicable, road) and will clean up the site and remove from said lands any and all oilfield equipment, oil and/or gas waste materials, oil spills, junk materials, pieces of iron, pipes, steel and other debris and foreign materials, and all deleterious materials and substances that might cause injury to persons or livestock and generally restore such location to surface owner's reasonable satisfaction.

Lessee shall notify the surface owner prior to conducting any operations required under this Paragraph 2(d).

(e) Lessee will use its best efforts to prevent the escape of salt water or other deleterious substances and will not permit the same to run into any surface water tank, water well, creek, ravine, or upon or over the Leased Premises, nor to penetrate, seep or flow or be injected into any subsurface fresh water stratum, but will be contained and disposed of in keeping with applicable governmental rules and regulations, including without limitation, Environmental Laws, as hereinabove defined.

(f) Lessee will use its best efforts to prevent fires on said lands and will use its best efforts to prevent papers, boxes, sacks and containers and waste materials of any kind from coming on said lands and littering the Leased Premises.

(g) No employee, representative, contractor or subcontractor of Lessee or any other person will be allowed to hunt, fish, swim, camp or picnic on said land, and no dog, gun, firearm or fishing equipment will be permitted on the premises.

(h) With respect to each pipeline laid on the Leased Premises, Lessee expressly covenants and agrees: (1) to bury any pipeline so that the top thereof will be at least thirty-six inches (36") below the existing ground level contour, except and provided that, where said line crosses any drainage ditch, creek, slough or other waterway, the same should be buried at the place of such crossing at least forty-eight inches (48") below the bottom of such drainage ditch, creek, slough, or other waterway (whether flowing or intermittent); and further provided, that none of the facilities, valves or equipment installed or constructed in connection with such pipeline shall extend above the surface of



the ground, except that Lessee shall be permitted to place line posts or markers where said pipeline crosses surface owner's fence lines and except as may otherwise authorize. Surface owner reserves the right to impound water over any pipeline right-of-way; (2) during the period of construction of said pipeline and during the period of any subsequent altering, repairing, replacing or removing thereof, Lessee shall leave or arrange for reasonable crossings over and across said right-of-way for any vehicles, equipment, cattle and/or livestock of surface owner or surface owner's tenants, lessees, successors or assigns. Upon completion of construction of said pipeline, Lessee agrees to provide a caliche base road crossing to accommodate vehicles and equipment at all locations where the pipeline crosses existing roads; (3) to stack all trees and brush which are cut from the cleared right-of-way at the time any necessary clearing is performed, so as to leave the cleared right-of-way free of all trees, stumps, brush and debris, except for the stacked vegetation. All brush and other material which is stacked on the right-of-way shall be free of dirt so as to be capable of being burned completely and that no mounds of dirt or debris shall be left on or adjacent to the cleared right-of-way. Any trees, brush or other growth damaged outside the cleared right-of-way shall be removed; (5) following any such construction, repair, removal or other operations, to backfill (in the manner aforesaid), pack and level any such ditch or trench opened and fill, grade and restore the surface of the right-of-way as near as practicable to its original level and contour as when entered upon and in such manner that surface or rain water may pass and flow undisturbed and unimpeded from one side of the right-of-way to the other side of the right-of-way; Lessee's obligation to remove property and fixtures within ninety days (90) days after termination of the lease as provided in Paragraph 2(d) above shall include the obligation in said ninety days (90) day period to commence the removal of all pipelines and to restore the surface to the surface owner's reasonable satisfaction and in compliance with the restoration, reseeding and watering provisions of Paragraph 2(d) above.

(i) Water: Lessee shall have no right to use or take water from the leased premises or from any existing water production well, stock tank, irrigation ditch, river, or stream located on the lease premises; provided, however, that upon Lessor's written consent, Lessee shall have the right to drill, at its sole cost and expense, water wells on the leased premises for use in Lessee's operations thereon other than pressure maintenance or secondary recovery. As compensation for Lessee's production and use of water from any wells drilled or used by Lessee, Lessee shall pay to the owner of the soil the sum of fifty cents (\$0.50) per barrel, or the current rate as reflected in the then current University Lands Rate and Damage Schedule. Prior to drilling any new water wells, Lessee shall advise Lessor of Lessee's intentions, and Lessor and Lessee shall mutually decide upon the location of said water well, taking into consideration the surface use by Lessor and Lessee's needs in conducting its operations on the leased premises. As to any water wells drilled by Lessee on the leased premises, Lessee shall properly register any such water wells with the applicable groundwater conservation district and shall comply with all of such groundwater conservation district's requirements, including reporting requirements, in the use of such well(s). Lessor, upon receiving Lessee's written prior consent, shall have the free use of water from such wells when such water is no longer being used by Lessee in its operations. After cessation of Lessee's use of a water well drilled by Lessee on the leased premises, and prior to the plugging or removing the casing therefrom such water well, Lessee shall tender such water well or wells to Lessor and, if Lessor shall elect to accept same, such water well shall be and become the property of Lessor for no further payment; provided, however, that Lessee shall have the right to use such well or wells at any time during the continuance of this lease in connection with Lessee's operations on the leased premises, and provided further, that Lessor will thereafter assume all risks and obligations attendant to Lessor's ownership and use of said water well or wells. Provided, further, that if Lessor so elects, Lessee shall, at Lessee's sole cost and expense, plug and abandon each water well which surface owner elects not to take over.

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of the original as the same appears from the records of said County and State.

Dianne O. Florez, County Clerk

Deputy

14

Original filed in
Reeves County
Clerks Office

Inst No. 14-04688
DIANNE O. FLOREZ
COUNTY CLERK
2014 May 23 10:02:38 PM
REEVES COUNTY, TEXAS
BY: VG [Signature] DEPUTY

File No. 110646

Lease

Date Filed: 6/6/14

Jerry E. Patterson, Commissioner

By GH

0. 0. 0. 0.

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Flores, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
the Lease dated May 15, 2014 at
filed for record in my office this 6th day of June, 2014, in accordance with the
Records of Reeves County, Texas.

I, Dianne O. Flores, witness my hand and official seal at Pecos, Texas
this 6th day of June, 2014.

By Dianne O. Flores, Deputy, DIANNE O. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS

bhpbilliton
resourcing the future
PETROHAWK ENERGY CORPORATION
CONTROLLED DISBURSEMENT
P.O. BOX 22719
HOUSTON, TX 77027-9998

AMEGY BANK N.A.
P.O. BOX 27459
HOUSTON, TEXAS 77227-7459

14712574

14616

05/19/14

PAY TO THE
ORDER OF

General Land Office State of Texas

\$ 400,800.00

Four Hundred Thousand Eight Hundred and 00 /100

DOLLARS

MEMO

ELS-0029D (GLO); iLandman 19937 Lease Bonus

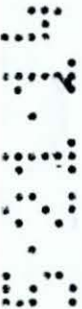
VOID IF NOT CASHED WITHIN SIX MONTHS OF ISSUE
NON TRANSFERABLE
OWNER CALL CENTER 1-877-311-1443

[Signature]
AUTHORIZED SIGNATURE

⑈014616⑈

PETROHAWK ENERGY CORPORATION

14616



14712574
+ 400,800.00
121

PETROHAWK ENERGY CORPORATION

14616

EXPLORATION LAND SERVICES, LLC

P.O. BOX 52105
LAFAYETTE, LA 70505-2105

IBERIABANK

14713353

5829

6/2/2014

PAY TO THE ORDER OF Texas General Land Office

\$ **25.00

Twenty-Five and 00/100*****

DOLLARS

Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building RM847
Austin, TX 78701

[Signature]
AUTHORIZED SIGNATURE

MEMO Filing - 1 Lease

⑈005829⑈

EXPLORATION LAND SERVICES, LLC

Texas General Land Office

5829

Date	Type	Reference	Original Amt.	Balance Due	6/2/2014 Discount	Payment
5/28/2014	Bill	Filing Fee	25.00	25.00		25.00
					Check Amount	25.00

X

121

14713353

Iberia Bank

Filing - 1 Lease

25.00

EXPLORATION LAND SERVICES, LLC

P O Box 52105 • Lafayette, Louisiana 70505-2105 • Phone: 337.234.3500 • Fax: 337.234.3525 • Email: contact@explorationland.com

May 20, 2014

Via FedEx

Mr. Drew Reid
Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building, RM 847
Austin, Texas 78701

Re: Oil, Gas and Mineral Leases
Reeves County, Texas

Dear Drew:

Enclosed herewith, please find one (1) check, made payable to the Commissioner of the General Land Office. Also enclosed is a report prepared for you containing a calculated breakdown of the interests and properties the check covers, as well as a copy of the lease that has been executed by the soil owner. A Certified Copy will be submitted upon recordation of said lease. Please sign and date the copy of the check and return it in the enclosed prepaid envelope.

<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
05/19/2014	14616	\$400,800.00

I trust that you will not hesitate to call me with any questions that you may have concerning this matter.

Sincerely yours,



Natalie Holeman

encl.

May 19, 2014 REQUEST

SECTION 2, BLOCK 57, TOWNSHIP 3, ABSTRACT 5760, T&P RR CO. SURVEY, REEVES COUNTY, TEXAS

E/2

Lessor	Gross Ac	Interest	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Brennand Lazy H Ranch, Ltd	320	1/2	160.00000000	\$5,010.00	\$400,800.00	\$400,800.00	\$801,600.00
TOTALS			160.00000000		\$400,800.00	\$400,800.00	\$801,600.00

Total Amount paid by check	\$400,800.00
----------------------------	--------------

47.72.5

File No. 116646ConsiderationDate Filed: 5/21/14

Jerry E. Patterson, Commissioner

By GP

25774

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

September 22, 2014

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

Re: **State Lease MF 116646**

RAL Lease dated May 15, 2014 recorded in 14-04688 696,
covering 320 ac., Sec. 2, Blk. 57, T-3, T&P Ry. Co. Survey,
Reeves Co., TX, Brennand Lazy H Ranch, agent for State of TX,
Lessor

Dear Mr. Strother:

The copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File numbers **MF-116646**. **Please refer to this lease number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

There are several contractual and statutory responsibilities for the Lessee which are material provisions of the lease as outlined in the agreement such as Section 10(B) which requires submission of written notice for all drilling, production and related activities. When forms are filed with the Texas Railroad Commission, they are required to be submitted to the General Land Office as well. Examples are W-1, Application to Drill; W-2, Oil Well Completion Report and Log; G-1, Gas Well Completion Report and Log; W-3, Plugging Report; G-5, Gas Well Classification Report; G-10, Gas Well Status Report; W-10, Oil Well Status Report; W-12, Inclination Report; electric logs; directional surveys.

Chapter 52 of the Texas Natural Resources Codes specifies that the surface owner's right to receive a portion of the revenues generated by the lease shall be in lieu of all damages to the soil. Therefore, any payments made for surface use or damages other than the authorized damages set out in the lease form must be shared equally with the state.

