



CAUTION

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Thank you for your assistance.

Archives and Records Staff

#8115

MF116822

#10205

Lease Type
Free Royalty

Control
08-029616

Basefile
151380

County
REEVES

Survey

Public School Land

Block

45

Block Name

Township

Section/Tract

38

Land Part

Acres

Net: 426.670000 Gross: 426.670000

Depth Below

Depth Above Depth Other

Name

ENERGEN RESOURCES CORP

Lease Date

9/30/2011

Primary Term

3 years

Bonus

\$0.00

Lease Royalty

0.06250000

Paid Up

NA

~~EXPIRED~~ TM
DATE 3/28/17
LEASING TM 3/28/17
MAPS _____
GIS _____

Leasing: [Signature]

Maps: [Signature]

GIS: mc

Scanlab: _____

M
F
1
1
6
8
2
2

Contents of Mineral File Number: 116022

1. Base file info & plat	06/26/14	scanned	PJ	8-31-2018
2. Lease	07/14/14	18. Leases		11/27/18
Scanned sm	12/9/14	scanned	PJ	12-6-2018
Sec #46 in M-112190 for the		19. DIVISION ORDER		2-24-2020
Smither State Unit 47-38/H Unit #7218		Scanned sm		03/09/2020
scanned PJ	2-23-16	20. Pooling Agreement #10205		
3. Drilling Permit for API 389-35332 Unit 8115	10/5/16	Smither State Unit 47-38		5/17/23
scanned PJ	11-3-16	scanned WM		5.30.2023
4. Ltr. From 3ROC	11/28/16	21. Pooling Agreement #10205 with		
5. Ltr. to 3ROC	12/1/16	Exhibits		7/26/23
6. Pooling Agrmt. Packet # 8/15		Scanned sm		07/27/2023
Smither State Unit 47-38	12/1/16			
scanned PJ	12-30-16			
7. Compl. Report API 389-35332 Unit 8115	1/20/17			
scanned PJ	2-13-2017			
8. Initial Potential Completion Unit 8115				
API 42-389-35332	4/11/2017			
9. Drilling Permit API 389-36418 Unit 8115	2/13/18			
scanned PJ	2-16-2018			
10. Ltr + fee	04/18/18			
11. Lease	04/18/18			
scanned PJ	4-27-2018			
12. Lease	04/30/18			
13. Fee	04/30/18			
scanned PJ	5-4-2018			
14. Division Order	7/26/18			
15. Ltr. From 3ROC	7/23/18			
16. Cert. Copy of Smither State Unit	7/23/18			
17. Cert Copy of Declaration & Rpt. of Smither State Unit	7/23/18			

**Basefile Number - 151380**

Information for this County -
REEVES COUNTY

[Related ALAMO Record](#)[Download GIS Data](#)[Energy Lease Information](#)**IDENTIFICATION NUMBERS****LAND CLASS NUMBER - 08****CONTROL NUMBER 08-029616****SURVEY INFORMATION****SURVEY NAME - PSL****GRANTEE NAME - Hill, George P****ABSTRACT - 5702****BLOCK - TOWNSHIP - 38 Public School 45****SECTION NUMBER - 38****SECTION/PART - S 1 2/3****CURRENT ACRES - 426.670000****ORIGINAL ACRES - 640**

1/14

PATENT INFORMATION:**PATENTEE NAME -****DISTRICT - Bexar****CLASSIFICATION - School****FILE NUMBER - 151380****PATENT DATE -****CERTIFICATE -****PATENT NUMBER -****PATENT VOLUME -****PAGE - 162****LEASE INFORMATION****Concurrent Oil & Gas Leases in this Parcel:****MF112190****MF112446****HISTORIC LEASES FOR THIS PARCEL****Historical Oil & Gas Leases in this Parcel:****MF078174****MF079081****MF106313**

File No. 116822

1.

Basefile info + plat

Date Filed: 06/26/14

Jerry E. Patterson, Commissioner

By 

FILE#8749

PRODUCERS 88 REV.-TEX. C-PAID-UP (3-73)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 30th day of September, 2011, between Oak Valley Mineral and Land, LP of P. O. Box 50820, Midland, Texas 79710, herein called Lessor (whether one or more), and ENERGEN RESOURCES CORPORATION, 3000 NORTH "A" STREET, BUILDING 4, SUITE 100, MIDLAND, TEXAS 79705, Lessee:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described lands in Reeves County, Texas, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

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

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 5,314.91 acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other minerals are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4th royalty of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4th royalty of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4th royalty of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4th royalty, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of One and 00/100 Dollars per acre (\$1.00/acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the n/a Bank of which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

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4. If at the expiration of the primary term of this lease oil, gas or other minerals are not being produced from the leased premises or land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other minerals are produced from said land or land pooled therewith. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the

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royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

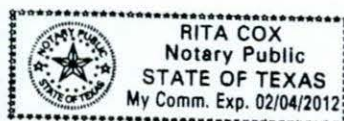
OAK VALLEY MINERAL AND LAND, LP

By: [Signature]
Name and Title: Michael E. Black
Manager

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 23 day of November, 2011 by Michael E. Black, known to be Manager of Oak Valley Mineral and Land, LP and on behalf of entity.



[Signature]
NOTARY PUBLIC
Notary's Printed Name: Rita Cox
My Commission Expires: 02-04-12

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ADDENDUM

Addendum to that certain Oil and Gas Lease dated September 30, 2011, by and between Oak Valley Mineral and Land, L.P., ("Lessor") and Energen Resources Corporation, ("Lessee")

10. It is understood and agreed that this lease covers oil, gas and associated liquid hydrocarbons only, and that the reference to other minerals is deleted from the terms of this lease.

11. Notwithstanding anything else to the contrary herein, payment of shut-in Gas Well Royalties will not be permitted to maintain this lease in force for a period greater than one (1) year beyond the primary term, at which time this lease shall automatically terminate. Lessee may pay as shut-in gas well royalty a sum of money equal to \$20.00 per net mineral acre with in sixty (60) days after lessee shuts in said well. Said payment shall extend the term of this lease for period of one (1) year from the date such payment or tender is made.

12. Notwithstanding any other provisions hereof, at the end of the primary term, all acreage not included in a proration unit as designated by the Texas Railroad Commission or other governmental agency and all depths 100 feet below the deepest formation penetrated shall be automatically eliminated from this lease and revert to LESSOR, unless LESSEE is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith, in which event the lease will be held in its entirety as long as not more than one hundred eighty (180) days elapse between the completion of one well and the commencement of another. "Completion" shall be defined as (1) the date on which a dry hole is plugged or (2) the date of cementing of production casing, whichever is appropriate. "Commencement" shall be defined as the date drilling operations are commenced on the leased premises or on lands pooled therewith.

13. At the end of the primary term, or the conclusion of the continuous development program, whichever is later, this lease shall terminate as to:

- A. All lands not included in a proration unit on which there is a well producing or capable of producing oil and/or gas in paying quantities, and,
- B. All horizons or zones in each proration unit lying 100 feet below the deepest formation penetrated in each proration unit.

At the end of the primary term, or at the end of the continuous development period, as defined in paragraph 12 of this Addendum, the undrilled and undeveloped lands and horizons described in (A.) and (B.) above will automatically revert to Lessor. Within sixty (60) days after the partial termination of this lease, Lessee shall execute and file of record (and deliver to Lessor an executed or certified copy) a recordable instrument designating and describing all of the lands included within tracts surrounding commercially productive oil or gas wells. Lessee shall also execute and deliver to Lessor a recordable release of all the lands not included in the tracts surrounding commercially productive oil or gas wells. If Lessee fails to execute and file of record this release or the instrument designating the lands surrounding producing oil or gas wells after receiving sixty (60) days written notice by certified mail from Lessor that such notice is due, then the Lessor shall be entitled to damage in the amount of one dollar (\$1.00) per acre of land for which a release is due, and such damages shall continue to accrue on a monthly basis until said release is executed and recorded in the appropriate county records. However, no such damages shall be due when Lessee makes a legitimate claim that no release is warranted.

14. Lessee shall adequately protect the oil and gas under the leased lands from drainage from adjacent lands, and shall drill as many wells as the facts may justify and to the depths necessary for effective protection against drainage by wells on adjacent lands. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 467 feet of the leased lands, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

15. As an addition to the terms hereof, it is expressly agreed that all royalty to be paid hereunder shall be delivered to LESSOR free of all costs of transportation, compression, processing, treatment, purification, dehydration, separation, stabilization, manufacturing, measuring, accounting, or marketing the oil, gas, or other hydrocarbons covered by this Lease.

16. Within one hundred twenty (120) days following the first sale of oil or gas produced from the leased premises, settlement shall be made by Lessee or by its agent for royalties due hereunder with respect to such oil or gas sold off the premises, and such royalties shall be paid monthly thereafter. If said initial royalty payment is not so made under the terms hereof, or with respect to oil or gas produced during any month, if royalty is not paid hereunder on or before the last day of the second succeeding month, and Lessor shall have notified Lessor in writing of such failure to pay royalties, then Lessee shall have sixty (60) days from receipt of said notice to pay royalties. In the event Lessee fails to pay the royalties due within said sixty (60) day period, then it is agreed that Lessor shall be entitled to have this Lease declared cancelled or forfeited as to the portion of the Lease upon which the royalties were due. The application of this paragraph shall in no way preclude Lessor from receiving any statutory interest due from Lessee on late payment royalties. Provided, there shall be no forfeiture or cancellation of this lease under the terms of this paragraph where a bona fide question of title or ownership exists.

17. The execution of division orders shall never be required as a prerequisite for payment of royalty or other sum under this lease. Division orders or transfer orders, if executed, shall be solely for the convenience of the parties for the purpose of confirming the extent of Lessor's interest in the production of oil and gas from the land. No term or provision of this lease shall be altered, amended, extended, or ratified by any division order or transfer order.

18. Lessee shall not have right to commence seismic operations on the leased premises with out the prior written consent of the Lessor. Any infringement on this stipulation that causes irreparable damage to the estate of the lands herein described will invoke automatic damages to be tendered to the Lessor.

19. Upon receipt of written request from Lessor, Lessee agrees to forthwith furnish Lessor with copies of all drilling logs, electrical logs, formation tests, cores and core records pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith. Said information shall remain confidential and shall not be released by Lessor.

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20. Lessee shall indemnify and hold Lessor harmless from any and all action or liability resulting from Lessee's operations upon the leased premises. Furthermore, Lessee shall indemnify and hold Lessor harmless from any and all claims or liabilities resulting from the granting of this lease. This lease is granted without warranty of title either express or implied.

In the event of a conflict between the printed provisions of this oil and gas lease and the provisions of this Addendum, the provisions of the Addendum shall prevail.

End of Addendum

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EXHIBIT "A"

ATTACHED TO AND MADE A PART OF OIL, GAS AND MINERAL LEASE DATED SEPTEMBER 30, 2011 BETWEEN OAK VALLEY MINERAL AND LAND, LP AND ENERGEN RESOURCES CORPORATION.

Tract 1:

Section 5: All of Subdivision #1, 37.06 acres, all of Subdivision #3
SAE the North 5 acres and the SE/4 of subdivision 4 being 45.00 acres
Block 2, H&GN Survey

Tract 2:

Section 37: Subdivision 2 (40.0 acres) and 4 (10.0 acres) and 5 (9.5 acres) being 59.50 acres in all
Block 2, A-45
H&GN Survey

Tract 3:

Section 64: SE/4
Block 13, H&GN Survey

Tract 4:

Section 2: S/2 & East 1/3 of N/2
Block 54, T4S
T&P RR Co. Survey

Tract 5:

Section 30: All
Block 57, T-3-S
T&P RR Survey

Tract 6:

Section 32: All
Block 57, T-3-S
T&P RR Co. Survey

Tract 7:

Section 40: All
Block 57, T-3-S
T&P RR Co Survey

Tract 8:

Section 42: All
Block 57, T-3-S
T&P RR Survey

Tract 9:

Section 15: E/2 SAE the North 106.66 acres
Block C-1, PSL Survey

Tract 10:

Section 16: All SAE The North 213.33 acres
Block C-18, PSL Survey

Tract 11:

Section 6: NE/4
Block C-19, PSL Survey

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EXHIBIT "A"

ATTACHED TO AND MADE A PART OF OIL, GAS AND MINERAL LEASE DATED SEPTEMBER 30, 2011 BETWEEN OAK VALLEY MINERAL AND LAND, LP AND ENERGEN RESOURCES CORPORATION.

Tract 12:

Section 17: The North 2/3
Block C-21, PSL Survey

Tract 13:

Section 38: South 2/3, Below 2,950 feet
Block 45, PSL Survey

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL,
OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR
OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL
LAW

FILE # 8749

FILED FOR RECORD ON THE 5TH DAY OF DECEMBER A.D. 2011 2:55 P. M.

DULY RECORDED ON THE 30TH DAY OF DECEMBER A.D. 2011 6:00 P. M.

BY: Dianne O. Florez DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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**CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES**

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 413, PAGE 330 THRU 336.

I hereby certified on 9th July 2014

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Elizabeth Rayps DEPUTY



FILE # 2215

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

PRODUCERS 88 REV.-TEX. C-PAID-UP (3-73)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 7th day of February, 2011, between

SEE ATTACHED SIGNATURE PAGE, parties herein called Lessor, (whether one or more), and

Energen Resources Corporation
3300 North "A" Street, Building 4, Suite 100
Midland, Texas 79705

Lessee:

Lessor, in consideration of **Ten and No/100***** Dollars (\$10.00)** in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **Reeves County, Texas**, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise **1493.34** acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of **three (3) years** from this date (called "primary term") and as long thereafter as oil, gas or other minerals are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, **twenty five (25.00%) percent** of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of **twenty five (25.00%) percent** of the gas so sold or used, provided that on gas sold at the wells the royalty shall be **twenty five (25.00%) percent** of the amount realized from such a sale; (c) on all other minerals mined and marketed, **twenty five (25.00%) percent**, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of **One and 00/100 Dollars per acre (\$1.00/acre)** per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the n/a Bank of which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If at the expiration of the primary term of this lease oil, gas or other minerals are not being produced from the leased premises or land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other minerals are produced from said land or land pooled therewith. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file



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for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

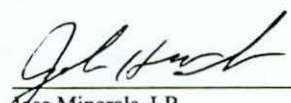
8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land by through and under Lessor but not otherwise and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

SEE EXHIBIT "B" ATTACHED HERETO

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.


Jase Minerals, LP
Jase LLC, General Partner of Jase
Minerals, LP
John H. Webb, President


JK Royalty LP
JK Royalty and Holdings LLC,
General Partner of JK Royalty LP
John H. Webb, President



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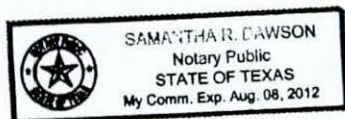
ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF TEXAS
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared John H. Webb, known to me to be the person whose name is subscribed to the foregoing instrument, as President of Jase LLC, General Partner of Jase Minerals, LP and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Limited Partnership.