Your remittance of **\$400,800.00** has been applied to the State's portion of the cash bonus. We are also in receipt of your filing and processing fees

Sincerely yours,

Deborah A. Cantu
Mineral Leasing, Energy Resources
(512) 305-8598
deborah.cantu@glo.texas.gov

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

4
File No. 116646

Final Letter

Date Filed: 9/22/14

Jerry E. Patterson, Commissioner

By Git

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 802702	DATE PERMIT ISSUED OR AMENDED Jan 15, 2015	DISTRICT * 08
API NUMBER 42-389-34751	FORM W-1 RECEIVED Jan 13, 2015	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 480.11
OPERATOR BHP BILLITON PET(TXLA OP) CO 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME STATE PROJECTS 57-T2-47X2		WELL NUMBER 1H
LOCATION 4 miles SW direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 47 BLOCK ◀ 57 T2 ABSTRACT ◀ 640 SURVEY ◀ T&P RR CO		
DISTANCE TO SURVEY LINES 2304 ft. N 934 ft. W		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 2304 ft. N OFF LEASE 934 ft. W OFF LEASE		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
PHANTOM (WOLFCAMP) STATE PROJECTS 57-T2-47X2	480.11 200	12,500 0
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 934.0 F W OFF LEASE L 2304.0 F N OFF LEASE L Terminus Location BH County: REEVES Section: 2 Block: 57 T3 Abstract: 5760 Survey: T&P RR CO/PATTERSON, J M Lease Lines: 990.0 F WEST L 150.0 F S L Survey Lines: 990.0 F WEST L 150.0 F S L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 802702	DATE PERMIT ISSUED OR AMENDED Jan 15, 2015	DISTRICT * 08										
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LOCATION 4 miles SW direction from ORLA		TOTAL DEPTH 14000										
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DISTANCE TO SURVEY LINES 2304 ft. N 934 ft. W		DISTANCE TO NEAREST LEASE LINE 200 ft.										
DISTANCE TO LEASE LINES 2304 ft. N OFF LEASE 934 ft. W OFF LEASE		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below										
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *												
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">FIELD NAME</td> <td style="width: 10%;">ACRES</td> <td style="width: 10%;">DEPTH</td> <td style="width: 10%;">WELL #</td> <td style="width: 10%;">DIST</td> </tr> <tr> <td>LEASE NAME</td> <td>NEAREST LEASE</td> <td></td> <td>NEAREST WE</td> <td></td> </tr> </table> This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.			FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE	
FIELD NAME	ACRES	DEPTH	WELL #	DIST								
LEASE NAME	NEAREST LEASE		NEAREST WE									

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data

REEVES (389) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
FORD-DELAWARE	2,500	2,500		1	12/17/2013
CASTILLE	2,800	2,800		2	12/17/2013
BELL CANYON	4,800	5,000		3	12/17/2013
DELAWARE	2,500	5,700		4	12/17/2013
DELAWARE CONSOLIDATED GAS	6,500	6,500		5	12/17/2013
CHERRY CANYON	3,800	7,800		6	12/17/2013
BONE SPRINGS	7,500	9,800		7	12/17/2013
PERMIAN	11,300	11,300		8	12/17/2013
WOLFCAMP	10,000	12,300		9	12/17/2013
PENNSYLVANIAN	11,000	14,900		10	12/17/2013
MISSISSIPPIAN	10,000	16,000		11	12/17/2013
DEVONIAN	13,600	17,800		12	12/17/2013
FUSSELMAN	14,000	17,800		13	12/17/2013
ELLENBURGER	15,000	20,800		14	12/17/2013

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.state.tx.us/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

Groundwater
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date September 16, 2014

GAU File No.: 5470

***** EXPEDITED APPLICATION *****

API Number 38900000

Attention: LILLIAN GARCIA

RRC Lease No. 000000

SC_068596_38900000_000000_5470.pdf

BHP BILLITON PET TXLA OP CO
1360 POST OAK BLVD
HOUSTON TX 77056

--Measured--

990 ft FWL

2165 ft FSL

MRL: SECTION

P-5# 068596

Digital Map Location:

X-coord/Long 1176046

Y-coord/Lat 10626732

Datum 83 Zone C

County REEVES

Lease & Well No. STATE BARLOW 57-T2-47X38 #1H&ALL

Purpose ND

Location SUR-T&P, BLK-57, TSHP-2, SEC-47, --[TD=14000], [RRC 8],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from land surface to the base of the Rustler, which is estimated to occur at a depth between 950 and 1000 feet, must be protected.

This recommendation is adequate for wells drilled in this section 47.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,


Digitally signed by Jack Oswalt
DN: c=US, st=TEXAS, i=Austin,
o=Railroad Commission of Texas,
cn=Jack Oswalt,
email=jack.oswalt@rrc.state.tx.us
Date: 2014.09.16 13:18:49 -0500
Jack M. Oswalt, P.G.

GEOLOGIST SEAL



Geologist, Groundwater Advisory Unit
Oil & Gas Division

The seal appearing on this document was authorized by Jack M. Oswalt on 9/16/2014
Note: Alteration of this electronic document will invalidate the digital signature.

Form GW-2
Rev. 02/2014

P.O. Box 12967 Austin, Texas 78711-2967 512-463-2741 Internet address: www.rrc.state.tx.us

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin, Texas 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

1. Field Name(s) Phantom (Wolfcamp)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name BHP BILLITON (TXLA OP) CO.	5. Operator P-5 Number 068596	6. Well Number 1H
7. Pooled Unit Name State Projects 57-T2-47X2	8. API Number	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County Reeves	11. Total acres in pooled unit 480.11	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1.	Barlow Projects, Inc.	159.58	☐	☐
2.	State of Texas Minerals	160.28	☐	☐
3.	State of Texas Minerals	160.25	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.

Lillian M. Garcia
Signature

Lillian M. Garcia
Print Name

Regulatory Tech Asst.

lillian.garcia@bhpbilliton.com

01/13/2015

(713) 552-4537

Title

E-mail (if available)

Date

Phone

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

- When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
- The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
- If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
- If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.
- If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
- Identify the drill site tract with an * to the left of the tract identifier.
- The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

S.

File No. MF116646

Roxes County

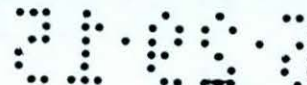
Drilling Permit for API 389-34751

Date Filed: 1-15-15

George P. Bush, Commissioner

By Jm

API No. <u>42-389-34553</u>		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.				FORM W-1 07/2004	
Drilling Permit # <u>795866</u>						Permit Status: Approved	
SWR Exception Case/Docket No. <u>0292601</u> (R37)		1. RRC Operator No. <u>068596</u>		2. Operator's Name (as shown on form P-5, Organization Report) BHP BILLITON PET(TXLA OP) CO		3. Operator Address (include street, city, state, zip): 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000	
4. Lease Name STATE BARLOW 57-T2-47X2				5. Well No. 1H			
GENERAL INFORMATION							
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)							
7. Wellbore Profile (mark ALL appropriate boxes): ☐ Vertical ☒ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack							
8. Total Depth 14000		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☐ Yes ☒ No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. 08		12. County REEVES		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore			
14. This well is to be located <u>4</u> miles in a <u>SW</u> direction from <u>Orla</u> which is the nearest town in the county of the well site.							
15. Section 47		16. Block 57 T2		17. Survey T&P RR CO		18. Abstract No. A-640	
				19. Distance to nearest lease line: 100 ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: 480.15	
21. Lease Perpendiculars: <u>2165</u> ft from the <u>N OFF LEASE</u> line and <u>990</u> ft from the <u>E OFF LEASE</u> line.				22. Survey Perpendiculars: <u>2165</u> ft from the <u>N</u> line and <u>990</u> ft from the <u>EAST</u> line.			
23. Is this a pooled unit? ☒ Yes ☐ No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No			
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.							
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)		Oil or Gas Well	12500	0.00	1
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [RRC STAFF Sep 15, 2014 8:38 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 15, 2014 10:24 AM]: Problems identified with this permit are resolved.; [RRC STAFF Sep 15, 2014 10:24 AM]: Revised P-12 attached.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. Lillian Garcia, Regulatory Technical Assistant Name of filer _____ Date submitted Sep 08, 2014 (713)5524537 lillian.garcia@bhpbilliton.com Phone _____ E-mail Address (OPTIONAL) _____			
RRC Use Only Data Validation Time Stamp: Sep 29, 2014 9:01 AM(Current Version)							



Form W-1H

07/2004

Supplemental Horizontal Well Information

Permit Status: **Approved**

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

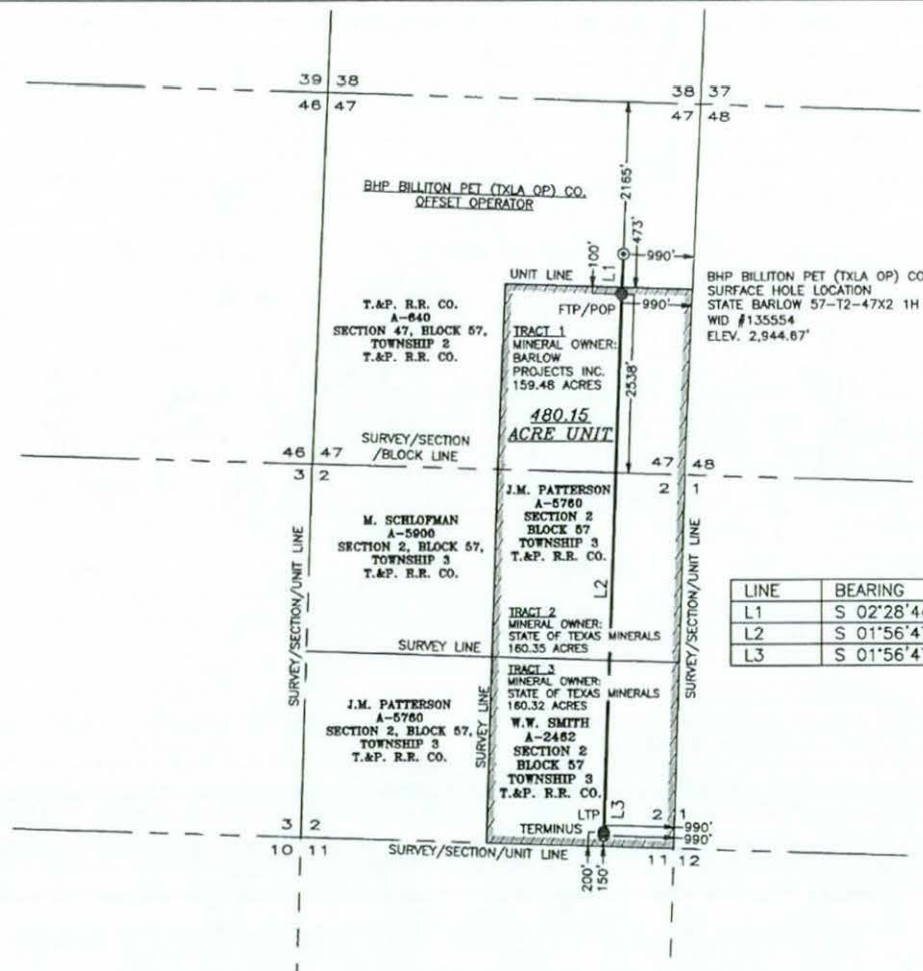
This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Permit # **795866**Approved Date: **Sep 26, 2014**

1. RRC Operator No. 068596	2. Operator's Name (exactly as shown on form P-5, Organization Report) BHP BILLITON PET(TXLA OP) CO	3. Lease Name STATE BARLOW 57-T2-47X2	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 2	7. Block 57 T3	8. Survey T&P RR CO/SMITH, W W	9. Abstract 2462
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 150 ft. from the S line. and 990 ft. from the East line			
12. Terminus Survey Line Perpendiculars 150 ft. from the S line. and 990 ft. from the East line			
13. Penetration Point Lease Line Perpendiculars 100 ft. from the N line. and 990 ft. from the East line			



1" = 2000 FEET

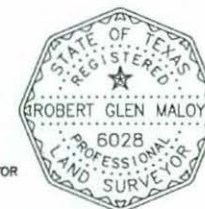


GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 STATE PLANE "TEXAS CENTRAL ZONE", AND BASED ON "ORLA" NGS MONUMENT (Y = 798,953.56, X = 876,026.89)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR - 0.999842354
4. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

I HEREBY STATE THAT THIS PLAT SHOWS THE SUBJECT LOCATION BASED ON INFORMATION PROVIDED BY THE CLIENT.

Robert Glen Maloy
ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028



REVISION	DATE	BY	DETAILS
A	07/28/14	GG	MAKE PRELIMINARY PLAT
B	08/06/14	GG	REVISED UNIT
C	08/18/14	JK	REVISED UNIT

LINE	BEARING	DISTANCE
L1	S 02°28'44" W	572.94'
L2	S 01°56'47" W	7635.37'
L3	S 01°56'47" W	50.00'

PLAT OF:

A PROPOSED WELL LOCATION FOR:
BHP BILLITON PET (TXLA OP) CO
STATE BARLOW 57-T2-47X2 1H
WID# 135554

SITUATED IN THE T.&P. R.R. CO. SURVEY, A-640, SECTION 47, BLOCK 57, TOWNSHIP 2, THE J.M. PATTERSON SURVEY, A-5760, THE W.W. SMITH SURVEY, A-2462, BOTH BEING PART OF SECTION 2, BLOCK 57, TOWNSHIP 3 AND BEING APPROXIMATELY 4 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS.