Given under my hand and seal of office this the 21st day of February, 2011.

Samantha R. Dawson
Notary Public in and for the State of



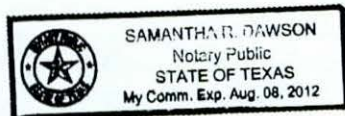
ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF TEXAS
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared John H. Webb, known to me to be the person whose name is subscribed to the foregoing instrument, as President of JK Royalty and Holdings LLC, General Partner of JK Royalty LP and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Limited Partnership.

Given under my hand and seal of office this the 21st day of February, 2011.

Samantha R. Dawson
Notary Public in and for the State of



for

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EXHIBIT 'A'

Attached to and made a part of Oil, Gas and Mineral Lease dated February 7, 2011 by and between **Jase Minerals, LP, et al**, Lessor, and **Energen Resources Corporation**, Lessee.

Public School Land Survey, Block 45

Section 38: South 426.67 acres
only below 2900 feet

T&P Railroad Company Survey, Block 57, Township 3

Section 30: All

Public School Land Survey, Block C-21

Section 17: North 426.67 acres

being 1493.34 gross acres
all in Reeves County, Texas

(Jase - Energen Lease #3)

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EXHIBIT 'B'

Attached to and made a part of Oil, Gas and Mineral Lease dated February 7, 2011 by and between **Jase Minerals, LP, et al**, Lessor, and **Energen Resources Corporation**, Lessee.

It is understood and agreed by all parties that the language on this Exhibit "A" supersedes any provisions to the contrary in the printed lease hereof.

11. Subject to paragraph #20 hereto, at the expiration of the primary term of this lease, each producing well drilled hereon will hold only the acreage allocated to said well by the proper governmental authority having jurisdiction as a proration unit. All other acreage except that included in a proration unit will be released and the lease will automatically terminate as to that acreage outside each producing well's proration unit or pooled unit. In the absence of field rules, 40 acres will be deemed to be a proration unit for an oil well and 160 acres will be deemed to be a proration unit for a gas well. Further, it is understood and agreed that Lessee shall earn depths as to each proration unit or pooled unit only to 100' below the deepest depth drilled and/or 100' below the base of the deepest formation in the case of a lateral or horizontal completion from which oil and/or gas is then being produced on such proration unit or pooled unit at the expiration of the primary term of this lease, and that this lease will terminate at such time as to all depths below such depth or formation. Producing as used in this lease means producing in paying quantities.

12. ANYTHING HEREIN TO THE CONTRARY notwithstanding, the royalties to be paid Lessor on production shall be Twenty Five Percent (25%), and wherever the word One-eighth appears in this lease, the same is hereby amended to read Twenty Five Percent (25%).

13. FAILURE TO PAY ROYALTY under the terms of this lease, and under the provisions of Texas Statutes can result in termination of this lease. Should oil and gas royalties not be received within the time prescribed by Texas Statutes, Lessor will provide notice to Lessee of Lessee's breach of royalty obligation, and should Lessee fail to make proper payment within 30 days of receipt of such written notice, Lessor may, at its option, demand payment including statutory interest. Lessee or his assigns shall pay or cause to be paid to Lessor, all of Lessor's proportionate part of his royalty revenues from the sale of hydrocarbons, associated gas and or natural gas from lands covered by this lease on a monthly basis; however, if Lessor's royalty revenues are less than \$25.00 for a month, then they may be accumulated to \$25.00 before distribution. All royalties must be paid at least once per annum.

14. ANYTHING HEREIN TO THE CONTRARY notwithstanding, this lease shall cover only oil, gas and other hydrocarbons, and all reference to other minerals contained herein is hereby deleted.

15. ANYTHING HEREIN TO THE CONTRARY notwithstanding, if at any time after the expiration of the primary term, Lessee shall have completed a well or wells on the above Leased Premises (or on land with which the said Premises or any part thereof may be pooled) which well or wells are capable of producing gas in commercial quantities but are shut-in with the result that gas is not produced or sold or used, Lessee may pay as royalty to Lessor for each such shut-in well on or before the expiration of ninety (90) days after (i) the date of completion of such gas well as evidenced by Well Completion Report filed with the appropriate state or other governmental regulatory agency or commission having jurisdiction, or (ii) the date such gas ceased to be sold or used, as the case may be, an amount equal to Fifty (\$50.00) per acre of land covered by this Lease which shall be attributed to the producing unit upon which the well or wells are located and upon making said payment it will be considered that each such well is producing gas in paying quantities within the meaning of this Lease for a period of one (1) year after the expiration of said ninety (90) day period. In like manner and upon like payments, being made annually on or before the expiration of the last preceding year for which such payment or tender has been made, it will be considered that said well or wells are producing gas in commercial quantities for successive periods of one (1) year each; provided that this Lease may not be maintained in force solely by payment of shut-in gas well royalty for any well under this paragraph for more than 18 consecutive months after the effective date of the first such payment, or for shorter periods, at various intervals not to exceed in the aggregate three (3) years in all.

16. ANYTHING HEREIN TO THE CONTRARY notwithstanding, it is expressly understood and agreed that Lessor shall have the option, but not the obligation, to take in kind Lessor's share of the royalty on production, and to market and dispose of its share of the production upon such terms as Lessor may desire at Lessor's risk and expense, and to hold Lessee harmless from any liability due to Lessor taking in kind.

17. IT IS EXPRESSLY UNDERSTOOD and agreed that Lessee is granted the privilege and right to assign all or part of the lands covered by this Lease, provided notice of any such assignment is given Lessor within sixty (60) days of recording said assignment.

18. LESSOR OR ANY of their representatives or employees, at their own risk, may have access to the derrick floor during drilling operations and shall receive copies of daily drilling reports by email to john@jaseminerals.com and electric logs, tests, cores and completion reports within thirty (30) days, upon written request from the Lessor. All information provided to Lessor under the terms of this paragraph shall be held in strict confidence by Lessor and shall not be divulged to any third party until such confidential information is released to the public by Lessee. Upon full termination of this lease, all information provided to Lessor by lessee, and not by then made public by Lessee, shall then be considered as non-confidential.

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19. LESSEE SHALL NOTIFY Lessor within fourteen (14) days of the location and commencement of all drilling operations upon this lease or upon any acreage with which any or all of this Lease may be pooled. A copy of the permit and plat shall be forwarded to Lessor within thirty (30) days after spudding.

20. If at the expiration of the initial primary term and/or the expiration of the extension of the primary term as defined in paragraph # 43 of this agreement, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Assignee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit (to be selected by Lessee) allocated thereto by the Texas Railroad Commission as of the date of such termination from the surface down to the depth of one hundred feet (100') below the deepest producing formation. Thereafter, Lessee shall promptly execute and deliver to Lessors a release of this lease as to all lands covered hereby, save and except to each such producing proration unit, and to all depths of such producing proration units except from the surface down to the depth of one hundred feet (100') below the deepest producing formation.

21. AT THE TERMINATION of this Lease, as to any part of the leased premises, Lessee, his heirs or assigns, at Lessee's sole expense, shall prepare and publicly record a release, and shall provide one (1) copy of release to Lessor.

22. LESSEE AGREES TO INDEMNIFY, defend and hold Lessor harmless from all claims, fines, or penalties, including but not limited to governmental or administrative environmental cleanup or compliance orders, which result or are related to Lessee's operations on the premises.

23. IF LESSOR FILES a legal action to enforce any express or implied obligation of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessor shall be reimbursed for all costs of such legal proceedings including reasonable attorney's fees.

24. IT IS AGREED THAT, all royalties accruing under this lease (including those paid in kind) shall be without deduction, directly or indirectly, to the point of sale, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

25. LESSEE is granted the right to pool under the terms of this lease; however, LESSEE agrees to provide LESSOR a copy of any pooling agreement, unitization agreement and or amendments prepared or executed by LESSEE which includes any land covered by this lease, within 60 days of recordation or effective date of said pooling agreement, unit agreement or amendment, whichever is the later date.

26. ANYTHING HEREIN to the contrary notwithstanding, this Lease covers only those lands described in this Lease and does not cover or include any land owned or claimed by Lessor that is adjacent or contiguous to the land described in this Lease.

27. LESSEE SHALL adequately protect the oil and gas under premises from drainage from adjacent lands or leases, including lands leased at a lesser royalty. If oil or gas should be produced in paying quantities from a well draining the leased premises, lessee shall, within (60) sixty days after notice from Lessor of such producing well, begin in good faith and pursue diligently operations leading to the drilling of an offset well and such offset shall be drilled to such depth as may be necessary to prevent drainage of the premises, and Lessee shall use all means necessary in a good faith effort to make such offset well produce oil or gas in paying quantities.

28. LESSEE'S right hereunder to prospect for oil and gas from the premises is exclusive, with the exception that Lessor expressly retains and reserves the concurrent right to grant third parties seismic, geophysical and geological permits and to enter into other agreements with third parties, which permits or agreements shall allow such third parties to conduct geophysical, geological or seismic surveys on, over, under, through or across the land covered herein during the term of this lease. Such seismic, geophysical or geological surveys shall not unreasonably interfere with Lessee's drilling or production activities on the lease.

29. LESSOR does warrant title to the mineral rights under the leased premises by, through and under but not otherwise. In the event all or part of the Lessor's title should fail, then Lessor shall have no

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liability for such failure, ~~other than refunding that portion of the bonus paid for this lease attributable to the interest as to which title has failed.~~ *yes*

30. Lessee is granted the right to use existing roads on the leased premises for ingress and egress, and agrees to maintain, restore and keep roads in usable condition so long as this lease is in force and effect.
31. Lessee shall notify Lessor a minimum of 24 hours before cutting any new road, if necessary, into or on the leased premises.
32. Lessee shall install and maintain cattle guards at every fence crossing, said cattle guards to remain upon premises as Lessor's property at the expiration of this lease.
33. Lessee will bury and maintain all pipelines and electrical transmission lines 24 inches below the surface only in the event that topographic or ground conditions allow for lines being buried to the set out depth. Lessee may further use temporary poly flowlines on the surface with the written permission of the Lessor.
34. Lessee may use no more of the surface of the leased premises than is reasonably necessary to use for the purposes of which this lease is granted, and it shall exercise all rights granted to it herein with due regard for the rights of the owners of the surface.
35. It is further agreed that Lessee, its successors and assigns, shall not erect any buildings or houses on the leased premises and that only those structures which are reasonably necessary for production facilities or tank batteries shall be erected on the surface of the leased premises.
36. Lessee agrees to pay Lessor for damages as prescribed in Rate and Damages Schedule of the University of Texas System.
37. It is expressly understood that Lessee will not pollute any water aquifers or fresh water in, upon or under the leased premises, and Lessee agrees to notify Lessor in writing if fresh water is encountered during drilling or if a fresh water formation is penetrated.
38. Lessee further agrees to maintain all drill sites and other portions of the surface used or occupied by Lessee, its successors or assigns, free and clear of weeds and noxious vegetation and will maintain the same in reasonable manner to prevent additional damage to Lessor's other land and crops.
39. Upon written demand by Lessor, Lessee shall build and maintain fences around its slush, sump and drainage pits and tank batteries to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drill site of all rubbish thereon.
40. It is understood and agreed that, notwithstanding the foregoing, Lessee shall have a period of 180 days from and after the termination of this lease to remove casing and fixtures from the premises, and in the event Lessee fails to remove such property, casing and/or fixtures within 180 days, the ownership of same shall vest in Lessor, its heirs and assigns, upon the expiration of 180 days from and after the date of termination of this lease. Lessor may require the removal of said equipment.
41. Lessee further agrees that in the event of a dry hole or production from a well which production ceases and the abandonment of such well, or upon the abandonment of any well location, drill site, tank battery site or roadway, Lessee will restore the premises as nearly as reasonably possible to its former condition at the costs and expense of lessee, it being the intention of the parties hereto that the Lessee shall restore the surface to as nearly the state that it is in at the time of execution of this lease. In addition, Lessee agrees to restore the surface, whether coastal or native grasses, back to its original condition and agrees to re-sprig or reseed accordingly.
42. Lessee shall not use any existing water, whether from wells, tanks, ponds or reservoirs, from Leased premises without the prior written consent of Lessor as owner of the surface estate. Lessee, its successors and assigns, may itself drill a water well and then use the potable water from that well for drilling operations that are conducted on the Leased Premises or lands pooled therewith. However, lessee shall have no right to the use of potable water from the Leased Premises for water flooding or secondary recovery operations without the prior written consent of Lessor as the owner of the surface estate. In the event Lessee drills a new well and encounters non-potable water which is certified as not suitable for human, animal or agricultural use, Lessee may use same for its drilling, water flooding, or secondary recovery operations. Lessee may not drill a new well within 500 feet of an existing water well located on the leased premises without Lessor's prior written consent. In the event Lessee drills a water well on the Leased Premises and completes its use of same, upon termination of Lessee's use of said water well, Lessee will give Lessor a thirty (30) day written notice as to Lessee's intention to plug and abandon said water well. Lessor may during said thirty (30) day notice period, provide to Lessee a written request as to Lessor's election to take over the ownership of said water well and in such event, Lessee agrees upon receipt of a written request by Lessor to transfer said water well to Lessor as owners of the surface estate, upon Lessee's execution of a written transfer instrument that includes Lessor's agreement to accept the water well "AS IS" without any warranty and Lessor's agreement to assume all rights, responsibilities and liabilities, if any, for the operation and maintenance of said water well, including but not limited to plugging of the well in accordance with any regulations of applicable governmental agency or agencies.

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43. Lessee is hereby given the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying the sum of one thousand dollars (\$1,000.00) per net mineral acre direct to Lessor at the above address. This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. Lessee is also given the exclusive option to renew only a portion of the lease acreage and thereafter release the remaining acreage to the Lessor. This payment may be made by the check of Lessee mailed or delivered to Lessor at any time during the original primary term hereof. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, REWARD,
OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR
OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL
LAW

FILE # 2215

FILED FOR RECORD ON THE 15TH DAY OF APRIL A.D. 2011 11:20 AM.

DULY RECORDED ON THE 29TH DAY OF APRIL A.D. 2011 9:00 A.M.

BY: [Signature] DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

47472



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Reeves County
Clerks Office

**CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES**

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 874, PAGE 186, THRU 193.