550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
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LAND SURVEYING/ENERGY/GIS SERVICES
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BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

DATE: 09/08/14 PROJECT NO: 201407862
DRAWN BY: GG SCALE: 1" = 2000'
CHECKED BY: RM SHEET: 1 OF 2
FIELD CREW: BK/AD REMSION:

57.00.0



SECTION CORNERS TABLE, TEXAS COORDINATE SYSTEM, CENTRAL ZONE							
LOCATION	DESCRIPTION	NAD 83 (1986)			NAD 27		
		STATE PLANE	GEOGRAPHIC (D-D)	GEOGRAPHIC (D-M-S)	STATE PLANE	GEOGRAPHIC (D-D)	GEOGRAPHIC (D-M-S)
NW COR 57-T2-47	CALCULATED CORNER	Y=10,629,876.91 X=1,175,186.59	LAT: 31.78148663°N LONG: 103.94274674°W	LAT: 31°46'53.3519"N LONG: 103°56'33.8883"W	Y=787,299.89 X=878,724.96	LAT: 31.78136043°N LONG: 103.94227359°W	LAT: 31°46'52.8976"N LONG: 103°56'32.1849"W
NE COR 57-T2-47	CALCULATED CORNER	Y=10,629,707.14 X=1,180,456.86	LAT: 31.78148908°N LONG: 103.92577763°W	LAT: 31°46'53.3607"N LONG: 103°55'32.7995"W	Y=787,130.10 X=883,995.14	LAT: 31.78136273°N LONG: 103.92530515°W	LAT: 31°46'52.9058"N LONG: 103°55'31.0985"W
SE COR 57-T2-47	CALCULATED CORNER	Y=10,624,437.10 X=1,180,228.35	LAT: 31.76698940°N LONG: 103.92596499°W	LAT: 31°46'01.1618"N LONG: 103°55'33.4740"W	Y=781,860.21 X=883,766.53	LAT: 31.76686299°N LONG: 103.92549291°W	LAT: 31°46'00.7068"N LONG: 103°55'31.7745"W
SW COR 57-T2-47	CALCULATED CORNER	Y=10,624,599.86 X=1,174,966.49	LAT: 31.76696841°N LONG: 103.94290373°W	LAT: 31°46'01.0863"N LONG: 103°56'34.4534"W	Y=782,023.01 X=878,504.76	LAT: 31.76684217°N LONG: 103.94243099°W	LAT: 31°46'00.6318"N LONG: 103°56'32.7516"W
NW COR 57-T3-2	CALCULATED CORNER	Y=10,624,600.01 X=1,174,961.61	LAT: 31.76696839°N LONG: 103.94291944°W	LAT: 31°46'01.0862"N LONG: 103°56'34.5100"W	Y=782,023.16 X=878,499.88	LAT: 31.76684214°N LONG: 103.94244670°W	LAT: 31°46'00.6317"N LONG: 103°56'32.8081"W
NE COR 57-T3-2	CALCULATED CORNER	Y=10,624,436.92 X=1,180,234.23	LAT: 31.76698943°N LONG: 103.92594606°W	LAT: 31°46'01.1619"N LONG: 103°55'33.4058"W	Y=781,860.03 X=883,772.41	LAT: 31.76686301°N LONG: 103.92547398°W	LAT: 31°46'00.7069"N LONG: 103°55'31.7063"W
SE COR 57-T3-2	CALCULATED CORNER	Y=10,619,141.08 X=1,180,072.60	LAT: 31.75242469°N LONG: 103.92591561°W	LAT: 31°45'08.7289"N LONG: 103°55'33.2962"W	Y=776,564.34 X=883,610.69	LAT: 31.75229821°N LONG: 103.92544394°W	LAT: 31°45'08.2736"N LONG: 103°55'31.5982"W
SW COR 57-T3-2	CALCULATED CORNER	Y=10,619,308.93 X=1,174,802.42	LAT: 31.75241698°N LONG: 103.94287907°W	LAT: 31°45'08.7011"N LONG: 103°56'34.3647"W	Y=776,732.24 X=878,340.59	LAT: 31.75229068°N LONG: 103.94240674°W	LAT: 31°45'08.2464"N LONG: 103°56'32.6643"W

LATERAL POINTS TABLE, TEXAS COORDINATE SYSTEM, CENTRAL ZONE							
LOCATION	OFFSETS	NAD 83 (1986)			NAD 27		
		STATE PLANE	GEOGRAPHIC (D-D)	GEOGRAPHIC (D-M-S)	STATE PLANE	GEOGRAPHIC (D-D)	GEOGRAPHIC (D-M-S)
SURFACE HOLE LOCATION	2165' FNL OF 57-T2-47 990' FEL OF 57-T2-47	Y=10,627,575.85 X=1,179,373.48	LAT: 31.77553719°N LONG: 103.92904058°W	LAT: 31°46'31.9339"N LONG: 103°55'44.5461"W	Y=784,998.88 X=882,911.74	LAT: 31.77541084°N LONG: 103.92856815°W	LAT: 31°46'31.4790"N LONG: 103°55'42.8453"W
FIRST TAKE POINT/POP	2538' FSL OF 57-T2-47 990' FEL OF 57-T2-47	Y=10,627,003.45 X=1,179,348.70	LAT: 31.77396232°N LONG: 103.92906076°W	LAT: 31°46'26.2644"N LONG: 103°55'44.6187"W	Y=784,426.49 X=882,886.94	LAT: 31.77383597°N LONG: 103.92858836°W	LAT: 31°46'25.8095"N LONG: 103°55'42.9181"W
LAST TAKE POINT	200' FSL OF 57-T3-2 990' FEL OF 57-T3-2	Y=10,619,372.50 X=1,179,089.20	LAT: 31.75297319°N LONG: 103.92910174°W	LAT: 31°45'10.7035"N LONG: 103°55'44.7663"W	Y=776,795.76 X=882,627.31	LAT: 31.75284674°N LONG: 103.92862993°W	LAT: 31°45'10.2483"N LONG: 103°55'43.0677"W
TERMINUS	150' FSL OF 57-T3-2 990' FEL OF 57-T3-2	Y=10,619,322.51 X=1,179,087.67	LAT: 31.75283573°N LONG: 103.92910146°W	LAT: 31°45'10.2086"N LONG: 103°55'44.7653"W	Y=776,745.78 X=882,625.78	LAT: 31.75270929°N LONG: 103.92862966°W	LAT: 31°45'09.7534"N LONG: 103°55'43.0668"W

GENERAL NOTES

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REVISION	DATE	BY	DETAILS
A	07/28/14	GG	MAKE PRELIMINARY PLAT
B	08/06/14	GG	REVISED UNIT
C	08/18/14	JK	REVISED UNIT

PLAT OF:

A PROPOSED WELL LOCATION FOR:
BHP BILLITON PET (TXLA OP) CO
STATE BARLOW 57-T2-47X2 1H
WID# 135554

SITUATED IN THE T.&P. R.R. CO. SURVEY, A-640, SECTION 47, BLOCK 57, TOWNSHIP 2, THE J.M. PATTERSON SURVEY, A-5760, THE W.W. SMITH SURVEY, A-2462, BOTH BEING PART OF SECTION 2, BLOCK 57, TOWNSHIP 3 AND BEING APPROXIMATELY 4 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS.



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BHP Billiton
 1360 Post Oak Blvd. #150
 Houston, Texas 77056

DATE: 09/08/14 PROJECT NO: 201407862
 DRAWN BY: GG SCALE:
 CHECKED BY: RM SHEET: 2 OF 2
 FIELD CREW: BK/AD REVISION: NO

CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

1. Field Name(s) Phantom (Wolfcamp)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name BHP BILLITON (TXLA OP) CO.	5. Operator P-5 Number 068596	6. Well Number 1H
7. Pooled Unit Name State Barlow 57-T2-47X2	8. API Number	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County Reeves	11. Total acres in pooled unit 480.15	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1.	Barlow Projects Inc.	159.48	☐	☐
2.	State of Texas Minerals	160.35	☐	☐
3.	State of Texas Minerals	160.32	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.

Lillian Garcia
Signature

Lillian Garcia

Regulatory Tech Asst.

lillian.garcia@bhpbilliton.com

Print Name

09/15/2014

(713) 552-4537

Title

E-mail (if available)

Date

Phone

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

- When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
- The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
- If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
- If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.
- If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
- Identify the drill site tract with an * to the left of the tract identifier.
- The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

File No. MF116646 6
Reeves County
Drilling Permit Unit #7023 API 389-34553
Date Filed: 6-29-15
George P. Bush, Commissioner
By gm

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 802702	DATE PERMIT ISSUED OR AMENDED Jan 15, 2015	DISTRICT * 08										
API NUMBER 42-389-34751	FORM W-1 RECEIVED Jan 13, 2015	COUNTY REEVES										
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 480.11										
OPERATOR BHP BILLITON PET(TXLA OP) CO 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000		068596 NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581										
LEASE NAME STATE PROJECTS 57-T2-47X2		WELL NUMBER 1H										
LOCATION 4 miles SW direction from ORLA		TOTAL DEPTH 14000										
Section, Block and/or Survey SECTION ◀ 47 BLOCK ◀ 57 T2 ABSTRACT ◀ 640 SURVEY ◀ T&P RR CO												
DISTANCE TO SURVEY LINES 2304 ft. N 934 ft. W		DISTANCE TO NEAREST LEASE LINE 200 ft.										
DISTANCE TO LEASE LINES 2304 ft. N OFF LEASE 934 ft. W OFF LEASE		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below										
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *												
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">FIELD NAME</td> <td style="width: 10%;">ACRES</td> <td style="width: 10%;">DEPTH</td> <td style="width: 10%;">WELL #</td> <td style="width: 10%;">DIST</td> </tr> <tr> <td>LEASE NAME</td> <td>NEAREST LEASE</td> <td></td> <td>NEAREST WE</td> <td></td> </tr> </table> This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.			FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE	
FIELD NAME	ACRES	DEPTH	WELL #	DIST								
LEASE NAME	NEAREST LEASE		NEAREST WE									

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 802702	DATE PERMIT ISSUED OR AMENDED Jan 15, 2015	DISTRICT * 08
API NUMBER 42-389-34751	FORM W-1 RECEIVED Jan 13, 2015	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 480.11
OPERATOR BHP BILLITON PET(TXLA OP) CO 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME STATE PROJECTS 57-T2-47X2		WELL NUMBER 1H
LOCATION 4 miles SW direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 47 BLOCK ◀ 57 T2 ABSTRACT ◀ 640 SURVEY ◀ T&P RR CO		
DISTANCE TO SURVEY LINES 2304 ft. N 934 ft. W		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 2304 ft. N OFF LEASE 934 ft. W OFF LEASE		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
	WELL # NEAREST WE	DIST
----- PHANTOM (WOLFCAMP) STATE PROJECTS 57-T2-47X2 -----	480.11 200	12,500 0
	1H	08
----- WELLBORE PROFILE(s) FOR FIELD: Horizontal -----		
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 934.0 F W OFF LEASE L 2304.0 F N OFF LEASE L Terminus Location BH County: REEVES Section: 2 Block: 57 T3 Abstract: 5760 Survey: T&P RR CO/PATTERSON, J M Lease Lines: 990.0 F WEST L 150.0 F S L Survey Lines: 990.0 F WEST L 150.0 F S L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.		

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin, Texas 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

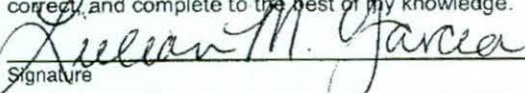
1. Field Name(s) Phantom (Wolfcamp)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name BHP BILLITON (TXLA OP) CO.	5. Operator P-5 Number 068596	6. Well Number 1H
7. Pooled Unit Name State Projects 57-T2-47X2	8. API Number	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County Reeves	11. Total acres in pooled unit 480.11	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See Inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1.	Barlow Projects, Inc.	159.58	☐	☐
2.	State of Texas Minerals	160.28	☐	☐
3.	State of Texas Minerals	160.25	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.



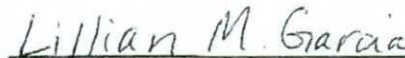
Signature

Regulatory Tech Asst.

Title

Lillian.garcia@bhpbilliton.com

E-mail (if available)



Print Name

01/13/2015

Date

(713) 552-4537

Phone

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

- When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
- The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
- If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
- If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.
- If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
- Identify the drill site tract with an * to the left of the tract identifier.
- The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data

REEVES (389) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
FORD-DELAWARE	2,500	2,500		1	12/17/2013
CASTILLE	2,800	2,800		2	12/17/2013
BELL CANYON	4,800	5,000		3*	12/17/2013
DELAWARE	2,500	5,700		4	12/17/2013
DELAWARE CONSOLIDATED GAS	6,500	6,500		5	12/17/2013
CHERRY CANYON	3,800	7,800		6	12/17/2013
BONE SPRINGS	7,500	9,800		7	12/17/2013
PERMIAN	11,300	11,300		8	12/17/2013
WOLFCAMP	10,000	12,300		9	12/17/2013
PENNSYLVANIAN	11,000	14,900		10	12/17/2013
MISSISSIPPIAN	10,000	16,000		11	12/17/2013
DEVONIAN	13,600	17,800		12	12/17/2013
FUSSELMAN	14,000	17,800		13	12/17/2013
ELLENBURGER	15,000	20,800		14	12/17/2013

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.state.tx.us/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

3102

File No. MF 116646 7
Reeves County
Drilling Permit for Unit 7024 AP 1389-34751
Date Filed: 6-29-15
George P. Bush, Commissioner
By gm



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

COPY

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

Billing Date: 5/12/2016
Billing Due Date: 6/11/2016
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
16I00413	MF112780	\$7,557.89	\$0.00	\$795.74	\$185.24	\$8,538.87
16I00415	MF113876	\$2,984.36	\$0.00	\$319.08	\$64.90	\$3,368.34
16I00416	MF116646	\$9,286.21	\$0.00	\$981.61	\$236.02	\$10,503.84
16I00418	MF116646	\$0.00	\$2,668.39	\$278.76	\$104.02	\$3,051.17
Total Due		\$19,828.46	\$2,668.39	\$2,375.19	\$590.18	\$25,462.22

Penalty and interest have been calculated thru 5/31/2016. Payment remitted after 5/31/2016 will result in additional penalty and interest charges.