I hereby certified on 9th July 2014

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Elizabeth Rayos DEPUTY



5.14.14

FILE # 155

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

PRODUCERS 88 REV.-TEX. C-PAID-UP (3-73)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 1st day of December, 2010, between

SEE ATTACHED SIGNATURE PAGE, parties herein called Lessor, (whether one or more), and

Energen Resources Corporation
3300 North "A" Street, Building 4, Suite 100
Midland, Texas 79705

Lessee:

Lessor, in consideration of **Ten and No/100***** Dollars (\$10.00)** in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **Reeves County, Texas**, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 2133.34 acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of **three (3) years** from this date (called "primary term") and as long thereafter as oil, gas or other minerals are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, **twenty five (25.00%) percent** of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of **twenty five (25.00%) percent** of the gas so sold or used, provided that on gas sold at the wells the royalty shall be **twenty five (25.00%) percent** of the amount realized from such a sale; (c) on all other minerals mined and marketed, **twenty five (25.00%) percent**, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of **One and 00/100 Dollars per acre (\$1.00/acre)** per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the n/a Bank of n/a which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If at the expiration of the primary term of this lease oil, gas or other minerals are not being produced from the leased premises or land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other minerals are produced from said land or land pooled therewith. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file

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for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land by through and under Lessor but not otherwise and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

SEE EXHIBIT "B" ATTACHED HERETO

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

SEE ATTACHED SIGNATURE PAGE

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Original filed in
Reeves County
Clerks Office

SIGNATURE PAGE

James Robert Hill
James Robert Hill, individually and as
Trustee of the Houston and Emma
Hill Trust Estate

Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

John A. Styrsky
Houston and Emma Hill Trust Estate
John A. Styrsky, Trustee

PetroHill Resources, LLC
Michael S. Waltrip, Member, as agent for
Waltrip Marital Trust
MSW Revocable Trust
MLH Revocable Trust

Nancy Puff Jones Trust
by :
Its :

Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President

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Reeves County
Clerks Office

ACKNOWLEDGEMENT
(Company, LP, Ltd, LLC, Trust)

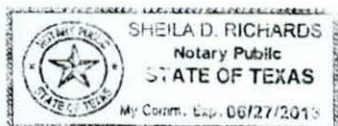
STATE OF TEXAS

COUNTY OF TARRANT

James Robert Hill,
Virginia Glenn Hill Lattimore, and

Before me, the undersigned authority, on this day personally appeared John A. Styrsky, known to me to be the person whose name is subscribed to the foregoing instrument, as Co-Trustees of Houston and Emma Hill Trust Estate and acknowledged to me that they executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Trust.

Given under my hand and seal of office this the 15th day of November, 2010.



Sheila D. Richards
Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

STATE OF

COUNTY OF

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

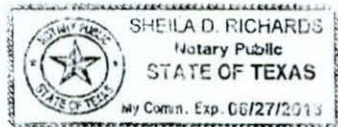
ACKNOWLEDGEMENT
(individual)

STATE OF TEXAS

COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared, James Robert Hill known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 15th day of November, 2010.



Sheila D. Richards
Notary Public in and for the State of Texas

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Clerks Office

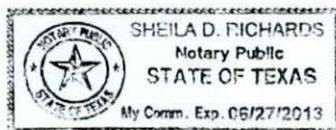
ACKNOWLEDGEMENT
(individual)

STATE OF TEXAS

COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared, Virginia Glenn Hill Lattimore
known to me to be the person whose name is subscribed to the foregoing
and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 15th day of November
2010.



Sheila D. Richards
Notary Public in and for the State of Texas

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Clerks Office

SIGNATURE PAGE

James Robert Hill, individually and as
Trustee of the Houston and Emma
Hill Trust Estate

Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

Houston and Emma Hill Trust Estate
John A. Styrsky, Trustee

PetroHill Resources, LLC
Michael S. Waltrip, Member, as agent for
Waltrip Marital Trust
MSW Revocable Trust
MLH Revocable Trust


Nancy Puff Jones Trust
by: Dorothy Jean Keenom
Its: Sole Trustee

Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President

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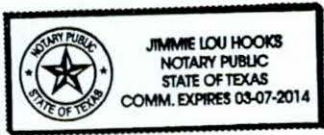
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ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF TEXAS
COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared Dorothy Jean Keenom, known to me to be the person whose name is subscribed to the foregoing instrument, as Sole Trustee of the Nancy Puff Jones Trust and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Nancy Puff Jones Trust.

Given under my hand and seal of office this the 15 day of December, 2010.



Jimmie L. Hooks
Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(Corporation)

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

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Reeves County
Clerks Office

SIGNATURE PAGE

James Robert Hill, individually and as
Trustee of the Houston and Emma
Hill Trust Estate

Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

Houston and Emma Hill Trust Estate
John A. Styrsky, Trustee

PetroHill Resources, LLC
Michael S. Waltrip, Member, as agent for
Waltrip Marital Trust
MSW Revocable Trust
MLH Revocable Trust

Nancy Puff Jones Trust

by : _____
Its : _____



Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President

4747



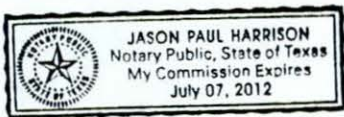
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ACKNOWLEDGEMENT
(Company, LP, Ltd, LLC, Trust)

STATE OF Tx
COUNTY OF Upshur

Before me, the undersigned authority, on this day personally appeared Stephen R. Hanson, known to me to be the person whose name is subscribed to the foregoing instrument, as President of Wester Energy LLC and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said LLC.

Given under my hand and seal of office this the 22 day of Nov., 2010.



Jason Paul Harrison
Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

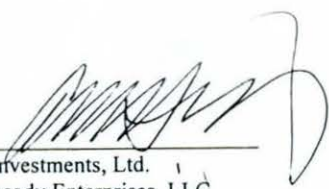
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SIGNATURE PAGE

James Robert Hill, individually and as
Trustee of the Houston and Emma
Hill Trust Estate


Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Individually and as Trustee of the
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MLH Revocable Trust

Nancy Puff Jones Trust

by :

Its :

Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President



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ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF

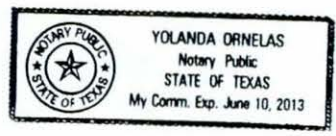
COUNTY OF Williamson

Before me, the undersigned authority, on this day personally appeared Alan Hu, known to me to be the person whose name is subscribed to the foregoing instrument, as President of Cosody Enterprises, LLC, general partner and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Hill Investments, Ltd.

Given under my hand and seal of office this the 23 day of November, 2010.

Yolanda Ornelas
Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(Corporation)



STATE OF

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

4747



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HILL - ENRIGEN #3

SIGNATURE PAGE

James Robert Hill, individually and as
Trustee of the Houston and Emma
Hill Trust Estate

Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President



Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

Houston and Emma Hill Trust Estate
John A. Styrsky, Trustee

PetroHill Resources, LLC
Michael S. Waltrip, Member, as agent for
Waltrip Marital Trust
MSW Revocable Trust
MLH Revocable Trust

Nancy Puff Jones Trust
by : _____
Its : _____

Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President

4747.2

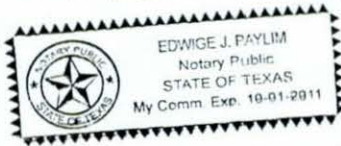


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ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

HILL - ENGEREN #3

STATE OF TX
COUNTY OF TRAVIS



Before me, the undersigned authority, on this day personally appeared E. ROBERTS HARRIS, JR. known to me to be the person whose name is subscribed to the foregoing instrument, as MANAGING MEMBER of PC STAR, LLC, GENERAL PARTNER OF U-S MINERALS AND REALTY, LLC and acknowledged to me that HE executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said LP.

Given under my hand and seal of office this 29 day of NOVEMBER, 2010.

[Signature]
Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2010.

Notary Public in and for the State of Texas

41412



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SIGNATURE PAGE

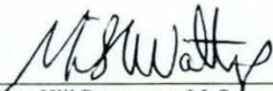
James Robert Hill, individually and as
Trustee of the Houston and Emma
Hill Trust Estate

Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

Houston and Emma Hill Trust Estate
John A. Styrsky, Trustee


PetroHill Resources, LLC
Michael S. Waltrip, Member, as agent for
Waltrip Marital Trust
MSW Revocable Trust
MLH Revocable Trust

Nancy Puff Jones Trust
by :
Its :

Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President

47472



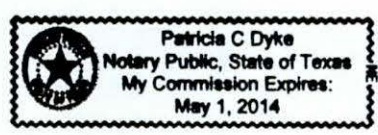
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ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF Texas
COUNTY OF Tarrant

Before me, the undersigned authority, on this day personally appeared Michael S. Waltrip, known to me to be the person whose name is subscribed to the foregoing instrument, as Member of PetroHill Resources, LLC and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said PetroHill Resources, LLC

Given under my hand and seal of office this the 15th day of November, 2010.



Patricia C. Dyke
Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

41411



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EXHIBIT 'A'

Attached to and made a part of Oil, Gas and Mineral Lease dated 12-01-10 by and between **Houston and Emma Hill Trust Estate, et al**, Lessor, and **Energen Resources Corporation**, Lessee.

Public School Land Survey, Block 45

Section 38 : South 426.67 acres
only below 2900 feet

T & P Railroad Company Survey, Block 57, Township 3

Section 30 : All

Public School Land Survey, Block C-21

Section 17 : North 426.67 acres

T & P Railroad Company Survey, Block 56, Township 3

Section 20 : All
Only below the base of the Delaware formation

being 2133.34 gross acres
all in Reeves County, Texas

(Hill - Energen Lease #3)

47472



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EXHIBIT 'B'

Attached to and made a part of Oil, Gas and Mineral Lease dated 12-01-10 by and between **Houston and Emma Hill Trust Estate, et al, Lessor, and Energen Resources Corporation, Lessee.**

It is understood and agreed by all parties that the language on this Exhibit "A" supersedes any provisions to the contrary in the printed lease hereof.

11. Subject to paragraph #20 hereto, at the expiration of the primary term of this lease, each producing well drilled hereon will hold only the acreage allocated to said well by the proper governmental authority having jurisdiction as a proration unit. All other acreage except that included in a proration unit will be released and the lease will automatically terminate as to that acreage outside each producing well's proration unit or pooled unit. In the absence of field rules, 40 acres will be deemed to be a proration unit for an oil well and 160 acres will be deemed to be a proration unit for a gas well. Further, it is understood and agreed that Lessee shall earn depths as to each proration unit or pooled unit only to 100' below the deepest depth drilled and/or 100' below the base of the deepest formation in the case of a lateral or horizontal completion from which oil and/or gas is then being produced on such proration unit or pooled unit at the expiration of the primary term of this lease, and that this lease will terminate at such time as to all depths below such depth or formation. Producing as used in this lease means producing in paying quantities.

12. ANYTHING HEREIN TO THE CONTRARY notwithstanding, the royalties to be paid Lessor on production shall be Twenty Five Percent (25%), and wherever the word One-eighth appears in this lease, the same is hereby amended to read Twenty Five Percent (25%).

13. FAILURE TO PAY ROYALTY under the terms of this lease, and under the provisions of Texas Statutes can result in termination of this lease. Should oil and gas royalties not be received within the time prescribed by Texas Statutes, Lessor will provide notice to Lessee of Lessee's breach of royalty obligation, and should Lessee fail to make proper payment within 30 days of receipt of such written notice, Lessor may, at its option, demand payment including statutory interest. Lessee or his assigns shall pay or cause to be paid to Lessor, all of Lessor's proportionate part of his royalty revenues from the sale of hydrocarbons, associated gas and or natural gas from lands covered by this lease on a monthly basis; however, if Lessor's royalty revenues are less than \$25.00 for a month, then they may be accumulated to \$25.00 before distribution. All royalties must be paid at least once per annum.

14. ANYTHING HEREIN TO THE CONTRARY notwithstanding, this lease shall cover only oil, gas and other hydrocarbons, and all reference to other minerals contained herein is hereby deleted.

15. ANYTHING HEREIN TO THE CONTRARY notwithstanding, if at any time after the expiration of the primary term, Lessee shall have completed a well or wells on the above Leased Premises (or on land with which the said Premises or any part thereof may be pooled) which well or wells are capable of producing gas in commercial quantities but are shut-in with the result that gas is not produced or sold or used, Lessee may pay as royalty to Lessor for each such shut-in well on or before the expiration of ninety (90) days after (i) the date of completion of such gas well as evidenced by Well Completion Report filed with the appropriate state or other governmental regulatory agency or commission having jurisdiction, or (ii) the date such gas ceased to be sold or used, as the case may be, an amount equal to Fifty (\$50.00) per acre of land covered by this Lease which shall be attributed to the producing unit upon which the well or wells are located and upon making said payment it will be considered that each such well is producing gas in paying quantities within the meaning of this Lease for a period of one (1) year after the expiration of said ninety (90) day period. In like manner and upon like payments, being made annually on or before the expiration of the last preceding year for which such payment or tender has been made, it will be considered that said well or wells are producing gas in commercial quantities for successive periods of one (1) year each; provided that this Lease may not be maintained in force solely by payment of shut-in gas well royalty for any well under this paragraph for more than 18 consecutive months after the effective date of the first such payment, or for shorter periods, at various intervals not to exceed in the aggregate three (3) years in all.

16. ANYTHING HEREIN TO THE CONTRARY notwithstanding, it is expressly understood and agreed that Lessor shall have the option, but not the obligation, to take in kind Lessor's share of the royalty on production, and to market and dispose of its share of the production upon such terms as Lessor may desire at Lessor's risk and expense, and to hold Lessee harmless from any liability due to Lessor taking in kind.

17. IT IS EXPRESSLY UNDERSTOOD and agreed that Lessee is granted the privilege and right to assign all or part of the lands covered by this Lease, provided notice of any such assignment is given Lessor within sixty (60) days of recording said assignment.

18. LESSOR OR ANY of their representatives or employees, at their own risk, may have access to the derrick floor during drilling operations and shall receive copies of daily drilling reports by email to _____ and electric logs, tests, cores and completion reports within thirty (30) days, upon written request from the Lessor. All information provided to Lessor under the terms of this paragraph shall be held in strict confidence by Lessor and shall not be divulged to any third party until such confidential information is released to the public by Lessee. Upon full termination of this lease, all information provided to Lessor by lessee, and not by then made public by Lessee, shall then be considered as non-confidential.

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19. LESSEE SHALL NOTIFY Lessor within fourteen (14) days of the location and commencement of all drilling operations upon this lease or upon any acreage with which any or all of this Lease may be pooled. A copy of the permit and plat shall be forwarded to Lessor within thirty (30) days after spudding.

20. If at the expiration of the initial primary term and/or the expiration of the extension of the primary term as defined in paragraph # 43 of this agreement, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Assignee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit (to be selected by Lessee) allocated thereto by the Texas Railroad Commission as of the date of such termination from the surface down to the depth of one hundred feet (100') below the deepest producing formation. Thereafter, Lessee shall promptly execute and deliver to Lessors a release of this lease as to all lands covered hereby, save and except to each such producing proration unit, and to all depths of such producing proration units except from the surface down to the depth of one hundred feet (100') below the deepest producing formation.

21. AT THE TERMINATION of this Lease, as to any part of the leased premises, Lessee, his heirs or assigns, at Lessee's sole expense, shall prepare and publicly record a release, and shall provide one (1) copy of release to Lessor.

22. LESSEE AGREES TO INDEMNIFY, defend and hold Lessor harmless from all claims, fines, or penalties, including but not limited to governmental or administrative environmental cleanup or compliance orders, which result or are related to Lessee's operations on the premises.

23. IF LESSOR FILES a legal action to enforce any express or implied obligation of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessor shall be reimbursed for all costs of such legal proceedings including reasonable attorney's fees.

24. IT IS AGREED THAT, all royalties accruing under this lease (including those paid in kind) shall be without deduction, directly or indirectly, to the point of sale, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

25. LESSEE is granted the right to pool under the terms of this lease; however, LESSEE agrees to provide LESSOR a copy of any pooling agreement, unitization agreement and or amendments prepared or executed by LESSEE which includes any land covered by this lease, within 60 days of recordation or effective date of said pooling agreement, unit agreement or amendment, whichever is the later date.

26. ANYTHING HEREIN to the contrary notwithstanding, this Lease covers only those lands described in this Lease and does not cover or include any land owned or claimed by Lessor that is adjacent or contiguous to the land described in this Lease.

27. LESSEE SHALL adequately protect the oil and gas under premises from drainage from adjacent lands or leases, including lands leased at a lesser royalty. If oil or gas should be produced in paying quantities from a well draining the leased premises, lessee shall, within (60) sixty days after notice from Lessor of such producing well, begin in good faith and pursue diligently operations leading to the drilling of an offset well and such offset shall be drilled to such depth as may be necessary to prevent drainage of the premises, and Lessee shall use all means necessary in a good faith effort to make such offset well produce oil or gas in paying quantities.

28. LESSEE'S right hereunder to prospect for oil and gas from the premises is exclusive, with the exception that Lessor expressly retains and reserves the concurrent right to grant third parties seismic, geophysical and geological permits and to enter into other agreements with third parties, which permits or agreements shall allow such third parties to conduct geophysical, geological or seismic surveys on, over, under, through or across the land covered herein during the term of this lease. Such seismic, geophysical or geological surveys shall not unreasonably interfere with Lessee's drilling or production activities on the lease.

29. LESSOR does warrant title to the mineral rights under the leased premises by, through and under but not otherwise. In the event all or part of the Lessor's title should fail, then Lessor shall have no

H.T.H.T.



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liability for such failure other than refunding that portion of the bonus paid for this lease attributable to the interest as to which title has failed.

30. Lessee is granted the right to use existing roads on the leased premises for ingress and egress, and agrees to maintain, restore and keep roads in usable condition so long as this lease is in force and effect.

31. Lessee shall notify Lessor a minimum of 24 hours before cutting any new road, if necessary, into or on the leased premises.

32. Lessee shall install and maintain cattle guards at every fence crossing, said cattle guards to remain upon premises as Lessor's property at the expiration of this lease.

33. Lessee will bury and maintain all pipelines and electrical transmission lines 24 inches below the surface only in the event that topographic or ground conditions allow for lines being buried to the set out depth. Lessee may further use temporary poly flowlines with the written permission of the Lessor.

34. Lessee may use no more of the surface of the leased premises than is reasonably necessary to use for the purposes of which this lease is granted, and it shall exercise all rights granted to it herein with due regard for the rights of the owners of the surface.

35. It is further agreed that Lessee, its successors and assigns, shall not erect any buildings or houses on the leased premises and that only those structures which are reasonably necessary for production facilities or tank batteries shall be erected on the surface of the leased premises.

36. Lessee agrees to pay Lessor for damages as prescribed in Rate and Damages Schedule of the University of Texas System.

37. It is expressly understood that Lessee will not pollute any water aquifers or fresh water in, upon or under the leased premises, and Lessee agrees to notify Lessor in writing if fresh water is encountered during drilling or if a fresh water formation is penetrated.

38. Lessee further agrees to maintain all drill sites and other portions of the surface used or occupied by Lessee, its successors or assigns, free and clear of weeds and noxious vegetation and will maintain the same in reasonable manner to prevent additional damage to Lessor's other land and crops.

39. Upon written demand by Lessor, Lessee shall build and maintain fences around its slush, sump and drainage pits and tank batteries to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drill site of all rubbish thereon.

40. It is understood and agreed that, notwithstanding the foregoing, Lessee shall have a period of 180 days from and after the termination of this lease to remove casing and fixtures from the premises, and in the event Lessee fails to remove such property, casing and/or fixtures within 180 days, the ownership of same shall vest in Lessor, its heirs and assigns, upon the expiration of 180 days from and after the date of termination of this lease. Lessor may require the removal of said equipment.

41. Lessee further agrees that in the event of a dry hole or production from a well which production ceases and the abandonment of such well, or upon the abandonment of any well location, drill site, tank battery site or roadway, Lessee will restore the premises as nearly as reasonably possible to its former condition at the costs and expense of lessee, it being the intention of the parties hereto that the Lessee shall restore the surface to as nearly the state that it is in at the time of execution of this lease. In addition, Lessee agrees to restore the surface, whether coastal or native grasses, back to its original condition and agrees to re-sprig or reseed accordingly.

42. Lessee shall not use any existing water, whether from wells, tanks, ponds or reservoirs, from Leased premises without the prior written consent of Lessor as owner of the surface estate. Lessee, its successors and assigns, may itself drill a water well and then use the potable water from that well for drilling operations that are conducted on the Leased Premises or lands pooled therewith. However, lessee shall have no right to the use of potable water from the Leased Premises for water flooding or secondary recovery operations without the prior written consent of Lessor as the owner of the surface estate. In the event Lessee drills a new well and encounters non-potable water which is certified as not suitable for human, animal or agricultural use, Lessee may use same for its drilling, water flooding, or secondary recovery operations. Lessee may not drill a new well within 500 feet of an existing water well located on the leased premises without Lessor's prior written consent. In the event Lessee drills a water well on the Leased Premises and completes its use of same, upon termination of Lessee's use of said water well, Lessee will give Lessor a thirty (30) day written notice as to Lessee's intention to plug and abandon said water well. Lessor may during said thirty (30) day notice period, provide to Lessee a written request as to Lessor's election to take over the ownership of said water well and in such event, Lessee agrees upon receipt of a written request by Lessor to transfer said water well to Lessor as owners of the surface estate, upon Lessee's execution of a written transfer instrument that includes Lessor's agreement to accept the water well "AS IS" without any warranty and Lessor's agreement to assume all rights, responsibilities and liabilities, if any, for the operation and maintenance of said water well, including but not limited to plugging of the well in accordance with any regulations of applicable governmental agency or agencies.

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43. Lessee is hereby given the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying the sum of seven hundred fifty dollars (\$ 750.00) per net mineral acre direct to to Lessor at the above address. This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. Lessee is also given the exclusive option to renew only a portion of the lease acreage and thereafter release the remaining acreage to the Lessor. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor or to said bank at any time during the original primary term hereof. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL,
OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR
OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL
LAW

FILE# 155

FILED FOR RECORD ON THE 11TH DAY OF JANUARY

A.D. 2011 10:35 AM.

DUTY RECORDED ON THE 20TH DAY OF JANUARY

A.D. 2011 9:00 A.M.

BY:

Dianne O. Florez DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

47474



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Original filed in
Reeves County
Clerks Office

4.14.14

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 863, PAGE 335 THRU 354.



I hereby certified on 9th July 2014

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Elizabeth Rags DEPUTY

THIS AGREEMENT made this 5th day of December, 2011, between MBR Oil and Gas #1, Ltd, a Texas Limited Partnership, Michael B. Ramsey, President of 2701 Racquet Club Drive, Midland, Texas 79705, hereinafter called Lessor (whether one or more), and ENERGEN RESOURCES CORPORATION, 3000 NORTH "A" STREET, BUILDING 4, SUITE 100, MIDLAND, TEXAS 79705, Lessee:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described lands in Reeves County, Texas, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

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

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 5,154.91 acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of **three (3) years** from this date (called "primary term") and as long thereafter as oil, gas or other minerals are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, **1/4th royalty** of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of **1/4th royalty** of the gas so sold or used, provided that on gas sold at the wells the royalty shall be **1/4th royalty** of the amount realized from such a sale; (c) on all other minerals mined and marketed, **1/4th royalty**, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of **One and 00/100 Dollars per acre (\$1.00/acre)** per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the n/a Bank of which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If at the expiration of the primary term of this lease oil, gas or other minerals are not being produced from the leased premises or land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other minerals are produced from said land or land pooled therewith. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the



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royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

12. Notwithstanding any other provisions hereof, at the end of the primary term, all acreage not included in a proration unit as designated by the Texas Railroad Commission or other governmental agency and all depths 100 feet below the deepest formation penetrated shall be automatically eliminated from this lease and revert to LESSOR, unless LESSEE is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith, in which event the lease will be held in its entirety as long as not more than one hundred eighty (180) days elapse between the completion of one well and the commencement of another. "Completion" shall be defined as (1) the date on which a dry hole is plugged or (2) the date of cementing of production casing, whichever is appropriate. "Commencement" shall be defined as the date drilling operations are commenced on the leased premises or

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

MBR OIL AND GAS #1, LTD

By: Michael Ramsey

Name and Title: _____

ACKNOWLEDGMENT

STATE OF Texas §

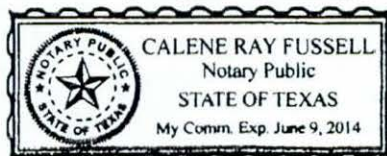
COUNTY OF Midland §

This instrument was acknowledged before me on this 19 day of March, 2011 by Michael Ramsey, known to be the President of MBR Oil and Gas #1, Ltd.

Calene Ray Fussell
NOTARY PUBLIC

Notary's Printed Name: _____

My Commission Expires: _____



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Original filed in
Reeves County
Clerks Office

MBR Oil and Gas #1, Ltd.,

EXHIBIT "A"

Tract 1:

Description:

Section 5: All of Subdivision #1, 37.06 acres, all of Subdivision #3
SAE the North 5 acres and the SE/4 of subdivision 4 being 45.00 acres
Block 2, H&GN Survey

Gross acres: - 82.06

Tract 2:

Section 37: Subdivision 2 (40.0 acres) and 5 (9.5 acres) being 59.50 acres in all
Block 2, A-45
H&GN Survey

Gross acres: 59.5

Tract 3:

Section 64: SE/4
Block 13, H&GN Survey PVT.

Gross Acres: 160.00

Tract 4:

Section 2: S/2 & East 1/3 of N/2
Block 54, T4S
T&P RR Co. Survey A-5685 F/R 151363

Gross acres: 426.67

Tract 5:

Section 30: All
Block 57, T-3-S
T&P RR Survey A-5483 F/R 149553

Gross Acres: 640.00

Tract 6:

Section 32: All
Block 57, T-3-S
T&P RR Co. Survey A-5484 F/R 149554

Gross acres : 640.00

Tract 7:

Section 40: All
Block 57, T-3-S
T&P RR Co Survey A-5485 F/R 149555

Gross acres: 640.00

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Clerks Office

MBR Oil and Gas #1, Ltd.,

EXHIBIT "A" (page 2)

Tract 8:

Section 42: All

Block 57, T-3-S

T&P RR Survey

Gross Acres: 640.00

A-5486 F/R 149556

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Tract 9:

Section 15: E/2, SAE the North 106.66 acres

Block C-1, PSL Survey

Gross acres: 213.34

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Tract 10:

Section 16: All, SAE The North 213.33 acres

Block C-18, PSL Survey

Gross Acres: 426.67 gross acres

Tract 11:

Section 6: NE/4

Block C-19, PSL Survey

Gross Acres: 160.00

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Tract 12:

Section 17: The North 2/3

Block C-21, PSL Survey

Gross Acres: 426.67

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Tract 13:

Section 38: All, Below 2,950 feet

Block 45, PSL Survey

Gross Acres: 640.00

12-02520
DIANNE O. FLOREZ
COUNTY CLERK
2012 Apr 04 at 04:43 PM
REEVES COUNTY, TEXAS
By: NG *[Signature]* DEPUTY



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

41415

2.

File No. 116022

Lease

Date Filed: 07/14/14
Jerry E. Patterson, Commissioner

By [Signature]

2.

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 433 PAGE 144 THRU 147

I hereby certified on 4th July 2014

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



BY Elizabeth Ruyg DEPUTY

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 817398	DATE PERMIT ISSUED OR AMENDED Aug 10, 2016	DISTRICT * 08
API NUMBER 42-389-35332	FORM W-1 RECEIVED Aug 01, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 1068.22
OPERATOR THREE RIVERS OPER CO III LLC 5301 SOUTHWEST PARKWAY STE 400 AUSTIN, TX 78735-0000		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 SMITHER STATE UNIT 47-38		WELL NUMBER 6WA
LOCATION 15.2 miles SW direction from ORLA		TOTAL DEPTH 11600
Section, Block and/or Survey SECTION ◀ 2 BLOCK ◀ 53 ABSTRACT ◀ 5026 SURVEY ◀ PSL/ CALDWELL, C M		
DISTANCE TO SURVEY LINES 467 ft. NORTH 1187 ft. EAST		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 467 ft. NORTH 1187 ft. EAST		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 WE
FORD, WEST (WOLFCAMP)	1068.22	11,600
SMITHER STATE UNIT 47-38	200	0
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 200.0 F SOUTH L 1135.0 F EAST L Terminus Location BH County: REEVES Section: 38 Block: 45 Abstract: 5991 Survey: PSL/ MEEKER, J R Lease Lines: 200.0 F NORTH L 1135.0 F EAST L Survey Lines: 1960.0 F NORTH L 1135.0 F EAST 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 817398	DATE PERMIT ISSUED OR AMENDED Aug 10, 2016	DISTRICT * 08
API NUMBER 42-389-35332	FORM W-1 RECEIVED Aug 01, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 1068.22
OPERATOR THREE RIVERS OPER CO III LLC 5301 SOUTHWEST PARKWAY STE 400 AUSTIN, TX 78735-0000		857765 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 SMITHER STATE UNIT 47-38		WELL NUMBER 6WA
LOCATION 15.2 miles SW direction from ORLA		TOTAL DEPTH 11600
Section, Block and/or Survey SECTION ◀ 2 BLOCK ◀ 53 ABSTRACT ◀ 5026 SURVEY ◀ PSL/ CALDWELL, C M		
DISTANCE TO SURVEY LINES 467 ft. NORTH 1187 ft. EAST		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 467 ft. NORTH 1187 ft. EAST		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 WE
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.		