Contact Info: Andrea Charlton (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 5/12/2016

Billing Due Date: 6/11/2016

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
16I00413	MF112780	\$7,557.89	\$0.00	\$795.74	\$185.24	\$8,538.87
16I00415	MF113876	\$2,984.36	\$0.00	\$319.08	\$64.90	\$3,368.34
16I00416	MF116646	\$9,286.21	\$0.00	\$981.61	\$236.02	\$10,503.84
16I00418	MF116646	\$0.00	\$2,668.39	\$278.76	\$104.02	\$3,051.17
Total Due		\$19,828.46	\$2,668.39	\$2,375.19	\$590.18	\$25,462.22
Amt. Paid						

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: BHP Billiton Petroleum (TXLA Operating) Company
Customer Number: C000046383
Mineral File #: MF116646
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$10,503.84	05/11/16	Under reported/paid sales volumes	 MM 5/11/2016	

All original invoices must be approved.

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

Customer ID: C000046383

Invoice Number:

GLO Lease: MF116646

GLO Review: BHP Billiton Petroleum (TXLA Operating) Company

Review Period: JANUARY Through AUGUST 2015

Auditor/AE: Acharito

Billing Date: 5/9/2016

P&I Calculation Date: 5/31/2016

Royalty Rate: 12.50%

Month / Year	RRC Number	(1) Gas Volume	(2) Tract Participation	(3) Price	(4) BTU	(5) Gross Value (1)X(2)x(3)x(4)	(6) Royalty Due (5) * Royalty Rate	(7) Royalty Paid	(8) Additional Royalty Due	(9) Number of Days Late	(10) Interest Rate For Additional Royalty	(11) Penalty From Additional Royalty	(12) Interest From Additional Royalty	Revenue Due (8)+(11)+(12)
Jan-15	08-278999	500	1.000000	\$3.42	1	\$1,710.27	\$213.78	\$227.56	(\$13.78)	443	4.250000%	\$0.00	\$0.00	(\$13.78)
Feb-15	08-278999	544	1.000000	\$3.28	1	\$1,786.24	\$223.28	\$425.40	(\$202.12)	412	4.250000%	\$0.00	\$0.00	(\$202.12)
Mar-15	08-278999	1,078	1.000000	\$2.99	1	\$3,226.44	\$403.31	\$102.34	\$300.97	382	4.250000%	\$30.10	\$11.32	\$342.39
Apr-15	08-278999	(251)	1.000000	\$2.90	1	(\$726.93)	(\$90.87)	\$200.91	(\$291.78)	351	4.250000%	\$0.00	\$0.00	(\$291.78)
May-15	08-278999	1,488	1.000000	\$3.02	0.95904	\$4,305.07	\$538.13	\$560.28	(\$22.15)	321	4.250000%	\$0.00	\$0.00	(\$22.15)
Jun-15	08-278999	(2,543)	1.000000	\$3.57	0.86998	(\$7,895.21)	(\$986.90)	(\$4,575.33)	\$3,588.43	290	4.250000%	\$358.84	\$96.52	\$4,043.79
Jul-15	08-278999	7,904	1.000000	\$3.64	0.86549	\$24,890.27	\$3,111.28	\$0.00	\$3,111.28	259	4.250000%	\$311.13	\$72.45	\$3,494.86
Aug-15	08-278999	7,002	1.000000	\$3.74	0.86088	\$22,522.85	\$2,815.36	\$0.00	\$2,815.36	229	4.250000%	\$281.54	\$55.73	\$3,152.63
TOTALS		15,722				\$49,818.99	\$6,227.37	(\$3,058.84)	\$9,286.21			\$981.61	\$236.02	\$10,503.84

ATTN: Cristen Steele

CERTIFIED MAIL: 7007 0710 0000 5380 6538

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WAS COMPARED TO VOLUMES REPORTED TO THE RRC.
IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAS BEEN UNDER PAID.

COLUMN (1) RRC VOLUME - REPRESENTS UNDER (OVER) REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-278999 08-278235 Unit 7023 & Unit 7024

COLUMN (2) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE AVERAGE PRICES

COLUMN (3) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE AVERAGE BTU

COLUMN (7) DIFFERENCE OF ROYALTY REPORTED AND ROYALTY PAID.

COLUMN (10)(11)(12) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

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

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

⑧

File No. MF 116646

Reeves County

Reconciliation Billing

Date Filed: 6/13/16

George P. Bush, Commissioner

By Dayla Ramirez

By _____

George P. Bush, Commissioner

Date Filed: _____

County _____

File No. _____

MF 112780
MF 113876
MF 116646✓

DIVISION ORDER



To: **BHP Billiton Petroleum**
Land Administration
P O Box 22719
Houston, TX 77227-9927
(877) 311-1443

Issue Date: 5/19/2015
Property Name: STATE PROJECTS 57-T2-47X2 1H
Property #: P1M608/00501 **API** 389-34751
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: T&P RR CO ABST/ID# 5900 Grantee M. SCHLOFMAN Twsp T3 Blk 57 Sec 2REEVES COUNTY, TEXAS T&P RR CO ABST/ID# 5760 Grantee STATE Twsp T3 Blk 57 Sec 2REEVES COUNTY, TEXAS T&P RR CO ABST/ID# 640 Grantee T. & P.R.R.CO. Twsp T2 Blk 57 Sec 47 REEVES COUNTY, TEXAS (480.110 ACRES)

CREDIT TO

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

Decimal	Type	Status	Reason	Start Date
0.08345225	RI	PAY		5/1/2015

PLEASE KEEP THIS COPY FOR YOUR RECORDS

STAMP: MAY 20 2015



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 2, 2016

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

Re: State Lease Nos. MF109172/MF087169 and MF116840 State Cumberland 57-T2-16 1H;
MF112780/MF113876/MF116646 State Projects 57-T2-47X2 1H; and
MF065125 State Projects 57-T2-47X38 1H

Dear Mr. Brown:

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

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

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

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

Thank you,

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

9

File No. MF-116646
Division Order

Date Filed: 8/3/16

By  George P. Bush, Commissioner

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$

ATTN:

MF#5:

112676

112780

Postmark

Here

113876

116646

Cristen Steele

Sent To

BHP Billiton Petroleum (TXLA Operating) Co.

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

1360 Post Oak Blvd Ste 150

City, State, ZIP+4

Houston TX 77056-3030

7008 0150 0003 1019 9499



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

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

Billing Date: 6/27/2017
Billing Due Date: 7/27/2017
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
17I00408	MF116646	\$0.00	\$699.20	\$275.00	\$38.04	\$1,012.24
Total Due		\$0.00	\$699.20	\$275.00	\$38.04	\$1,012.24

Penalty and interest have been calculated thru 6/30/2017. Payment remitted after 6/30/2017 will result in additional penalty and interest charges.

Contact Info: Sabrina Garcia (512) 475-1510 or Sabrina.Garcia@GLO.TEXAS.GOV

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 6/27/2017

Billing Due Date: 7/27/2017

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
17I00408	MF116646	\$0.00	\$699.20	\$275.00	\$38.04	\$1,012.24
Total Due		\$0.00	\$699.20	\$275.00	\$38.04	\$1,012.24
Amt. Paid						

Customer ID: C000046383
 Invoice Number: 17100408
 GLO Lease: MF116646
 GLO Review: BHP BillintonPetroleum (TXLA Operating) Company
 Review Period: September 2015 through August 2016

Category: Oil
 Auditor/AE: Sgarcia
 Billing Date: 6/27/2017
 P&I Calculation Date: 6/30/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Oct-15	08-278999	7	1.00000000	\$41.179000	1.000000	\$288.25	\$36.03	\$0.00	\$36.03	573	4.25%	\$25.00	\$2.16	\$63.19
Nov-15	08-278999	9	1.00000000	\$40.291750	1.000000	\$362.63	\$45.33	\$0.00	\$45.33	542	4.50%	\$25.00	\$2.70	\$73.03
Dec-15	08-278999	33	1.00000000	\$35.143130	1.000000	\$1,159.72	\$144.97	\$0.00	\$144.97	511	4.50%	\$25.00	\$8.08	\$178.05
Jan-16	08-278999	22	1.00000000	\$29.129360	1.000000	\$640.85	\$80.11	\$0.00	\$80.11	482	4.50%	\$25.00	\$4.18	\$109.29
Mar-16	08-278999	23	1.00000000	\$27.407160	1.000000	\$630.36	\$78.80	\$0.00	\$78.80	421	4.50%	\$25.00	\$3.52	\$107.32
Oct-15	08-278235	17	1.00000000	\$41.888140	1.000000	\$712.10	\$89.01	\$0.00	\$89.01	573	4.25%	\$25.00	\$5.33	\$119.34
Nov-15	08-278235	8	1.00000000	\$40.660730	1.000000	\$325.29	\$40.66	\$0.00	\$40.66	542	4.50%	\$25.00	\$2.42	\$68.08
Dec-15	08-278235	21	1.00000000	\$35.135930	1.000000	\$737.85	\$92.23	\$0.00	\$92.23	511	4.50%	\$25.00	\$5.14	\$122.37
Jan-16	08-278235	12	1.00000000	\$29.108870	1.000000	\$349.31	\$43.66	\$0.00	\$43.66	482	4.50%	\$25.00	\$2.28	\$70.94
Feb-16	08-278235	6	1.00000000	\$26.049160	1.000000	\$156.29	\$19.54	\$0.00	\$19.54	451	4.50%	\$25.00	\$0.94	\$45.48
Mar-16	08-278235	8	1.00000000	\$28.857330	1.000000	\$230.86	\$28.86	\$0.00	\$28.86	421	4.50%	\$25.00	\$1.29	\$55.15
TOTALS		166				\$5,593.51	\$699.20	\$0.00	\$699.20			\$275.00	\$38.04	\$1,012.24

ATTN: Cristen Steele
 CERTIFIED MAIL: 7008 0150 0003 1019 9499

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

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID # 08-278999 and #08-278235
 COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

File No. MF 116646

County

Recon Billing

Date Filed: 6/29/17

George P. Bush, Commissioner

By AT

MF116646

19709872

51-0.0-4240751000174 1-2 B.0 203-206

Check No.: 211466

Payment Type: EXTEND DEPTHS 2
YEARS

Lease Number: 1045550/001 LSE

Lease Effective Date: 05/15/2014

Period Covered: 05/15/2019-05/15/2019

Payment Amount: \$200,400.00

Original Lessor: BRENNAND LAZY H RANCH LTD

Recording Information: Book # 1078 Page # 48, 14-04688



State: TX

County: REEVES

Check Remarks:

For the Credit of:

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

(BA#):80104210

Payment Amount: \$200,400.00

Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

BHPPETROHAWK ENERGY CORPORATION
ATTN LAND ADMINISTRATION
P.O. BOX 22719
HOUSTON, TX 77027-9998Bank of America 1455 Market St. 4th Fl
San Francisco CA 9410332-1
1110 GL

DATE 04/15/2019

19709872
CHECK NO. 211466

PAY *****200400*DOLLARS AND* 00*CENTS

AMOUNT *****\$200,400.00

VOID IF NOT CASHED WITHIN
SIX MONTHS OF ISSUE

NON TRANSFERABLE

Owner Call Center: 1-877-311-1443

PAY
TO
THE
ORDER
OFCOMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701

FACSIMILE SIGNATURE

FACSIMILE SIGNATURE

⑈000211466⑈

File No. ME116646
DRR payment County
Lease
Date Filed: 5/6/19
George P. Bush, Commissioner
By SSD



Allie Huizenga

Land Negotiator
Permian BU

BP America Production Company
BPX Energy Inc.
1700 Platte Street
Suite 150
Denver, Colorado 80202
USA

Direct 720-682-0308
Allie.Huizenga@bpx.com

September 10, 2020

Texas General Land Office
Attention: Susan Draughn
1700 N. Congress Avenue, Suite 840
Austin, TX 78701-1495

Via FedEx

Re: Deep Rights Retention Payment Form
MF# 116646

Dear Ms. Draughn:

Enclosed please find a Deep Rights Retention Payment Form for MF116646. This form was not previously submitted by BPX Energy's predecessor. It is our understanding that this form is not required, but preferred by the General Land Office (the "GLO").