**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.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

API No. <u>42-389-35332</u> Drilling Permit # <u>817398</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>				FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>857765</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>THREE RIVERS OPER CO III LLC</u>		3. Operator Address (include street, city, state, zip): <u>5301 SOUTHWEST PARKWAY STE 400</u> <u>AUSTIN, TX 78735-0000</u>			
4. Lease Name <u>SMITHER STATE UNIT 47-38</u>		5. Well No. <u>6WA</u>					
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 <u>11600</u>		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. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore			
14. This well is to be located <u>15.2</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 <u>2</u>		16. Block <u>53</u>		17. Survey <u>PSL/ CALDWELL, C M</u>		18. Abstract No. <u>A-5026</u>	
				19. Distance to nearest lease line: <u>200</u> ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1068.22</u>	
21. Lease Perpendiculars: <u>467</u> ft from the <u>NORTH</u> line and <u>1187</u> ft from the <u>EAST</u> line.							
22. Survey Perpendiculars: <u>467</u> ft from the <u>NORTH</u> line and <u>1187</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	
08	31913800	FORD, WEST (WOLFCAMP)		Oil or Gas Well	11600	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [FILER Aug 1, 2016 10:04 AM]: This is the first well on a 1068.22 acre lease.; [RRC STAFF Aug 8, 2016 9:53 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 10, 2016 10:50 AM]: Problems identified with this permit are resolved.; [RRC STAFF Aug 10, 2016 10:50 AM]: P16 attached.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Anne Maness, Sr Regulatory Analyst</u> <u>Aug 01, 2016</u> Name of filer Date submitted <u>(512)6003195</u> <u>amaness@3roc.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: <u>Aug 10, 2016 3:48 PM('As Approved' Version)</u>							

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.*

Form W-1H 07/2004
Supplemental Horizontal Well Information

Permit # **817398**

Approved Date: **Aug 10, 2016**

1. RRC Operator No. 857765	2. Operator's Name (exactly as shown on form P-5, Organization Report) THREE RIVERS OPER CO III LLC	3. Lease Name SMITHER STATE UNIT 47-38	4. Well No. 6WA
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 FORD, WEST (WOLFCAMP) (Field # 31913800, RRC District 08)			
6. Section 38	7. Block 45	8. Survey PSL/ MEEKER, J R	9. Abstract 5991
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 200 ft. from the North line. and 1135 ft. from the East line			
12. Terminus Survey Line Perpendiculars 1960 ft. from the North line. and 1135 ft. from the East line			
13. Penetration Point Lease Line Perpendiculars 200 ft. from the South line. and 1135 ft. from the East line			



GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 02 August 2016**GAU Number:** 158140**Attention:** THREE RIVERS OPER CO III
5301 SOUTHWEST PARKWAY
AUSTIN, TX 78735**API Number:**
County: REEVES
Lease Name: Smither State Unit 47-38**Operator No.:** 857765**Lease Number:**
Well Number: 6WA
Total Vertical Depth: 11600
Latitude: 31.625031
Longitude: -104.019175
Datum: NAD27**Purpose:** New Drill**Location:** Survey-PSL; Abstract-5026; Block-53; Section-2

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

Water-bearing strata from the land surface to a depth of 575 feet and the Rustler, which is estimated to occur from 950 to 1225 feet must be protected.

Please send Gamma Ray/Porosity log of this well when it is available.

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

This determination is based on information provided when the application was submitted on 08/01/2016. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2
Rev. 02/2014

P.O. Box 12967 Austin, Texas 78771-2967

512-463-2741

Internet address: www.rrc.texas.gov

RAILROAD COMMISSION OF TEXAS

**1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967**

Form P-16

Page 1

Rev. 01/2016

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: THREE RIVERS OPER CO III LLC	Operator P-S No.: 857765
Operator Address: 5301 SOUTHWEST PARKWAY SUITE 400, AUSTIN, TX 78735	

SECTION II. WELL INFORMATION

District No.: 08	County: REEVES	Purpose of Filing: ☒ Drilling Permit Application (Form W-1) ☐ Completion Report (Form G-1/W-2)
Well No.: 6WA	API No.:	
Total Lease Acres: 1068.22	Drilling Permit No.:	
Lease Name: SMITHER STATE UNIT 47-38	Lease No.:	
Field Name: FORD, WEST (WOLFCAMP)	Field No.: 31913800	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	1	1068.22	< A. Total Assigned Horiz. Acreage	1068.22	< C. Total Assigned Acreage
		0	< Total Remaining Horiz. Acreage	0	< Total Remaining Acreage
		0	< B. Total Assigned Vert./Dir. Acreage		
		0	< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

--

Attach Additional Pages As Needed.

☐ No additional pages☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Annell Hanson
Signature

Anne Maness Sr Regulatory Analyst

Name and title (type or print)

Email (include email address *only* if you affirmatively consent to its public release)

5301 Southwest Parkway Suite 400

Austin TX 78735

512-600-3195

08/10/2016

Address

City.	State.	Zip Code
-------	--------	----------

Tel: Area Code	Number
----------------	--------

Date: mo. day yr.

CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

1. Field Name(s) Ford, West (Wolfcamp)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name Three Rivers Oper Co III LLC	5. Operator P-5 Number 857765	6. Well Number 6WA
7. Pooled Unit Name Smither State Unit 47-38	8. API Number	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County Reeves	11. Total acres in pooled unit 1068.22	

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	James Robert Hill, et al(Tract1)	426.67	☐	☐
2	State of Texas (Tract 2)	481.16	☐	☐
3	State of Texas (Tract 3)	160.39	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

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.



Anne Maness

Signature

Print Name

Sr Regulatory Analyst

07/29/2016

(512) 600-3195

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.

(150639) 39 38 (153250)
(151380)

Block 45
Public School Land Survey
Reeves County, Texas

THREE RIVERS OPERATING
COMPANY III, LLC.
Abstract No. 2981
426.67 Acres (Called)

Abstract No. 2629
Abstract No. 5027

Abstract No. 2629
Abstract No. 5027

Tract 1
(426.67)

THREE RIVERS OPERATING
COMPANY III, LLC.

Tract 2
(481.16)

Abstract No. 3569
641.55 Acres (Called)

Tract 3
(1160.39)

Joseph Luchini 1968 Lines

R.S. Dod 1911 Lines

Smither State Unit 47-38

Abstract No. 5026

Joseph Luchini 1968 Lines

(98407) 46 47 (102512)
GRID N: 731842.044
GRID E: 848868.056
(144968) 3

2 (143995)
(139456)
(139460)

48 (105003)
GRID N: 731679.123
GRID E: 854157.076
1 (102098)

Block 53
Public School Land Survey
Reeves County, Texas

R.S. Dod 1911 Lines

FTP/PP
1135'

EL 3222
1187'

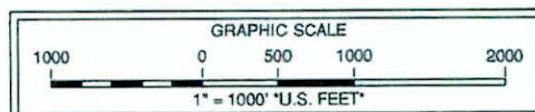
Surface Hole Location (SHL)
GRID N: 731248.897
GRID E: 852956.359
NAD'27 Lat/Long
Lat: 31°37'30.114" N
Long: 104°01'09.037" W

First Take Point (FTP)/
Penetration Point (PP)
GRID N: (Y) 731915.560
GRID E: (X) 852977.560
NAD'27 Lat/Long
Lat: 31°37'36.715" N
Long: 104°01'09.048" W

Last Take Point (LTP)/
Bottom Hole Location (BHL)
GRID N: (Y) 740065.752
GRID E: (X) 853236.754
NAD'27 Lat/Long
Lat: 31°38'57.418" N
Long: 104°01'09.174" W

Driving Directions To Location:
From the intersection of Highway 285 and Farm-to-Market
road 652 in Orfa, Texas;
Drive West on FM 652 9.5 miles to FM 2119;
Turn left (South) on to a dirt road at Lat: 31°38'10.39", Long:
104°04'01.90";
Turn left (North) on to dirt road, drive 4.4 miles to Lat:
31°37'28.98", Long: 104°00'56.40";
Location is right (West) 1,110 feet.

Note: Well is located 15.2 miles Southwest of the city of Orfa, Texas.
Note: Survey Reconstruction filed in the Office of Pennell & Marlowe Land Surveyors, Inc.
Note: Coordinates shown herein are on The Texas Coordinate System of 1927, Central Zone. (4203)
Note: Bearings and distances are based on The Texas Coordinate System of 1927, Central Zone.
Note: Location of the Oatman Unit 11-2 #1H well was obtained from a permit plat provided by client.
Note: Example: (S-99999) indicates General Land Office file number.



USGS Quadrangle Sheet: Derrick Draw, Tex.
USGS Quadrangle Sheet: Dry Lake, Tex.
Railroad Commission Permit Plat



Stephen P. Marlowe
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715

July 28, 2016
160728B1-KRM

THREE RIVERS OPERATING COMPANY III, LLC.
Smither State Unit 47-38 #6WA
467' FROM NORTH LINE
1187' FROM EAST LINE
Smither State Unit 47-38
1068.22 Acres (Called) out of
Sections 47 & 38, Block 45
Public School Land Survey
Reeves County, Texas

Scale: 1" = 1000'

File No. MF 116822 3.

Reeves County

Drilling Permit API 389-35332-Unit 8115

Date Filed: 10/5/16

George P. Bush, Commissioner

By Jm

0. 0. 0. 0.



November 22, 2016

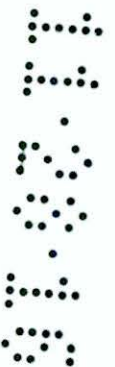
Texas General Land Office
Attn: J. Daryl Morgan
1700 Congress Ave
Austin, TX 78701

Dear Mr. Morgan,

Enclosed you will find two original copies of the approved Pooling Agreement (GLO Unit Number 8115) for execution by the Commissioner. If you need any additional information, please do not hesitate to contact me.

Thank you,

Meagan Satterfield
Landman
512-600-3186
msatterfield@3roc.com



21.09.11

4

File No. M-116822

Ctr. From 3 ROC County

Date Filed: 11/20/16

George P. Bush, Commissioner

By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 1, 2016

Ms. Meagan Satterfield
Three Rivers Operating Company
5301 Southwest Parkway, Suite 400
Austin, Texas 78735

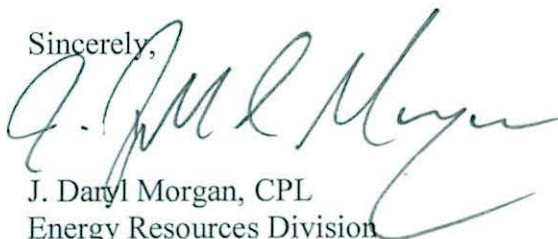
Re: Pooling Agreement
Smither State Unit 47-38
GLO Unit No. 8115
Reeves County, Texas

Dear Ms. Satterfield,

Enclosed is a duplicate original of the above referenced Pooling Agreement that has been executed by George P. Bush, Commissioner of the Texas General Land Office ("GLO"). We have retained the other original of the Pooling Agreement for our files. Please refer to the referenced GLO Unit No. when filing Royalty Reports with the GLO.

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,


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

Enclosure

5.

File No. M- 116822

Ltr to 3, ROC County

Date Filed: 12/1/16

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA169235

Unit Number 8115
Operator Name Three Rivers Operating Company III LLC Effective Date 09/06/2016
Customer ID C000088837 Unitized For Oil And Gas
Unit Name Smithers State Unit 47-38 Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.10003616
State Part in Unit 1.00000000
Unit Depth Allow All Depths Well
From Depth Formation
To Depth Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF116842	1	160.390000	1,068.220000	0.15014697	O/G	0.12500000	0.01876837	
MF117511	2	481.160000	1,068.220000	0.45043156	O/G	0.12500000	0.05630394	
MF116822	3	426.670000	1,068.220000	0.39942147	O/G	0.06250000	0.02496384	No

API Number

4238935332

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

09/06/2016

09/06/2016

10/21/16

12-19-16

09/06/2016

Pooling Committee Report

To: School Land Board UPA169235

Date of Board Meeting: 09/06/2016 Unit Number: 8115

Effective Date: 09/06/2016

Unit Expiration Date:

Applicant: Three Rivers Operating Company III LLC

Attorney Rep:

Operator: THREE RIVERS OPERATING COMPANY III LLC

Unit Name: Smithers State Unit 47-38

Field Name: FORD, WEST (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF116822	0.06250000		3 years	426.670000	426.670000	0.02496384
RAL	MF116842	0.12500000	06/13/2017	3 years	160.000000	160.390000	0.01876837
RAL	MF117511	0.12500000	05/24/2017	25 months	481.000000	481.160000	0.05630394

Private Acres:	0.000000
State Acres:	1068.220000
Total Unit Acres:	1068.220000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	10.00%

<u>Unit Type:</u>	<u>Unitized for:</u>
Permanent	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,779 acres for a 9,730 foot lateral (FTP to LTP).

Working File Number: UPA169235

REMARKS:

- Three River Operating Company III is requesting permanent oil and gas pooling of all depths in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on September 12, 2016 with a proposed total depth of 11,600 feet. A 9,730 foot lateral is expected to be drilled.
- With Board approval of the unit, the State's unit royalty participation will be 10%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to commence actual drilling operations on three additional unit wells by or before June 13, 2019 or the unit will decrease in size to +/- 267 acres per unit well drilled.

POOLING COMMITTEE RECOMMENDATION:

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

Mary Smith (by permission AD)

Mary Smith - Office of the Attorney General

8/23/16

Date

RJH

Robert Hatter - General Land Office

8/23/16

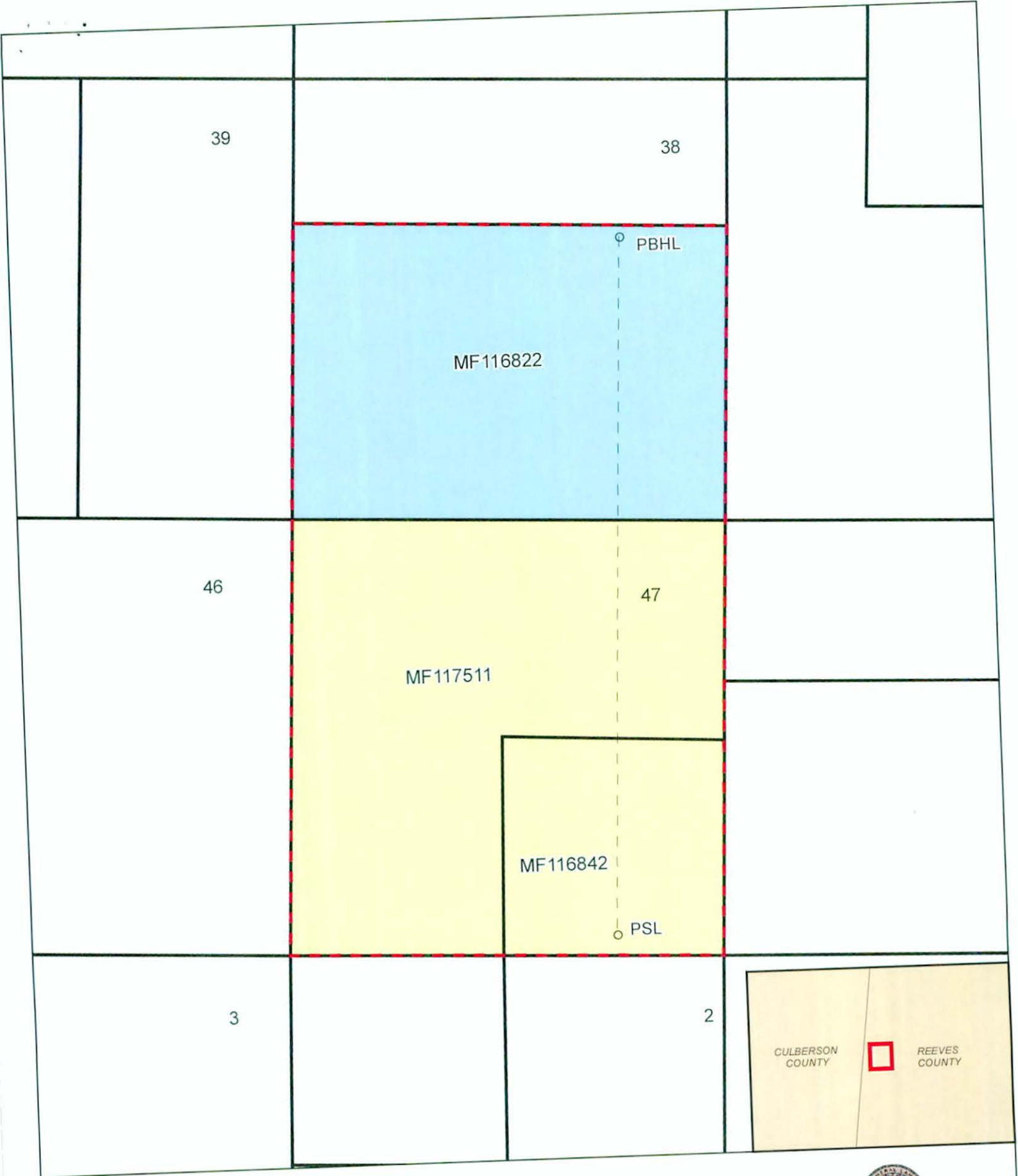
Date

Maur

Diane Morris - Office of the Governor

8/24/16

Date



Unit #8115
Three Rivers Operating Company III, LLC.
Smither State Unit 47-38
Ford West (Wolfcamp) Field
Reeves County, Texas



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



Map Generated by:
Mark Conway
Enterprise Technology Solutions/GIS
September 2016

POOLING AGREEMENT
THREE RIVERS OPERATING COMPANY III LLC
SMITHER STATE UNIT 47-38
GLO UNIT NO. 8115
REEVES COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Three Rivers Operating Company III LLC, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

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

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional or horizontal well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional or horizontal well surfaced on adjacent or adjoining land or drilling or reworking of any such well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included



within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than the number of acres included in the pooled unit, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of September 6, 2016.

SPECIAL TERMS AND CONDITIONS:

8.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum "A".

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Agreement.

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed

11/30/14

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

STATE OF TEXAS

By:

[Signature]

George P. Bush, Commissioner
General Land Office

Date Executed

9/20/14

THREE RIVERS OPERATING COMPANY III LLC

By:

[Signature]
Mike Wichterich

Its:

CEO

[Signature]

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of September, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 30th day of November, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Travis

This instrument was acknowledged before me on September 20, 2016, by Mike Wichterich
as CEO for Three Rivers Operating Company III LLC, a Delaware limited
liability company on behalf of said company.



Meagan Satterfield
Notary Public in and for the
State of Texas



Date Executed:

Summit West Resources LP

By: Summit West Management LLC, its General Partner

11-10-2014

[Signature]
By: Matt R. Johnson
President and COO

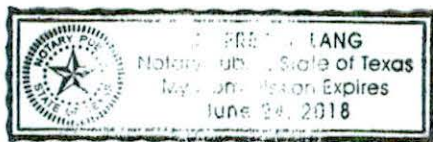
[Signature]

ACKNOWLEDGEMENT

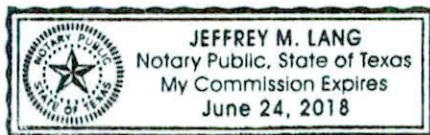
STATE OF TEXAS §

COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on this 10th day of November, 2014, by Matt R. Johnson, President and COO of Summit West Management LLC, as General Partner of Summit West Resources LP, a Texas limited partnership, on behalf of said limited partnership.



[Signature]
Notary Public, State of Texas



Addendum "A"

To that certain Pooling Agreement for the Smither State Unit 47-38

The parties hereby agree that should a conflict exist between this Addendum and the body of the agreement that this Addendum shall prevail.

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of approximately 267 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the well or wells. In the event that Lessee choses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

Lessee shall have commenced actual Drilling Operations in the following manner:

- First well — spud on or before June 13, 2017;
- Second, Third and Fourth well — spud on or before June 13, 2019.

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder as provided above and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph nine (9) of this Agreement.

End of Addendum "A"



EXHIBIT A

STATE LEASE NUMBER (MF)	LESSOR	LESSEE OF RECORD	LEASE DATE	VOLUME	PAGE	COUNTY
MF116842	GLO, CMC/SC BECKHAM HOLDINGS LP, ET AL	CONOCOPHILLIPS COMPANY	6/13/2014	1091	304	REEVES
MF117511 C	GLO, SAGE GREEN COMPANY	CONOCOPHILLIPS COMPANY	4/23/2015	1197	637	REEVES
MF117511 B	GLO, PLEASANT STREET LIMITED	CONOCOPHILLIPS COMPANY	4/23/2015	1197	627	REEVES
MF117511 U	GLO, CLYDE MICHAEL WILLIAMS III TRUST, BY CLYDE MICHAEL WILLIAMS III, TRUSTEE	CONOCOPHILLIPS COMPANY	5/23/2015	1198	1	REEVES
MF117511 S	GLO, JOHN THOMAS SMITHER WILLIAMS TRUST, BY JOHN THOMAS SMITHER WILLIAMS, TRUSTEE	CONOCOPHILLIPS COMPANY	5/23/2015	1198	21	REEVES
MF117511 T	GLO, EDITH GIBBS WILLIAMS TRUST, BY EDITH GIBBS WILLIAMS, TRUSTEE	CONOCOPHILLIPS COMPANY	5/23/2015	1198	11	REEVES
MF117511 N	GLO, CLYDE MICHAEL WILLIAMS III	CONOCOPHILLIPS COMPANY	5/23/2015	1197	717	REEVES
MF117511 L	GLO, JOHN THOMAS SMITHER WILLIAMS, BY CLYDE MICHAEL WILLIAMS III, ATTORNEY-IN-FACT	CONOCOPHILLIPS COMPANY	5/23/2015	1197	737	REEVES
MF117511 K	GLO, KATHLEEN SMITHER WILLIAMS BY CLYDE MICHAEL WILLIAMS III, ATTORNEY-IN-FACT	CONOCOPHILLIPS COMPANY	5/23/2015	1197	747	REEVES
MF117511 M	GLO, EDITH GIBBS WILLIAMS, BY CLYDE MICHAEL WILLIAMS III, ATTORNEY-IN-FACT	CONOCOPHILLIPS COMPANY	5/23/2015	1197	727	REEVES
MF117511 O	GLO, MARY LEE NICHOLS	CONOCOPHILLIPS COMPANY	5/23/2015	1197	767	REEVES
MF117511 R	GLO, MARK B WOODWARD	CONOCOPHILLIPS COMPANY	5/23/2015	1197	757	REEVES
MF117511 I	GLO, FRANCES R SNIPES	CONOCOPHILLIPS COMPANY	5/23/2015	1197	707	REEVES
MF117511 E	GLO, CRIMSON PROPERTIES LTD	CONOCOPHILLIPS COMPANY	5/23/2015	1197	657	REEVES
MF117511 F	GLO, MARY SUE COFFMAN	CONOCOPHILLIPS COMPANY	5/16/2015	1197	667	REEVES
MF117511 J	GLO, FLORINE KLUSSMAN	CONOCOPHILLIPS COMPANY	5/16/2015	1197	697	REEVES
MF117511 P	GLO, WALTER WOODWARD JR	CONOCOPHILLIPS COMPANY	5/23/2015	1197	777	REEVES
MF117511 Q	GLO, WILLIAM ROBINSON WOODWARD	CONOCOPHILLIPS COMPANY	5/23/2015	1197	787	REEVES
MF117511 G	GLO, SMITHER ASSET MANAGEMENT LLC	CONOCOPHILLIPS COMPANY	5/23/2015	1197	687	REEVES
MF117511 H	GLO, GERTRUDE J SMITHER	CONOCOPHILLIPS COMPANY	5/23/2015	1197	677	REEVES
MF117511 V	GLO, KATHLEEN SMITHER WILLIAMS TRUST, BY KATHLEEN SMITHER WILLIAMS, TRUSTEE	CONOCOPHILLIPS COMPANY	5/23/2015	1197	617	REEVES
MF117511 D	GLO, EVA HAWLEY SMITHER FAMILY TRUST, SARAH HAWLEY DUNNING AND JOHN RICHARD HAWLEY, CO-TRUSTEES	CONOCOPHILLIPS COMPANY	5/23/2015	1197	647	REEVES
MF117511 A	GLO, E M SMITHER COMPANY	CONOCOPHILLIPS COMPANY	5/23/2015	1197	603	REEVES
MF117511 W	GLO, WILBUR LAWRENCE SMITHER III ESTATE, BY MARTHA MOSSMAN SMITHER, EXECUTOR	CONOCOPHILLIPS COMPANY	5/16/2015	1233	718	REEVES
FEE LEASE	JAMES ROBERT HILL, ET AL	ENERGEN RESOURCES CORPORATION	12/1/2010	863	335	REEVES
FEE LEASE	FRED W SHIELD AND COMPANY	THREE RIVERS ACQUISITION III LLC	4/19/2016	1287	355	REEVES
FEE LEASE	DE COMPIEGNE PROPERTY COMPANY NO 20 LTD	THREE RIVERS ACQUISITION III LLC	4/19/2016	1279	184	REEVES
FEE LEASE	OAK VALLEY MINERAL AND LAND LP	THREE RIVERS ACQUISITION III LLC	4/19/2016	1287	372	REEVES
FEE LEASE	KENNEDY MINERALS LTD	THREE RIVERS ACQUISITION III LLC	4/19/2016	1287	357	REEVES
FEE LEASE	BRUNO AND MARSHALL INVESTMENTS	THREE RIVERS ACQUISITION III LLC	5/18/2016	1293	371	REEVES
FEE LEASE	CG INTERESTS, LLC	SUMMIT WEST RESOURCES LP	2/8/2016	1250	503	REEVES
FEE LEASE	TRIANGLE ROYALTY L.P. AND JK ROYALTY LP	SUMMIT WEST RESOURCES LP	2/8/2016	1253	14	REEVES

31.03.11

Exhibit "B"

LEGAL DESCRIPTION FOR Three Rivers Operating Company III LLC
SMITHER STATE UNIT 47-38, GLO UNIT NUMBER 8115
1068.22 ACRES
REEVES COUNTY, TEXAS

Being a 1,068.22 acre tract, more or less, and being the South two-thirds being 426.67 acres of Section 38, Block 45, PSL Survey, Reeves County, Texas and All of Section 47, Block 45, PSL, Reeves County, Texas and being described by Metes and Bounds as follows:

Beginning at a point for the Northeast corner of this tract and being a point in the East line of Section 38, Block 45 from which a 5/8" iron rod for the Northeast corner of Section 38, Block 45 bears N 01°49'18" E, 1759.53 feet.

Thence S 01°49'18" W, a distance of 3519.06 feet to a point in the East line of this tract and being the Southeast corner of Section 38, Block 45;

Thence S 01°49'17" W, a distance of 5033.12 feet to a point for the Southeast corner of this tract and being the Southeast corner of Section 47, Block 45;

Thence N 88°14'07" W, a distance of 5292.46 feet to a point for the Southwest corner of this tract and being the Southwest corner of Section 47, Block 45;

Thence N 01°52'47" E, a distance of 5044.63 feet to a point in the West line of this tract and being the Northwest corner of Section 47, Block 45;

Thence N 01°52'47" E, a distance of 3519.46 feet to a point for the Northwest corner of this tract and being a point in the West line of Section 38, Block 45;

Thence S 88°06'23" E, a distance of 5283.78 feet to the place of beginning.

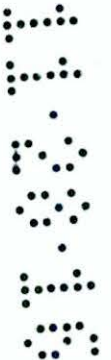
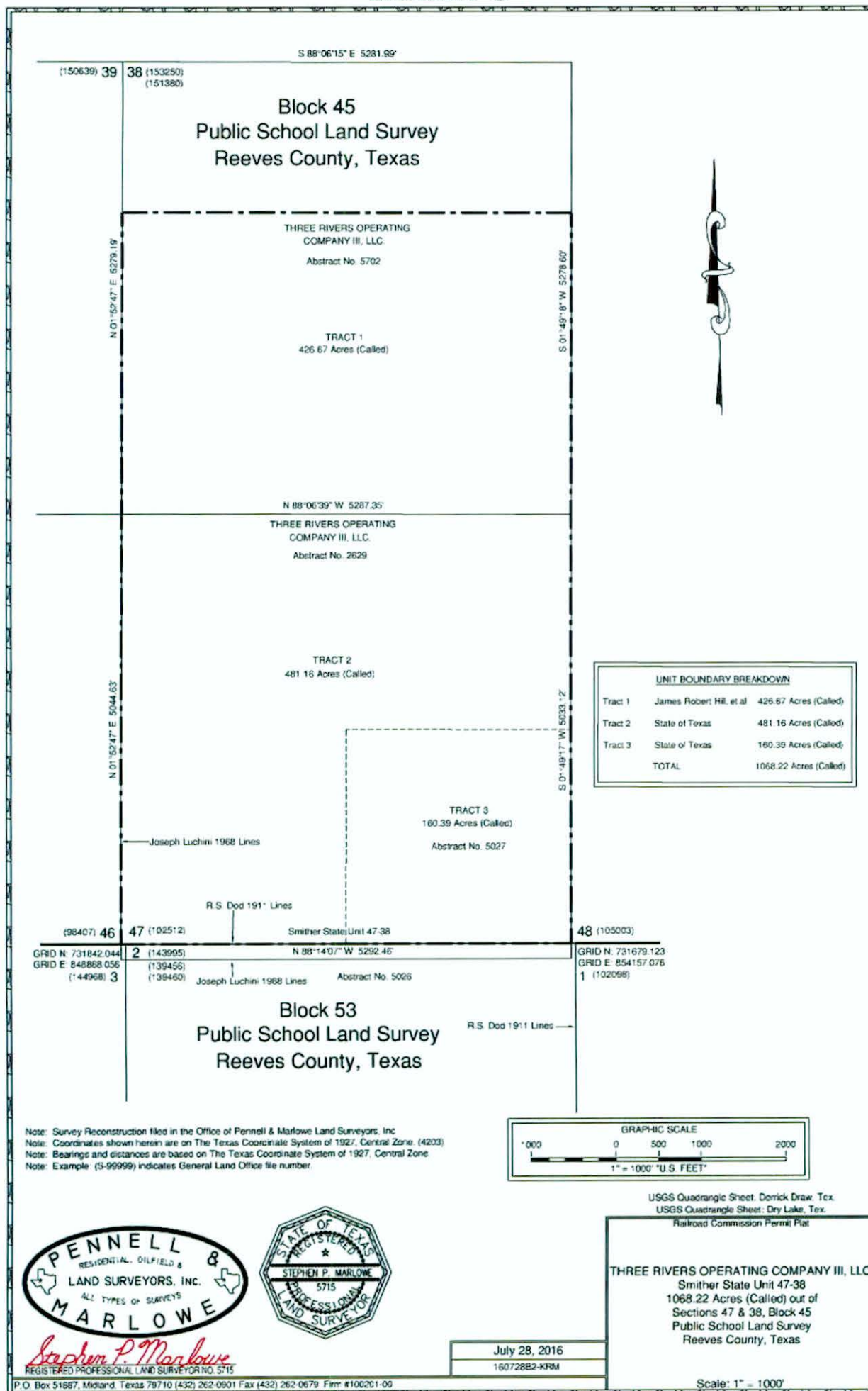


EXHIBIT C



01.02.11

(6)

File No. M-116822
Pooling Hygmt. Packet #8115
San: Phil State Unit 47-38
Date Filed: 12/1/16
George P. Bush, Commissioner
By [Signature]

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Submitted
Date: 12/08/2016
Tracking No.: 166055

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG**OPERATOR INFORMATION**

Operator Name: THREE RIVERS OPER CO III LLC Operator No.: 857765
Operator Address: 5301 SOUTHWEST PARKWAY STE 400 AUSTIN, TX 78735-0000

WELL INFORMATION

API No.: 42-389-35332 County: REEVES
Well No.: 6WA RRC District No.: 08
Lease Name: SMITHER STATE UNIT 47-38 Field Name: FORD, WEST (WOLFCAMP)
RRC Gas ID No.: Field No.: 31913800
Location: Section: 2, Block: 53, Survey: PSL/ CALDWELL, C M, Abstract: 5026
Latitude: Longitude:
This well is located 15.2 miles in a SOUTHWEST
direction from ORLA,
which is the nearest town in the county.