We respectfully request that the GLO confirm acceptance of this form and advise regarding any issues.

Please do not hesitate to contact me at the above should you have any questions.

Respectfully,

Allie Huizenga

Enclosures





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

DEEP RIGHTS RETENTION PAYMENT FORM

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

Mail or Deliver with Attention to: Energy Resources

STATE LEASE # MF 116646		County REEVES	Gross Acres 320.00	Net Acres 160.00	Tract Part (Ex. NW/4) SW/4; NE/4
Section: 2	Block: 57	Survey: T&P RR CO.		Township: T3	Abstract: 5760
Agent for State (Lessor) BRENNAND LAZY H RANCH LTD			Operator BPX OPERATING COMPANY		

FOR EACH WELL, PROVIDE THE FOLLOWING:

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

ALLIE HUIZENGA	9/10/2020
<i>Contact</i>	<i>Date</i>
LAND NEGOTIATOR	BPX ENERGY INC.
<i>Title</i>	<i>Company</i>
720-682-0308	1700 PLATTE STREET, SUITE 150
<i>Telephone Number</i>	<i>Mailing Address</i>
ALLIE.HUIZENGA@BPX.COM	DENVER, CO 80202
<i>E-Mail Address</i>	<i>City, State, Zip</i>

Deep Rights Retention Bonus Work-Up
Type of State Lease: (RAL, Fee, Free Royalty) RAL
Total Eligible Acres: 160.00
Total Amount Due: \$200,400.00
Check # 211466
<i>If there are undivided interests; there may be multiple checks</i>

<i>For General Land Office Use Only:</i>		
Received: _____	Payment Register No.: _____	
Amount: \$ _____	Lease Type: _____	Unit No.: _____

AGENT FOR STATE (LESSOR)

(if multiple undivided interests are included; list below)

Lease MF# & Undivided Interest Alpha #	Name of Agent for State of Texas	Original Bonus to State in \$	Bonus Amount Due One half (½) of Original (based on acres being retained)	Undivided Interest Net Acres
Deep Rights Retention Bonus Due to State TOTAL:				
Undivided Interest Net Acres TOTAL:				

Copy and Complete Additional Sheets as Necessary

WELL INFORMATION

Copy and Complete Additional Sheets as Necessary

<u>WELL NAME & NO.</u> STATE PROJECTS 57-T2-47X2 1H		<u>API</u> 4238934751	<u>DISTRICT</u> 08	<u>RRC ID</u> 278235	<u>SPUD DATE</u> 1/27/2015	<u>COMPLETION DATE</u> 5/16/2015
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>SW/4 OF SEC. 47; W/2 OF SEC. 2</u> Section: <u>47</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>640</u>			OIL ☐ VERTICAL ☐ GAS ☒ HORIZONTAL ☒ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 480.11	<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 320.53	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 159.58	<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 10,072.68'			
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 7,136'	<u>LENGTH OF LATERAL ON STATE LAND</u> 4,691'	<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 2,445'			
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 12652 MCF, 3080 BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 12069 MCF, 2881 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 6913 MCF, 1745 BBL

<u>WELL NAME & NO.</u> STATE BARLOW 57-T2-47X2 1H		<u>API</u> 4238934553	<u>DISTRICT</u> 08	<u>RRC ID</u> 278999	<u>SPUD DATE</u> 10/6/2014	<u>COMPLETION DATE</u> 1/24/2015
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): <u>SE/4 OF SEC. 47; E/2 OF SEC. 2</u> Section: <u>47</u> Block: <u>57</u> Township: <u>T3</u> Survey: <u>T&P RR CO.</u> Abstract: <u>640</u>			OIL ☐ VERTICAL ☐ GAS ☒ HORIZONTAL ☒ FIELD NAME & NUMBER: <u>PHANTOM (WOLFCAMP); 71052900</u>			
<u>TOTAL ALLOWABLE WELL ACRES</u> 480.15	<u>NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES</u> 320.67	<u>NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES</u> 159.48	<u>TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE</u> 10,148.14'			
<u>HORIZONTAL WELLS</u>	<u>TOTAL LENGTH OF LATERAL</u> 8,056'	<u>LENGTH OF LATERAL ON STATE LAND</u> 5,518'	<u>LENGTH OF LATERAL ON PRIVATE LAND</u> 2,538'			
<u>3 MONTHS MOST RECENT PRODUCTION</u>	<u>MONTH/YEAR</u> 06/2020	<u>VOLUME</u> 8168 MCF, 2801 BBL	<u>MONTH/YEAR</u> 05/2020	<u>VOLUME</u> 7668 MCF, 3811 BBL	<u>MONTH/YEAR</u> 04/2020	<u>VOLUME</u> 4320 MCF, 1767 BBL

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

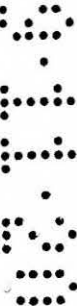
<u>WELL NAME & NO.</u>		<u>API</u>	<u>DISTRICT</u>	<u>RRC ID</u>	<u>SPUD DATE</u>	<u>COMPLETION DATE</u>
<u>WELL LOCATION:</u> Land Part (Ex. NW/4): _____ Section: _____ Block: _____ Township: _____ Survey: _____ Abstract: _____			OIL ☐ VERTICAL ☐ GAS ☐ HORIZONTAL ☐ FIELD NAME & NUMBER: _____			
<u>TOTAL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

P-15 STATEMENT OF PRODUCTIVITY OF ACREAGE

OPERATOR: BHP BILLITON PET (TXLA OP) CO (068596)
COUNTY: REEVES – DISTRICT 08
FIELD NAME: PHANTOM (WOLFCAMP)
LEASE NAME: STATE PROJECTS 57-T2-47X2
LEASE ACRES: 480.11

<u>LEASE ID</u>	<u>DRILLING PERMIT #</u>	<u>WELL NO.</u>	<u>DEDICATED ACRES</u>
PENDING	802702	1H	480.11

TOTAL ALLOCATED:	480.11
TOTAL AVAILABLE:	0





0 1000 2000
1" = 2000 FEET

BHP BILLITON PET (TXLA OP) CO.
SURFACE HOLE LOCATION
STATE PROJECTS 57-T2-47X2 1H
WID #833812
NAD 83
Y = 10,627,539.11
X = 1,176,013.27
LAT. = 31.77513727° N
LONG. = 103.93984391° W
NAD 27
Y = 784,962.14
X = 879,551.76
LAT. = 31.77501099° N
LONG. = 103.93937049° W
ELEV. = 2,965.60'

TRACT 2
MINERAL OWNER:
STATE OF TEXAS MINERALS
160.28 ACRES

TERMINUS
NAD 83
Y = 10,619,438.07
X = 1,176,438.63
LAT. = 31.75292034° N
LONG. = 103.93763149° W
NAD 27
Y = 776,862.34
X = 879,976.95
LAT. = 31.75279396° N
LONG. = 103.93715878° W

SURVEY/SECTION LINE

T.&P. R.R. CO.
A-840
SECTION 47,
BLOCK 57,
TOWNSHIP 2
T.&P. R.R. CO.

Mineral Owner:
Barlow
Projects Inc.
160.31 ACRES
TRACT 1

BHP BILLITON PET (TXLA OP) CO.
OFFSET OPERATOR

POP
NAD 27
Y = 784,820.76
X = 880,258.53
MD = 9,787'
FTP
NAD 27
Y = 784,159.70
X = 880,238.65
MD = 10,593'

Mineral Owner:
BHP Billiton Pet (TXLA OP) Co.
(4000' & below)

TRACT 1
MINERAL OWNER:
BARLOW
PROJECTS INC.
159.58 ACRES

J.M. PATTERSON
A-5760
SECTION 2
BLOCK 57
TOWNSHIP 3
T.&P. R.R. CO.

W.W. SMITH
A-2462
SECTION 2
BLOCK 57
TOWNSHIP 3
T.&P. R.R. CO.

TRACT 3
MINERAL OWNER:
STATE OF TEXAS MINERALS
160.26 ACRES

LTP
NAD 27
Y = 777,041.30
X = 879,980.74
MD = 17,729'

FRANK
SURVEYING COMPANY INC.

550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
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bhpbilliton

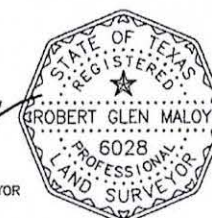
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 STATE PLANE "TEXAS CENTRAL ZONE", AND BASED ON "ORLA" NGS MONUMENT (Y = 798,953.56, X = 876,026.89)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR = 0.999835117
4. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

I HEREBY STATE THAT THIS PLAT
SHOWS THE SUBJECT LOCATION BASED
ON INFORMATION PROVIDED BY
THE CLIENT.

Robert Glen Maloy
ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028



REVISION	DATE	BY	DETAILS
A	04/07/15	CG	MAKE PRELIMINARY PLAT

PLAT OF:

A FINAL AS-DRILLED PLAT FOR:
BHP BILLITON PET (TXLA OP) CO
STATE PROJECTS 57-T2-47X2 1H
WID# 833812

SITUATED IN THE T.&P. R.R. CO. SURVEY, A-640, SECTION 47, BLOCK 57, TOWNSHIP 2, THE M. SCHLOFMAN SURVEY, A-5900, SECTION 2, BLOCK 57, TOWNSHIP 3, AND THE J.M. PATTERSON SURVEY, A-5760, SECTION 2, BLOCK 57, TOWNSHIP 3, ALL OF THE T.&P. R.R. CO. LANDS AND BEING APPROXIMATELY 4 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS.

DATE: 04/07/15 PROJECT NO: 2014091014
DRAWN BY: CG SCALE: 1" = 2000'
CHECKED BY: RM SHEET: 1 OF 1
FIELD CREW: RE/MR REVISION:

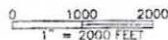
03.11.6

P-15 STATEMENT OF PRODUCTIVITY OF ACREAGE

OPERATOR: BHP BILLITON PET (TXLA OP) CO (068596)
COUNTY: REEVES – DISTRICT 08
FIELD NAME: PHANTOM (WOLFCAMP)
LEASE NAME: STATE BARLOW 57-T2-47X2
LEASE ACRES: 480.15

<u>LEASE ID</u>	<u>DRILLING PERMIT #</u>	<u>WELL NO.</u>	<u>DEDICATED ACRES</u>
PENDING	795866	1H	480.15
		TOTAL ALLOCATED:	480.15
		TOTAL AVAILABLE:	0



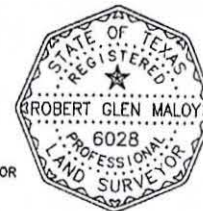


BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 STATE PLANE (TEXAS CENTRAL ZONE), AND BASED ON "ORLA" NGS MONUMENT ($Y = 798,953.56$, $X = 876,028.89$)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR = 0.999842354
4. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACRESSES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

I HEREBY STATE THAT THIS PLAT
SHOWS THE SUBJECT LOCATION BASED
ON INFORMATION PROVIDED BY
THE CLIENT.

Robert Glen Maloy
ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028



REVISION	DATE	BY	DETAILS
A	11/18/15	GG	MAKE PRELIMINARY PLAT

PLAT OF:
AN AS DRILLED WELL LOCATION FOR:
BHP BILLITON PET (TXLA OP) CO
STATE BARLOW 57-T2-47X2 1H
WID# 135554

SITUATED IN THE T.&P. R.R. CO. SURVEY, A-640, SECTION 47, BLOCK 57, TOWNSHIP 2, THE J.M. PATTERSON SURVEY, A-5760, THE W.W. SMITH SURVEY, A-2462, BOTH BEING PART OF SECTION 2, BLOCK 57, TOWNSHIP 3 AND BEING APPROXIMATELY 4 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS.

550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
© COPYRIGHT 2014 - ALL RIGHTS RESERVED

DATE:	11/18/15	PROJECT NO:	201407662
DRAWN BY:	CG	SCALE:	1" = 200'
CHECKED BY:	RM	SHEET:	1 OF 1
FIELD CREW:	BK/AD	REVISION:	

U. T. S.

12.