FILING INFORMATION

Purpose of filing: Well Record Only
Type of completion: New Well
Well Type: Shut-In Producer Completion or Recompletion Date: 10/08/2016
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or Deepen 08/10/2016 817398
Rule 37 Exception
Fluid Injection Permit
O&G Waste Disposal Permit
Other:

COMPLETION INFORMATION

Spud date: 09/10/2016 Date of first production after rig released: 10/08/2016
Date plug back, deepening, recompletion, or drilling operation commenced: 09/10/2016 Date plug back, deepening, recompletion, or drilling operation ended: 10/08/2016
Number of producing wells on this lease in this field (reservoir) including this well: 1 Distance to nearest well in lease & reservoir (ft.): 0.0
Total number of acres in lease: 1068.22 Elevation (ft.): 3222 GL
Total depth TVD (ft.): 9643 Total depth MD (ft.): 18190
Plug back depth TVD (ft.): Plug back depth MD (ft.):
Was directional survey made other than inclination (Form W-12)? Yes Rotation time within surface casing (hours): 75.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No Multiple completion? No
Type(s) of electric or other log(s) run: Neutron/Density logs (combo of tools)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: No
of lease on which this well is located: 467.0 Feet from the North Line and
1187.0 Feet from the East Line of the
SMITHER STATE UNIT 47-38 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type
-------------------	-------------------------	----------	--------------------



G1: N/A
 PACKET: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination Depth (ft.): 1225.0 Date: 08/02/2016
 SWR 13 Exception Depth (ft.):

GAS MEASUREMENT DATA

Date of test: Gas measurement method(s):
 Gas production during test (MCF):
 Was the well preflowed for 48 hours? No

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
N/A										

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): Gravity (liquid hydrocarbons) (Deg. API):
 Gas-Liquid Hydro Ratio (CF/Bbl): Gravity (mixture): Gmix=
 Avg. shut in temp. (°F): Bottom hole temp. and depth: °F@ FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
N/A				

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	13 3/8	17 1/2	1262		C	653	1067.0	0	Circulated to Surface
2	Surface	13 3/8	17 1/2	1262		C	710	1051.0	0	Circulated to Surface
3	Intermediate	9 5/8	12 1/4	6400		C	910	1547.0	0	Circulated to Surface
4	Intermediate	9 5/8	12 1/4	6400		C	360	1083.0	0	Circulated to Surface
5	Intermediate	7	8 3/4	9944		C & H	655	1786.0	7700	Cement Evaluation Log
6	Conventional Production	4 1/2	6	18216		VERSACE M H	700	856.1	629	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
N/A									

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.) / Type
N/A			

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
N/A			



ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed?

Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 9500

Actual maximum pressure (PSIG) during hydraulic fracturing: 9000

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)?

Yes

Row Type of Operation

Amount and Kind of Material Used

Depth Interval (ft.)

1

Other

885 SXS CLASS C CEMENT / WHIPSTOCK SET @ 8939'

8939.0 8939.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	2856.0		Yes	BEHIND PIPE
CASTILLE	Yes	1087.0		Yes	BEHIND PIPE
BELL CANYON	Yes	2856.0		Yes	BEHIND PIPE
DELAWARE	Yes	2856.0		Yes	BEHIND PIPE
DELAWARE CONSOLIDATED GAS	No			No	NOT ENCOUNTERED IN THIS AREA
CHERRY CANYON	Yes	3847.0		Yes	BEHIND PIPE
BONE SPRINGS	Yes	6409.0		Yes	BEHIND PIPE
PERMIAN	No			No	NOT ENCOUNTERED IN THIS AREA
WOLFCAMP	Yes	9318.0		No	PRODUCING ZONE
PENNSYLVANIAN	No			No	NOT DRILLED THAT DEEP
MISSISSIPPIAN	No			No	NOT DRILLED THAT DEEP
DEVONIAN	No			No	NOT DRILLED THAT DEEP
FUSSELMAN	No			No	NOT DRILLED THAT DEEP
ELLENBURGER	No			No	NOT DRILLED THAT DEEP

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)?

No

Is the completion being downhole commingled (SWR 10)?

No

REMARKS

WRO COMPLETION. WELL HAS BEEN FRAC'D BUT IS STILL IN COMPLETION STAGES.



RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

TUBING RECORD:

WRO FILING. THIS WELL HAS BEEN FRAC'D BUT IS STILL IN THE COMPLETION STAGE.

PRODUCING/INJECTION/DISPOSAL INTERVAL :

WRO, WELL HAS BEEN FRAC'D BUT NOT COMPLETED

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: Anne Maness
Telephone No.: (512) 600-3195

Title: Sr Regulatory Analyst
Date Certified: 12/08/2016

91.13.21



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.
Operator: Fill in other items.

CEMENTING REPORT

OPERATOR INFORMATION

Operator Name: THREE RIVERS OPER CO III LLC Operator P-5 No.: 857765
Cementer Name: HALLIBURTON ENERGY SERVICES Cementer P-5 No.: 347151

WELL INFORMATION

District No.: 08 County: Wheeler
Well No.: GWA API No.: 42-289-35322 Drilling Permit No.: 817398
Lease Name: Smitherstate Unit 47-38 Lease No.: -
Field Name: Ford West (Wolfcamp) Field No.: 31913800

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☒ Surface ☐ Intermediate ☐ Liner ☐ Production
Drilled hole size (in.): 17 1/2" Depth of drilled hole (ft.): 1262' Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): 13 3/8" Casing weight (lbs/ft) and grade: 48# J55 No. of centralizers used: 30
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks. Setting depth shoe (ft.): 1262' Top of liner (ft.):
Setting depth liner (ft.):
Hrs. waiting on cement before drill-out: 24 Calculated top of cement (ft.): 0' surface Cementing date: 9/12/2016

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	653	C	3# KOL-SEAL, .25# POLY	1067	685.85
2					
3					
Total	653			1067	685.85

II. CASING CEMENTING DATA

Type of casing: ☒ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☒ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.): 17 1/2" Depth of drilled hole (ft.): 1262' Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): 13 3/8" Casing weight (lbs/ft) and grade: 48# J55 No. of centralizers used:
Tapered string drilled hole size (in.) Tapered string depth of drilled hole (ft.)
Upper: Lower: Upper: Lower:
Tapered string size of casing in O.D. (in.) Tapered string casing weight (lbs/ft) and grade Tapered string no. of centralizers used
Upper: Lower: Upper: Lower: Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO Setting depth shoe (ft.):
Hrs. waiting on cement before drill-out: 24 Calculated top of cement (ft.): 0' (surface) Cementing date: 9/12/2016

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	290	EXTENDACEM		493	709
2	420	C		558	808
3					
Total	710			1051	1517

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.): Depth of drilled hole (ft.): Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): Casing weight (lbs/ft) and grade: No. of centralizers used:
Tapered string drilled hole size (in.) Tapered string depth of drilled hole (ft.)
Upper: Lower: Upper: Lower:
Tapered string size of casing in O.D. (in.) Tapered string casing weight (lbs/ft) and grade Tapered string no. of centralizers used
Upper: Lower: Upper: Lower: Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO Setting depth tool (ft.):
Hrs. waiting on cement before drill-out: Calculated top of cement (ft.): Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

011031

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS
SO# 903528696 Circulated cmt to pit from multistage cementer 2ND STAGE. circulated 102 sacks of cement to pit

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

DANNY DELL

Halliburton

Name and title of cementer's representative

Cementing Company

Signature

1301 W. Webb St.

Brownfield, Tx, 79316

575-392-0700

09/13/2016

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Typed or printed name of operator's representative

Title

Signature

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

91.13.21



RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

Cementor: Fill in shaded areas.

Operator: Fill in other items.

CEMENTING REPORT

Operator Name: THREE RIVER <u>OPER CO III LLC</u>	Operator P-5 No.: <u>857765</u>
Cementor Name: Halliburton Energy Services	Cementor P-5 No.: 347151

District No.: <u>08</u>	County: REEVES
Well No.: 6WA	API No.: <u>42381-35332</u> Drilling Permit No.: <u>817398</u>
Lease Name: SMITHER STATE UNIT 47-38	Lease No.: <u>—</u>
Field Name: <u>Ford, West (Wolfcamp)</u>	Field No.: <u>31913800</u>

Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☐ Production		
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks.	Setting depth shoe (ft.):	Top of liner (ft.):
		Setting depth liner (ft.):
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

Type of casing: ☐ Surface ☒ Intermediate ☐ Production ☐ Tapered production ☒ Multi-stage cement shoe ☐ Multiple parallel strings			
Drilled hole size (in.): <u>12 1/4</u>	Depth of drilled hole (ft.): <u>6400'</u>	Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.): <u>9 5/8</u>	Casing weight (lbs/ft) and grade: <u>40# 555/H480</u>	No. of centralizers used: <u>158</u>	
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)		
Upper:	Lower:	Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO	Setting depth shoe (ft.): <u>6400'</u>		
Hrs. waiting on cement before drill-out: <u>14</u>	Calculated top of cement (ft.): <u>surface</u>	Cementing date: <u>9/18/16</u>	

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	390	C	POLY-E-FLAKE	1278	4081
2	220	C	SEE REMARKS	269	859
3					
Total	610			1547	4940

Type of casing: ☐ Surface ☒ Intermediate ☐ Production ☐ Tapered production ☒ Multi-stage cement/DV tool ☐ Multiple parallel strings			
Drilled hole size (in.): <u>12 1/4</u>	Depth of drilled hole (ft.): <u>6400'</u>	Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.): <u>9 5/8</u>	Casing weight (lbs/ft) and grade: <u>40# 555/H480</u>	No. of centralizers used:	
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)		
Upper:	Lower:	Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO	Setting depth tool (ft.):		
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.): <u>Surface</u>	Cementing date: <u>9/18/16</u>	

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	310	C	POLY-E-FLAKE	1016	3244
2	50	C	N/A	67	214
3					
Total	360			1083	3458

91.10.21

	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

125 LBM POLY-E-FLAKE .50% LAP 1 .30% CFR 3 .50% D-AIR
CIRCULATED 23 BBL 39 SKS OF CEMENT TO SURFACE
SD# 903531927

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

QUINCY EDWARDS SERVICE SUPERVISOR

Halliburton

Name and title of cementer's representative

Cementing Company

6155 W. Murphy St.

Odessa, TX, 79763

432-571-8600

9/18/19

Address

City, State, Zip Code

Tel: Area Code Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Anna Mares

Sr. Regulatory Analyst

Anna Mares

Typed or printed name of operator's representative

Title

Signature

5801 Southwest Pkwy #400 Austin TX 78735

City, State, Zip Code

Tel: Area Code Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
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- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

91.15.21



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION

Operator Name: THREE RIVERS PERCOTT LLC Operator P-5 No.: 857716
Cementer Name: HALLIBURTON Cementer P-5 No.: 347151

WELL INFORMATION

District No.: 08 County: REEVES
Well No.: 6WA API No.: 42-389-35332 Drilling Permit No.: 817318
Lease Name: SMITHER STATE UNIT 47-38 Lease No.: -
Field Name: Ford West (Wolfcamp) Field No.: 31913800

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☒ Intermediate ☐ Liner ☐ Production
Drilled hole size (in.): 8 3/4" Depth of drilled hole (ft.): 9944' Est. % wash-out or hole enlargement: -
Size of casing in O.D. (in.): 7" Casing weight (lbs/ft) and grade: 32#/A10 No. of centralizers used: 62
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO If no for surface casing, explain in Remarks. 9944' Top of liner (ft.): -
Setting depth shoe (ft.): 9944' Setting depth liner (ft.): -
Hrs. waiting on cement before drill-out: N/A Calculated top of cement (ft.): 7700' Cementing date: 9/27/16

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	480	C	SEE REMARKS	1569	8530
2	175	H	SEE REMARKS	217	1403
3					
Total	655			1786	9933

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.): - Depth of drilled hole (ft.): - Est. % wash-out or hole enlargement: -
Size of casing in O.D. (in.): - Casing weight (lbs/ft) and grade: - No. of centralizers used: -
Tapered string drilled hole size (in.): - Tapered string depth of drilled hole (ft.): -
Upper: - Lower: - Upper: - Lower: -
Tapered string size of casing in O.D. (in.): - Tapered string casing weight (lbs/ft) and grade: - Tapered string no. of centralizers used: -
Upper: - Lower: - Upper: - Lower: -
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO Setting depth shoe (ft.): -
Hrs. waiting on cement before drill-out: - Calculated top of cement (ft.): - Cementing date: -

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.): - Depth of drilled hole (ft.): - Est. % wash-out or hole enlargement: -
Size of casing in O.D. (in.): - Casing weight (lbs/ft) and grade: - No. of centralizers used: -
Tapered string drilled hole size (in.): - Tapered string depth of drilled hole (ft.): -
Upper: - Lower: - Upper: - Lower: -
Tapered string size of casing in O.D. (in.): - Tapered string casing weight (lbs/ft) and grade: - Tapered string no. of centralizers used: -
Upper: - Lower: - Upper: - Lower: -
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO Setting depth tool (ft.): -
Hrs. waiting on cement before drill-out: - Calculated top of cement (ft.): - Cementing date: -

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

01.12.21

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS

LEAD- NEOCEM
TAIL- .5% HALAD-344, HALAD-322, 11BM SALT

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

JASON WELTON - SSIII

Halliburton

Name and title of cementer's representative

Cementing Company

Signature

6155 W. Murphy St.

Odessa, TX, 79763

432-571-8600

9/27/16

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Anna Mares
Typed or printed name of operator's representative

S. Regulator Analyst
Title

Anna Mares
Signature

5201 Southwest Dr., #400
Address

Austin TX 78758
City, State, Zip Code

78758-5810
Tel: Area Code

Number

11/14/16
Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

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- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
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- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