File No. MF 116646

DRR Form County

Date Filed: 9/28/20

George P. Bush, Commissioner

By SSD

8.77.30



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 28, 2021

Ms. Allie Huizenga
BPX Energy, Inc.
1700 Platte Street, Suite 150
Denver, CO 80202

RE: State Lease MF116646— Relinquishment Act Lease
Deep Rights Retention
320 gross/160 net acres SW/4 and NE/4 of Section 2, Block 57, Township 3S, T&P RR Co.
Survey, A-5760, Reeves County, Texas
Wells: State Projects 57-T2-47X2 1H, API 42-389-34751, RRC 08-278235
State Barlow 57-T2-47X2 1H, API 42-389-34553, RRC 08-278999
Unit: State Projects 57-T2-47X2 Unit, State #7024
State Barlow 57-T2-47X2 Unit, State #7023

Dear Ms. Huizenga:

The Deep Rights Retention checks in the total amount of \$200,400.00 for mineral file MF116646 has been accepted and will retain the deep rights according to the lease and/or unit agreement.

This letter serves also to acknowledge receipt of the GLO requested Deep Rights Retention form from BPX Energy.

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

Best regards,

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

File No. MF 116646
Letter accepting DRK Form County

Date Filed: 6/11/21
 By George P. Bush, Commissioner
SSD

OFFICE OF THE COMMISSIONER
 DEPARTMENT OF TAXATION



BPX Operating Company
Attn: GBS - P2P Treasury Payments
501 Westlake Park Boulevard
Houston, TX 77079

MF116646

bpx energy

Swf

09/21/23

2100003 01 SD T 6183 DD -P00003 C10



COMMISSIONER OF THE TEXAS GENERAL L
1700 N CONGRESS AVE
AUSTIN TX 78701

PG 1 OF 1

Done
10/17/23

VENDOR NUMBER:

TRACE NUMBER: 1490535008BPXML-CPS

State Projects 57-T3-2 Pad 11- Surface Damages S1/4 Block 57, T3, Section 2 A-5760 MF116646					
				24700955	



INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO 1-888-529-1358

IN ORDER TO AFFECT TIMELY INVOICE PAYMENTS PLEASE
PLACE YOUR VENDOR NUMBER ON ALL FUTURE INVOICES.
YOUR VENDOR NUMBER IS

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK # 6000006495 ATTACHED BELOW

bpx energy

BPX Operating Company
Attn: GBS - P2P Treasury Payments
501 Westlake Park Boulevard
Houston, TX 77079

62-20
311

No. 6000006495

TRACE NO.: 1490535008BPXML-CPS

24700955

09/21/23

PAY TO THE
ORDER OF

COMMISSIONER OF THE TEXAS GENERAL L
1700 N CONGRESS AVE
AUSTIN TX 78701

\$\$\$\$\$\$\$\$\$49,302.69

NOT VALID AFTER 6 MONTHS

Forty-nine Thousand Three Hundred Two and 69/100 Dollars

AUTHORIZED SIGNATURE

CITIBANK, N.A.
ONE PENN'S WAY, NEW CASTLE, DE 19720

6000006495



October 2, 2023

Carl Bonn
Texas General Land Office
1700 N. Congress Avenue, Suite 846E
Austin, TX 78701

Re: **BPX-State Projects 57-T3-2 Pad I1 – Surface Damage Check**
SW/4 Block 57, Township 3, Section 2, A-5760
T&P RR Co Survey, Reeves County, Texas
File MF116646

Mr. Bonn,

Please find enclosed the copy of the Brennand Lazy H Ranch - State of Texas lease for the SE/4 Section 2, Block 57 T3 along with the State of Texas lease bonus checks.

The lease bonus check is Check No. 60000006495 for \$49,302.69, for the State of Texas lease.

Please let me know of any questions or additional information needed.

Thank you and have a great day.

Sincerely,

Sarah Phillips

Sarah Phillips
Surface Landman & Accounting
Optima Land Services, LLC
415 W. Wall St., Ste. 105 | Midland, TX 79701
Cell: 817.896.4300

415 WEST WALL ST., SUITE 105, MIDLAND, TEXAS 79701
432-218-2409 OFFICE

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

OIL AND GAS LEASE

ES-0029D
V
O
L

THIS AGREEMENT is made and entered into this 15th day of May, 2014, between the State of Texas, acting by and through its agent, BRENNAND LAZY H RANCH, LTD., of 1330 Post Oak Blvd, Suite 2540, Houston, Texas 77056, said agent herein referred to as the owner of the soil (whether one or more), and BHP Billiton Petroleum Properties (N.A.), LP, of Post Office Box 22719, Houston, Texas 77027-9998 hereinafter called Lessee.

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit:

SW/4 and NE/4 of Section 2, Block 57, T-3, T&P Ry. Co. Survey

Containing 320 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Four Hundred Thousand Eight Hundred and 00/100ths Dollars
(\$400,800.00)

To the owner of the soil: Four Hundred Thousand Eight Hundred and 00/100ths Dollars
(\$400,800.00)

Total bonus consideration: Eight Hundred One Thousand Six Hundred and 00/100 Dollars
(\$801,600.00)

The total bonus consideration paid represents a bonus of Five Thousand Ten and no/100 ths Dollars (\$5,010) per acre, on 160 net acres.

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

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the N/A Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: _____
Dollars (\$ _____)
To the State of Texas: _____
Dollars (\$ _____)
Total Rental: _____
Dollars (\$ _____)

The total delay rental paid represents a rental of _____ Dollars (\$____ per acre, on _____ net acres.

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

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

(A) OIL. Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 25% of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived, in writing, by the royalty owners upon such terms and conditions as they prescribe.

(B) NON PROCESSED GAS. Royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) shall be 25% of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is the greater; provided that the maximum pressure base in measuring the gas under this lease shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to tests made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) PROCESSED GAS. Royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons shall be 25% of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%), or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arm's length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) OTHER PRODUCTS. Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be 25% of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

5. MINIMUM ROYALTY. During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than the sum of Twenty-Five Dollars (\$25.00) per acre an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to of Twenty-Five Dollars (\$25.00) per acre the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be five dollars (\$5.00) per acre.

6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any

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royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil's or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

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

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

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

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

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

(B) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells with a copy of the same to the owner of the soil. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank

batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

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

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

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

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

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to of Fifty Dollars (\$50.00) per acre ~~double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre.~~ To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease

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for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 160 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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records of the General Land Office and such designation shall be binding upon Lessee for all purposes. Lessee also agrees to provide a recorded copy of any release to the owner of the soil promptly following the recordation thereof.

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

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

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

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

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

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

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22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land. **Additionally, Lessee shall pay one-half (1/2) to the State of Texas and one-half (1/2) to the owner of the soil the damage amounts stipulated on Exhibit A attached hereto, which amounts shall be rebuttably presumptive evidence of actual damages. Lessee also agrees to comply with the other provisions set forth on Exhibit A. If the owner of the soil owns less than the entire undivided surface estate in the above described land, then the damages provided on Exhibit A shall be proportionately reduced, and paid in the proportion which owner of the soil's interest bears to the entire undivided surface estate.**

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

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

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

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

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

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

- (1) a nominee of the owner of the soil;
- (2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;
- (3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;
- (4) a principal stockholder or employee of the corporation which is the owner of the soil;
- (5) a partner or employee in a partnership which is the owner of the soil;

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- (6) a fiduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil; or
(7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

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

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

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

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

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

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

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

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

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

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

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

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

LESSEE

BHP Billiton Petroleum Properties (N.A.), LP
By: BHP Billiton Petroleum Properties (GP), LLC, its
General Partner

By:

Name: Stephen L. Mahanay, Attorney-in-Fact

Date:

LESSOR

STATE OF TEXAS

BY: BRENNAND LAZY H RANCH, LTD.
Individually and as agent for the State of Texas

By: Brennand Interests, L.L.C., its general partner

By: Dawson O. George, III Manager

Date:

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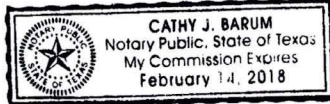
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ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on May 19, 2014, by Dawson O. George, III, Manager of Brennand Interest, LLC, general partner of BRENNAND LAZY H RANCH, LTD., a Texas limited partnership, as agent for the State of Texas.



Cathy J. Barum
Notary Public in and for the State of Texas
My Commission expires: _____

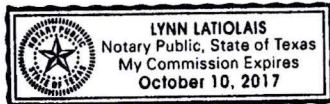
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STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on May 19, 2014, by Stephen L. Mahanay, Attorney-in-Fact of BHP Billiton Petroleum Properties (GP), LLC, general partner of BHP Billiton Petroleum Properties (N.A.), LP, a Texas Limited Liability Company, on behalf of said entity.



Lynn Latiolais
Notary Public in and for the State of Texas
My Commission expires: _____

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EXHIBIT A

SURFACE DAMAGE SCHEDULE

May 15, 2014

Brennand Lazy H Ranch, Ltd.

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I. Lessee as a covenant of this lease, agrees to pay one-half (1/2) to the owner of the soil and one-half (1/2) to the State of Texas, within thirty (30) days after such operations are conducted, for the respective types of operations conducted on the Leased Premises, the sums set forth below:

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Type of Operation

1. Well location (up to 5 acre pad site) \$25,000.00
2. Additional wellbores from same well pad \$ 5,000.00
3. Fresh Water Frac Pit (calculated from inside of berm) \$.30/sf
Unused pits must be closed by end of primary term
Requires reseeding upon closure of pit
Fresh Water Frac Pit Site (calculated from outside of berm) \$.10/sf
4. Geophysical Permits
2-D \$1,500 plus \$3,000.00 per mile
3-D \$1,000 plus \$20.00 per acre
5. Roads for access to wells on location only (Maximum 10-year term)
(a) Dirt Roads (limited to 15' in width) \$50.00 per rod
(b) Caliche and gravel roads (limited to 15' wide) \$55.00 per rod
(c) Temporary roads and pull-outs (less than 15') \$500.00 each
(d) Use of existing roads \$16.50 per rod
6. Pipeline Easements for wells on location use only (Maximum 10-year term)
(a) Less than 4" \$22.00 per rod
(b) 4" to less than 6" \$26.00 per rod
(c) 6" to less than 12" \$42.00 per rod
(d) 12" to less than 24" \$62.00 per rod
(e) 24" to 40" \$100.00 per rod
Replacement of pipe due to damage 1/2 of original easement, minimum of \$500
8. Utility Line Easement for use of wells on location only and limited to a single line pole (Maximum 10-year term) \$ 100.00 per rod
9. Workover and completion rigs, per occurrence \$1,500.00
10. Tank Battery (on or off well location) \$10,000.00
11. Leaks and spills \$.25/sf
Minimum payment for any leak or spill shall be on basis of 500 square feet. All leaks or spills shall be reported to surface owner immediately and cleaned up and affected dirt hauled off within 30 days. If not cleaned up within first 30 days there will be additional payments due of the same amount each and every 30 days thereafter.

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The amounts set forth in the above damage schedule shall increase by 5%, compounded, on each anniversary date of this agreement.

II. Surface/Subsurface Protection Clauses: As a part of the consideration of this Lease, Lessee covenants and agrees as follows:

- (a) Prior to commencing any operations under this lease, Lessee shall consult surface owner and provide information as to the form of operations, the proposed date of

commencement and the location of said operations.

(b) Lessee and all persons entering or leaving said lands in connection with Lessee's operations hereunder shall keep all outside and interior gates along the route or routes designated for such use securely closed except immediately before and immediately after each such separate use. Lessee agrees that it will promptly repair any gate, fence or other improvement that may suffer damage or injury by reason of Lessee's operations hereunder.

(c) Lessee will maintain approaches, gates, cattle guards and roadways designated and used in connection with its operations in a good state of repair and will promptly cause to be repaired and restored any damage thereto occasioned by or resulting from Lessee's operations.

(d) Within ninety (90) days after completion of a well capable of producing in paying quantities or as soon thereafter as weather permits, Lessee will remove all pit liners (if used), fill all pits, level all mounds and other excavations, remove all caliche or other base materials from the drillsite except as to a minimum area around the wellbore necessary for maintaining and operating such well not exceeding 200' x 200', restore the top soil uniformly across the entire location area except the remaining location pad and clean up the well site and remove from said lands any and all oil and/or gas waste materials, oil spills, junk materials, pieces of iron, pipes, steel and other debris and foreign materials, and all deleterious materials and substances that might cause injury to persons or livestock and generally restore such location to its original condition

Within ninety (90) days after a well is plugged or any compression facility, tank battery or storage facility, metering station or other location on which Lessee erects surface facilities in connection with operations on and production from this Lease is abandoned or as soon thereafter as weather permits, Lessee shall remove all caliche or other base materials from the location and road leading to such location or facility (unless such road is then being utilized to gain access to another existing well or facility and restore the top soil uniformly across the entire location area (and, if applicable, road) and will clean up the site and remove from said lands any and all oilfield equipment, oil and/or gas waste materials, oil spills, junk materials, pieces of iron, pipes, steel and other debris and foreign materials, and all deleterious materials and substances that might cause injury to persons or livestock and generally restore such location to surface owner's reasonable satisfaction.

Lessee shall notify the surface owner prior to conducting any operations required under this Paragraph 2(d).

(e) Lessee will use its best efforts to prevent the escape of salt water or other deleterious substances and will not permit the same to run into any surface water tank, water well, creek, ravine, or upon or over the Leased Premises, nor to penetrate, seep or flow or be injected into any subsurface fresh water stratum, but will be contained and disposed of in keeping with applicable governmental rules and regulations, including without limitation, Environmental Laws, as hereinabove defined.

(f) Lessee will use its best efforts to prevent fires on said lands and will use its best efforts to prevent papers, boxes, sacks and containers and waste materials of any kind from coming on said lands and littering the Leased Premises.

(g) No employee, representative, contractor or subcontractor of Lessee or any other person will be allowed to hunt, fish, swim, camp or picnic on said land, and no dog, gun, firearm or fishing equipment will be permitted on the premises.

(h) With respect to each pipeline laid on the Leased Premises, Lessee expressly covenants and agrees: (1) to bury any pipeline so that the top thereof will be at least thirty-six inches (36") below the existing ground level contour, except and provided that, where said line crosses any drainage ditch, creek, slough or other waterway, the same should be buried at the place of such crossing at least forty-eight inches (48") below the bottom of such drainage ditch, creek, slough, or other waterway (whether flowing or intermittent); and further provided, that none of the facilities, valves or equipment installed or constructed in connection with such pipeline shall extend above the surface of

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the ground, except that Lessee shall be permitted to place line posts or markers where said pipeline crosses surface owner's fence lines and except as may otherwise authorize. Surface owner reserves the right to impound water over any pipeline right-of-way; (2) during the period of construction of said pipeline and during the period of any subsequent altering, repairing, replacing or removing thereof, Lessee shall leave or arrange for reasonable crossings over and across said right-of-way for any vehicles, equipment, cattle and/or livestock of surface owner or surface owner's tenants, lessees, successors or assigns. Upon completion of construction of said pipeline, Lessee agrees to provide a caliche base road crossing to accommodate vehicles and equipment at all locations where the pipeline crosses existing roads; (3) to stack all trees and brush which are cut from the cleared right-of-way at the time any necessary clearing is performed, so as to leave the cleared right-of-way free of all trees, stumps, brush and debris, except for the stacked vegetation. All brush and other material which is stacked on the right-of-way shall be free of dirt so as to be capable of being burned completely and that no mounds of dirt or debris shall be left on or adjacent to the cleared right-of-way. Any trees, brush or other growth damaged outside the cleared right-of-way shall be removed; (5) following any such construction, repair, removal or other operations, to backfill (in the manner aforesaid), pack and level any such ditch or trench opened and fill, grade and restore the surface of the right-of-way as near as practicable to its original level and contour as when entered upon and in such manner that surface or rain water may pass and flow undisturbed and unimpeded from one side of the right-of-way to the other side of the right-of-way; Lessee's obligation to remove property and fixtures within ninety days (90) days after termination of the lease as provided in Paragraph 2(d) above shall include the obligation in said ninety days (90) day period to commence the removal of all pipelines and to restore the surface to the surface owner's reasonable satisfaction and in compliance with the restoration, reseed and watering provisions of Paragraph 2(d) above.

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(i) Water: Lessee shall have no right to use or take water from the leased premises or from any existing water production well, stock tank, irrigation ditch, river, or stream located on the lease premises; provided, however, that upon Lessor's written consent, Lessee shall have the right to drill, at its sole cost and expense, water wells on the leased premises for use in Lessee's operations thereon other than pressure maintenance or secondary recovery. As compensation for Lessee's production and use of water from any wells drilled or used by Lessee, Lessee shall pay to the owner of the soil the sum of fifty cents (\$0.50) per barrel, or the current rate as reflected in the then current University Lands Rate and Damage Schedule. Prior to drilling any new water wells, Lessee shall advise Lessor of Lessee's intentions, and Lessor and Lessee shall mutually decide upon the location of said water well, taking into consideration the surface use by Lessor and Lessee's needs in conducting its operations on the leased premises. As to any water wells drilled by Lessee on the leased premises, Lessee shall properly register any such water wells with the applicable groundwater conservation district and shall comply with all of such groundwater conservation district's requirements, including reporting requirements, in the use of such well(s). Lessor, upon receiving Lessee's written prior consent, shall have the free use of water from such wells when such water is no longer being used by Lessee in its operations. After cessation of Lessee's use of a water well drilled by Lessee on the leased premises, and prior to the plugging or removing the casing therefrom such water well, Lessee shall tender such water well or wells to Lessor and, if Lessor shall elect to accept same, such water well shall be and become the property of Lessor for no further payment; provided, however, that Lessee shall have the right to use such well or wells at any time during the continuance of this lease in connection with Lessee's operations on the leased premises, and provided further, that Lessor will thereafter assume all risks and obligations attendant to Lessor's ownership and use of said water well or wells. Provided, further, that if Lessor so elects, Lessee shall, at Lessee's sole cost and expense, plug and abandon each water well which surface owner elects not to take over.

Inst No. 14-04688
DIANNE O. FLOREZ
COUNTY CLERK
2014 May 23 10:02:38 PM
DAVIES COUNTY, TEXAS
By: *[Signature]* DEPUTY

03401

File No. MF 116646
Surface Drains County

Date Filed: 1/26/24
Commissioner Dawn Buckingham, M.D.
By: [Signature]

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

PARTIAL RELEASE OF OIL AND GAS LEASE

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF REEVES

§

WHEREAS, on February 15, 2014, the State of Texas, acting by and through its agent, Brennand Lazy H Ranch, Ltd., executed an Oil and Gas Lease in favor of BHP Billiton Petroleum Properties (N.A.), LP, filed of record in Volume 1078, Page 48 in the Official Public Records of Reeves County, Texas (the "Lease");

WHEREAS, BPX Operating Company is the successor in interest to lessee.

NOW, THEREFORE, BPX Operating Company, as the current owner and lessee under the Lease, does hereby **RELEASE**, relinquish and surrender all of its right, title and interest in and to the minerals covered by the Lease, **INSOFAR AND ONLY INSOFAR as said Lease covers the depths described below:**

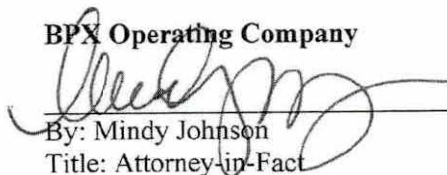
SW/4 and NE/4 of Section 2, Block 57, Township 3, T&P RR Co. Survey, as to depths lying below the stratigraphic equivalent of the base of the Wolfcamp Formation, which is seen at a depth of 11,083ft. true vertical depth on the electric log of the Fleur de Lis Energy operated, Fortune Unit 2R, API #42-389-31270.

This is a partial release only, and BPX Operating Company expressly reserves and retains all rights and interests in the Lease as to lands and depths not released herein.

EXECUTED and effective this 13TH day of APRIL, 2023.

LESSEE:

BPX Operating Company

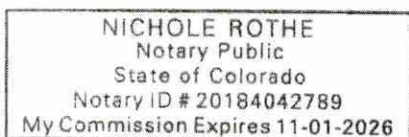

By: Mindy Johnson
Title: Attorney-in-Fact

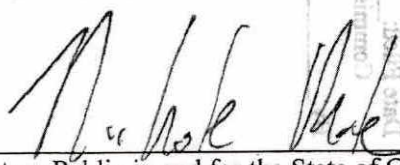
ACKNOWLEDGEMENT

STATE OF COLORADO

COUNTY OF DENVER

This foregoing instrument was acknowledged before me on the 13th day of April, 2023, by Mindy Johnson, as Attorney-in-Fact for BPX Operating Company, a Texas Corporation.




Notary Public in and for the State of Colorado

This instrument was prepared by:

BPX Operating Company
Attention: Permian Land
1700 Platte Street, Suite 150
Denver, CO 80202

File No. MF 116646
Reeves County
Partial Release
Date Filed: 9/26/2024
Commissioner Dawn Buckingham, M.D.
By: BG

bpx energy

06/27/25



PG 1 OF 1

TRACE NUMBER: 1620654545BPXML-CPS

95702339				MF 116646	
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IN ORDER TO AFFECT TIMELY INVOICE PAYMENTS PLEASE
PLACE YOUR VENDOR NUMBER ON ALL FUTURE INVOICES.
YOUR VENDOR NUMBER IS

CHECK # 6000001608 ATTACHED BELOW

BPX Midstream, LLC
Attn: GBS - P2P Treasury Payments
501 Westlake Park Boulevard
Houston, TX 77079

62-20
311

No. 6000001608

TRACE NO.: 1620654545BPXML-CPS

06/27/25

COMMISSIONER OF THE TEXAS GENERAL L
1700 N CONGRESS AVE
AUSTIN TX 78701

\$\$\$\$\$\$\$\$\$\$\$2,782.66

NOT VALID AFTER 6 MONTHS

25708339

Two Thousand Seven Hundred Eighty-two and 66/100 Dollars

Laura N. Alsch
AUTHORIZED SIGNATURE

CITIBANK, N.A.
ONE PENN'S WAY, NEW CASTLE, DE 19720



BP America Production Company
BPX Energy Inc.
Permian Development – Land Department
1700 Platte St
Denver, CO 80202

July 9, 2025

State of Texas – General Land Office
Attn: Jeff Burroughs
P.O. Box 12873
Austin, Texas 78711-2873

RE: **Surface Damages – MF116646**
State Projects 57-T3-2 Pad I1, 2nd Visit - Electric
Section 2, Block 57, Township 3
A-5760, Reeves, County Texas

Dear Mr. Burroughs,

Enclosed with the letter, please find Check #6000001667 in the amount of \$2,782.66 as the State's portion for surface damages in connection with the referenced project. Please apply this payment to State MF#116646 and payment is as follows:

State Projects 57-T3-2 Pad I1 Electric Line Project Scope:

- 30ft ROW: 25.27 rods
- Guy Wire(s): 7.27 rods
- Total Length: 32.54 rods @ \$171.03/rod (rate per oil and gas lease)
- Total Payment: \$5,565.32 to split 50/50 with GLO.
- **Net to GLO: \$2,782.66**
- Net to BLHR: \$2,782.66

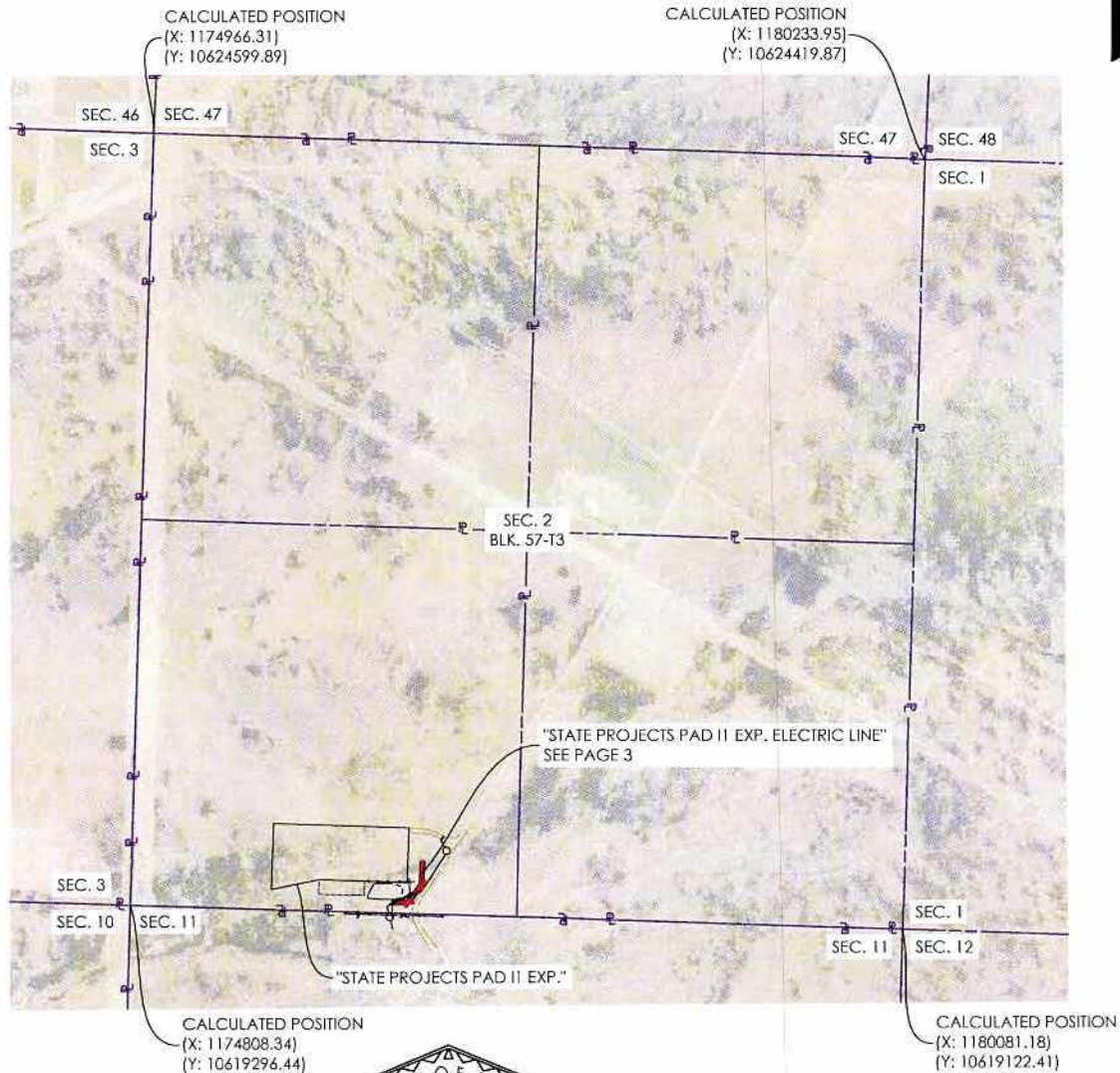
Should you have any questions or need additional assistance regarding this matter, please do not hesitate to contact me at the telephone numbers or email address listed below.

Respectfully,

Clayt Gohmert
Surface Land Negotiator
Direct: (307) 202-9495
Mobile: (361) 243-5000
Clayt.Gohmert@bpx.com

- LEGEND**
- CL OF PROPOSED POWERLINE EASEMENT
 - PROPOSED GUY ANCHOR
 - PROPERTY LINE
 - EXISTING PIPELINE ROUTE
 - EDGE OF ROAD
 - FENCE
 - P.O.C. POINT OF COMMENCEMENT
 - P.O.B. POINT OF BEGINNING
 - P.O.T. POINT OF TERMINATION
 - OHE OVERHEAD ELECTRIC
 - LF LINEAR FEET
 - PP POWER POLE
 - TR TELEPHONE RISER
 - FM FOUND MONUMENT (AS NOTED)
 - PP PROPOSED POWER POLE

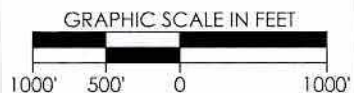
GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE



- GENERAL NOTES**
- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
 - BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
 - VERTICAL DATUM IS NAVD 83.
 - AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
 - THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



CONTACT INFORMATION:
Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgeview Dr.
Conway, AR 72034



REVISION	bpX energy BPX MIDSTREAM LLC			
	"STATE PROJECTS PAD II EXP. ELECTRIC LINE" BRENNAND LAZY H RANCH, LTD. ET AL FINAL PLAT REEVES COUNTY, TEXAS SEC. 2, BLK. 57-T3			
	SCALE: 1" = 1000'	CHECKED BY: L. COW	APPROVED BY: NPE	
	PLOT DATE: 06-03-2025	DRAWN BY: NDG	SHEET NO.: 1 OF 4	

EXHIBIT "A", PAGE 2 OF 4
CENTERLINE DESCRIPTION FOR A 30' WIDE EASEMENT

BRENNAND LAZY H RANCH, LTD. ET AL

"STATE PROJECTS PAD 11 EXP. ELECTRIC LINE"

A CENTERLINE DESCRIPTION OF A PROPOSED POWERLINE IN, OVER, ACROSS, AND THROUGH A 160 ACRE TRACT RECORDED IN VOLUME 662, PAGE 530, REEVES COUNTY, TEXAS DEED RECORDS, BEING OUT OF ABSTRACT NUMBER 5760, J.M. PATTERSON, ORIGINAL GRANTEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2 INCH REBAR, AT THE SOUTHEAST CORNER OF SECTION 11, BLOCK 57-T3, REEVES COUNTY, TEXAS; THENCE N 31°12'19" W A DISTANCE OF 6,415.18 FEET TO THE POINT OF BEGINNING OF A 30 FOOT WIDE EASEMENT BEING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

THENCE S 89°45'51" E A DISTANCE OF 106.72 FEET TO A POINT;
THENCE N 36°54'11" E A DISTANCE OF 154.99 FEET TO A POINT;
THENCE N 02°10'27" E A DISTANCE OF 155.18 FEET TO THE POINT OF TERMINATION, SAID POINT BEING S 61°51'12" W A DISTANCE OF 9,875.32 FEET FROM A 1 INCH ROD AT THE NORTHEAST CORNER OF SECTION 1, BLOCK 57-T3, REEVES COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 416.89 FEET OR 25.27 RODS AND CONTAINS 0.29 ACRES OF EASEMENT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

THIS LEGAL DESCRIPTION ACCOMPANIES A SKETCH PREPARED FOR THIS TRACT OF LAND.



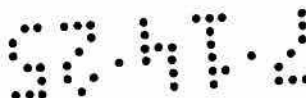
6/3/2025

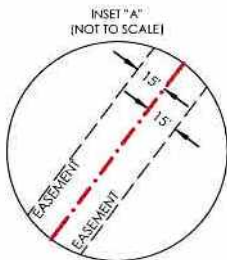
CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgeclown Dr.
Conway, AR 72034



501.328.3316 | 501.328.3325 f
www.craftontull.com





160 ACRES
BRENNAND LAZY H RANCH, LTD. ET AL
VOL. 662, PG. 530
SEC. 2, BLK. 57-T3
POWERLINE TOTAL: (416.89 L.F. OR 25.27 RODS)
GUY ANCHOR TOTAL: (120.00 L.F. OR 7.27 RODS)

- LEGEND**
- | | |
|--------|-----------------------------------|
| | CL OF PROPOSED POWERLINE EASEMENT |
| | PROPOSED GUY ANCHOR |
| | PROPERTY LINE |
| | EXISTING PIPELINE ROUTE |
| | EDGE OF ROAD |
| | FENCE |
| P.O.C. | POINT OF COMMENCEMENT |
| P.O.B. | POINT OF BEGINNING |
| P.O.T. | POINT OF TERMINATION |
| OH | OVERHEAD ELECTRIC |
| LF | LINEAR FEET |
| | TELEPHONE RISER |
| | FOUND MONUMENT (AS NOTED) |
| | PROPOSED POWER POLE |
- GRID NORTH (NAD 83)
WAS CENTRAL ZONE

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

(X: 1185511.36, Y: 10624247.05)
A 1" ROD, AT THE NORTHEAST CORNER
OF SEC. 1, BLK. 57-T3 BEING
N 61°51'12" E - 9,875.32' FROM THE P.O.T.

(X: 1176803.87, Y: 10619588.57)
POT OF A 30' WIDE EASEMENT

"STATE PROJECTS PAD II EXP."

SEE INSET "2"
ON PAGE 4

SEE INSET "A"

(X: 1176598.19, Y: 10619310.00)
POB OF A 30' WIDE EASEMENT

SEE INSET "1"
ON PAGE 4.

640 ACRES
TEXAS PACIFIC RESOURCES LLC
INST. #2021000201

P.O.C.
(X: 1179921.94, Y: 10613822.99)
A 1/2" REBAR W/ CAP, AT THE SOUTHEAST
CORNER OF SEC. 11, BLK. 57-T3 BEING
S 31°12'19" E - 6,415.18' FROM THE P.O.B.

CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034



6/3/2025

"STATE PROJECTS PAD 11 EXP. ELECTRIC LINE"

NUMBER	BEARING	DISTANCE
L1	S 89°45'51" E	106.72'
L2	N 36°54'11" E	154.99'
L3	N 02°10'27" E	155.18'

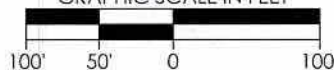
TOTAL: (416.89 L.F. OR 25.27 RODS)

GENERAL NOTES

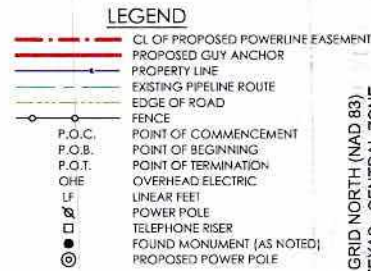
- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY. IF UTILITIES/STRUCTURES ARE DISCOVERED, BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THE AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
2. BASIS OF BEARINGS: TEXAS STATE PLANE GRID. CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
3. VERTICAL DATUM IS NAVD 83
4. ALL DISTANCES AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET
5. THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

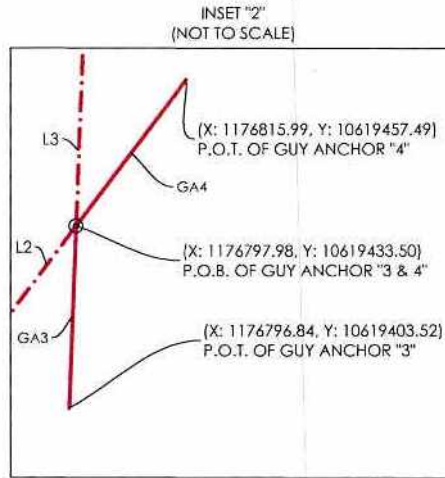
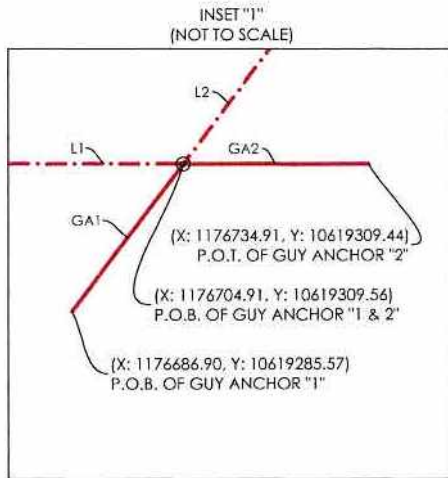
GRAPHIC SCALE IN FEET



REVISION		 BPX MIDSTREAM LLC	
		"STATE PROJECTS PAD 11 EXP. ELECTRIC LINE" BRENNAND LAZY H RANCH, LTD. ET AL FINAL PLAT REEVES COUNTY, TEXAS SEC. 9, BLK. 57-13	
		SCALE: 1" = 100' PLOT DATE: 06-03-2025	CHECKED BY: L. DOW DRAWN BY: NDG
		APPROVED BY: _____ SHEET NO.: 3 OF 4	



GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE



"STATE PROJECTS PAD II EXP. ELECTRIC LINE"
GUY ANCHORS

NUMBER	BEARING	DISTANCE
GA1	S 36°54'11" W	30.00'
GA2	S 89°45'51" E	30.00'
GA3	S 02°10'27" W	30.00'
GA4	N 36°54'11" E	30.00'

TOTAL: (120.00 L.F. OR 7.27 RODS)

GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
- VERTICAL DATUM: NAVD 83
- AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



Shannon D. Ozment
6/3/2025

CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgeland Dr.
Conway, AR 72034

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

REVISION	BPX MIDSTREAM LLC		
	"STATE PROJECTS PAD II EXP. ELECTRIC LINE" BRENNAND LAZY H RANCH, LTD. ET AL FINAL PLAT REEVES COUNTY, TEXAS SEC. 4 BLK. 57-T3		
	SCALE: 1" = N/A	CHECKED BY: L. DOW	APPROVED BY: NPE
	PLOT DATE: 06-03-2025	DRAWN BY: NDG	SHEET NO.: 4 OF 4

File No. M-116646
Reeves County
surface damages
Date Filed: 8/8/25
Commissioner Dawn Buckingham, M.D.
By: AC

25