01.10.21



RAILROAD COMMISSION OF TEXAS

OCT 27 2016

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION	
Operator Name: THREE RIVERS OPERATING CO III LLC	Operator P-5 No.: 857766
Cementer Name: HALLIBURTON	Cementer P-5 No.: 347151

WELL INFORMATION	
District No.: 08	County: REEVES
Well No.: 6WA	API No.: 42-381-35332
Lease Name: SMITH STATE UNIT 42-38	Drilling Permit No.: 817398
Field Name: Ford West (Wolfcamp)	Lease No.: -
	Field No.: 31913800

I. CASING CEMENTING DATA					
Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☒ Liner ☒ Production					
Drilled hole size (in.): 6"		Depth of drilled hole (ft.): 18,216'		Est. % wash-out or hole enlargement: 0	
Size of casing in O.D. (in.): 4 1/2"		Casing weight (lbs/ft) and grade: 13.5#/API		No. of centralizers used: 0	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.): 18,216' TMD		Top of liner (ft.):
Hrs. waiting on cement before drill-out: N/A			Calculated top of cement (ft.): 429' calc.		Setting depth liner (ft.):
Cementing date: 10-5-16					
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	700	VERSACEM H	.10% HALAD R 344, .30% HR-601	856.1	9965.45
2					
3					
Total	700			856.1	9965.45

II. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO				Setting depth shoe (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

III. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO				Setting depth tool (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

01.13.21

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs./gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							
REMARKS							

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

GERARDO HERNANDEZ-TREVIZO

Halliburton

[Signature]

Name and title of cementer's representative

Cementing Company

Signature

2311 S. First St.

Artesia, NM, 88210

575-392-0700

10-5-16

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

[Signature]

[Signature] Sr. Regulatory Analyst

[Signature]

Typed or printed name of operator's representative

Title

Signature

589 Southwest Pkwy, #400 Austin TX 78751 (512) 400-3195

10/5/16

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cements approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

91.13.21



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION

Operator Name: THREE RIVERS OPERATING CO III LLC	Operator P-5 No.: 867705
Cementer Name: HALLIBURTON	Cementer P-5 No.: 347151

WELL INFORMATION

District No.: 08	County: REEVES	
Well No.: 6WA	API No.: 49-281-35322	Drilling Permit No.: 817298
Lease Name: SMITHER STATE UNIT 47-38	Lease No.: -	
Field Name: Ford, West (Wolfcamp)	Field No.: 31913800	

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☐ Production		
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks.	Setting depth shoe (ft.):	Top of liner (ft.):
		Setting depth liner (ft.):
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings			
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:	
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)		
Upper:	Lower:	Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO	Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:	

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings			
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:	
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)		
Upper:	Lower:	Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO	Setting depth tool (ft.):		
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:	

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

01.12.21

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON

	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date	9/23/16						
Size of hole or pipe (in.)	8 3/4"						
Depth to bottom of tubing or drill pipe (ft.)	11,050						
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)	Whipstock 8939						
Amount of cement on top of CIBP (ft.)							
Sacks of cement used	885						
Slurry volume pumped (cu. ft.)	803						
Calculated top of plug (ft.)	8933						
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)	15						
Class/type of cement	C						
Perforate and squeeze (YES/NO)	No						

REMARKS

PRIMARY- 0.6% HALAD-322, 3LBM MICROBOND, .25LBM D-AIR 5000, .3% HR-601

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

JASON WELTON - SSIII

Halliburton

Name and title of cementer's representative

Cementing Company

6155 W. Murphy St.

Odessa, TX, 79763

Signature

432-571-8600

9/23/16

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Typed or printed name of operator's representative

Title

Signature

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

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CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

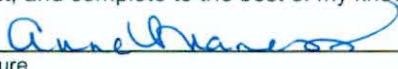
1. Field Name(s) Ford, West (Wolfcamp)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name Three Rivers Oper Co III LLC	5. Operator P-5 Number 857765	6. Well Number 6WA
7. Pooled Unit Name Smither State Unit 47-38	8. API Number 42-389-35332	9. Purpose of Filing ☐ Drilling Permit (W-1) ☒ Completion Report
10. County Reeves	11. Total acres in pooled unit 1068.2	

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	James Robert Hill, et al(Tract1)	426.67	☐	☐
2	State of Texas (Tract 2)	481.16	☐	☐
3	State of Texas (Tract 3)	160.39	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

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.



Anne Maness

Signature

Print Name

Sr Regulatory Analyst

12/07/2016

(512) 600-3195

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.

Clear Form



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form P-16

Page 1

Rev. 01/2016

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: THREE RIVERS OPER CO III LLC	Operator P-5 No.: 857765
Operator Address: 5301 SOUTHWEST PARKWAY SUITE 400, AUSTIN, TX 78735	

SECTION II. WELL INFORMATION

District No.: 08	County: REEVES	Purpose of Filing: ☐ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.: 6WA	API No.: 42-389-35332	
Total Lease Acres: 1068.22	Drilling Permit No.: 817398	
Lease Name: SMITHER STATE UNIT 47-38	Lease No.:	
Field Name: FORD, WEST (WOLFCAMP)	Field No.: 31913800	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	1	534.11	< A. Total Assigned Horiz. Acreage	534.11	< C. Total Assigned Acreage
		0	< Total Remaining Horiz. Acreage	534.11	< Total Remaining Acreage
		0	< B. Total Assigned Vert./Dir. Acreage		
		0	< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

Completion filing

Attach Additional Pages As Needed.

☐ No additional pages

☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Signature

Anne Maness Sr Regulatory Analyst
Name and title (type or print)

Email (include email address *only* if you affirmatively consent to its public release)

5301 Southwest Parkway Suite 400
Address

Austin	TX	78735
City,	State,	Zip Code

512-600-3195

Tel: Area Code

12/07/2016

Date: mo. day yr.



CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 166055

911331

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 166055

This facsimile P-15 was generated electronically
from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the THREE RIVERS OPER CO III LLC ,

SMITHER STATE UNIT 47-38 , No. 6WA ; that such well is
LEASE WELL

completed in the FORD, WEST (WOLFCAMP) Field, REEVES County,

Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces _____

534.11 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge,

Date 12/07/2016 Signature Anne Maness

Telephone (512) 600-3195 Title Sr Regulatory Analyst
AREA CODE

97.13.71



Pro-Ration Acreage List

SMITHER STATE UNIT 47-38 6WA / API#42-389-35332

Field Name: Ford, West (Wolfcamp)

Lease Name: Smither State Unit 47-38

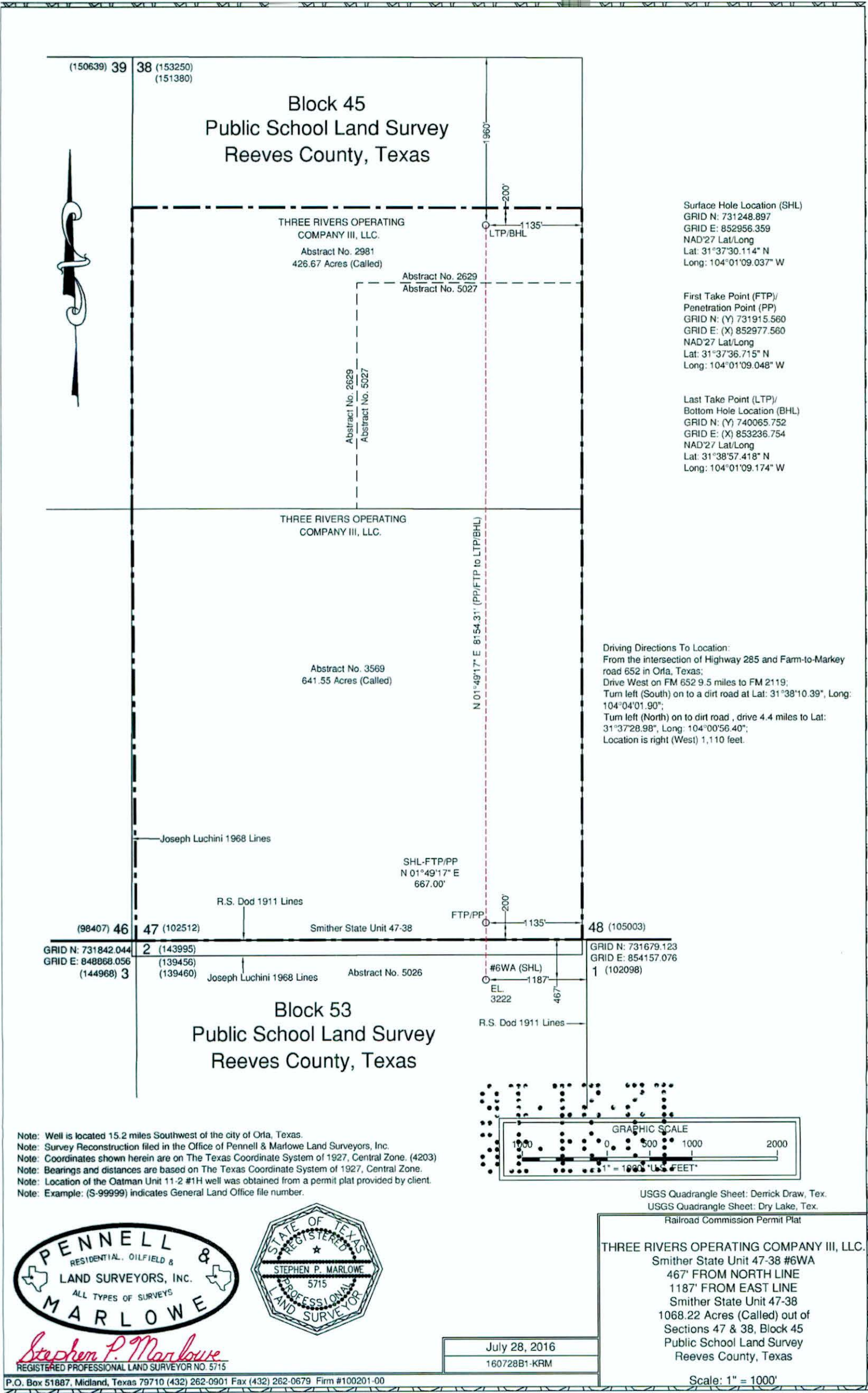
Total Acres in Lease: 1068.22 acres

All wells drilled and/or completed within lease:

Smither State Unit 47-38 6WA / API# 42-389-35332/ 534.11 acres

Available/Unassigned Acreage: 534.11 ACRES





RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

ELECTRIC LOG
STATUS REPORT

FORM L-1

Tracking No.: 166055

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: THREE RIVERS OPER CO III LLC	District No. 08	Completion Date: 10/08/2016
Field Name FORD, WEST (WOLFCAMP)	Drilling Permit No. 817398	
Lease Name SMITHER STATE UNIT 47-38	Lease/ID No.	Well No. 6WA
County REEVES	API No. 42- 389-35332	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential. ☐

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion:

Lease or ID No(s). _____

Well No(s). _____

Anne Maness

Signature

THREE RIVERS OPER CO III LLC

Name (print)

Sr Regulatory Analyst

Title

(512) 600-3195

Phone

12/07/2016

Date

-FOR RAILROAD COMMISSION USE ONLY-

91.12.21

**Weatherford®**

**PHOTO DENSITY
COMPENSATED NEUTRON
GAMMA RAY**

COMPANY **THREE RIVERS OPERATING CO**
 WELL **SMITHER STATE UNIT 47-38 #6WA**
 FIELD **FORD, WEST (WOLFCAMP)**
 PROVINCE/COUNTY **REEVES**
 COUNTRY/STATE **U.S.A / TEXAS**
 LOCATION **467' FNL & 1187' FEL A-5026**
 PERMIT NUMBER **817398, SEC.2 BLK.53 PSL/CALDWELL, CM**

SEC 2	TWP	RGE	Other Services
Latitude	+31.62503167		DUAL LATEROLOG
Longitude	-104.0191769		MICRO LATEROLOG
API Number	42-389-35332		COMPENSATED SONIC

Permanent Datum GL, Elevation 3222.00 feet
 Log Measured From KB
 Drilling Measured From KB

Elevations:	feet
KB	3244
DF	3243
GL	3222

Date	21-SEP-2016		
Run Number	ONE		
Service Order	7089-161664768		
Depth Driller	11050.00	feet	
Depth Logger	11060.00	feet	
First Reading	10995.54	feet	
Last Reading	1200.00	feet	
Casing Driller	6400.00	feet	
Casing Logger	---		
Bit Size	8.750	inches	
Hole Fluid Type	BRINE		
Density / Viscosity	9.50 lb/USg	47.00 sec/qt.	
PH / Fluid Loss	9.50	6.00 ml/30Min	
Sample Source	FLOWLINE		
Rm @ Measured Temp	0.261 @ 75.3	ohm-m	
Rmf @ Measured Temp	0.196 @ 75.3	ohm-m	
Rmc @ Measured Temp	0.326 @ 75.3	ohm-m	
Source Rmf / Rmc	CALC	CALC	
Rm @ BHT	0.119 @ 173.0	ohm-m	
Time Since Circulation	8 HOURS		
Max Recorded Temp	173.00	deg F	
Equipment / Base	13370	4352	
Recorded By	ROSS KLABON		
Witnessed By	MIKE METCALF		
	-		-

BOREHOLE RECORD

Last Edited: 22-SEP-2016 05:26

Bit Size inches	Depth From feet		Depth To feet
	12.250	0.00	
8.750		6400.00	11060.00

CASING RECORD

Type	Size inches	Depth From feet		Shoe Depth feet	Weight pounds/ft
		0.00	0.00		
SURFACE	9.625			6400.00	40.00

91.13.31



Weatherford[®]

COMPENSATED SONIC GAMMA RAY

COMPANY **THREE RIVERS OPERATING CO**
WELL **SMITHER STATE UNIT 47-38 #6WA**
FIELD **FORD, WEST (WOLFCAMP)**
PROVINCE/COUNTY **REEVES**
COUNTRY/STATE **U.S.A / TEXAS**
LOCATION **467' FNL & 1187' FEL A-5026**
PERMIT NUMBER **817398, SEC.2 BLK.53 PSL/CALDWELL, CM**

SEC 2	TWP	RGE	Other Services	
Latitude	+31.62503167		COMPENSATED NEUTRON	PHOTO DENSITY
Longitude	-104.0191769		DUAL LATEROLOG	MICRO LATEROLOG
API Number	42-389-35332			

Permanent Datum GL, Elevation 3222.00 feet
Log Measured From KB
Drilling Measured From KB

Elevations: feet
KB 3244
DF 3243
GL 3222

Date	21-SEP-2016		
Run Number	ONE		
Service Order	7089-161664768		
Depth Driller	11050.00	feet	
Depth Logger	11060.00	feet	
First Reading	11051.89	feet	
Last Reading	6450.00	feet	
Casing Driller	6400.00	feet	
Casing Logger	---		
Bit Size	8.750	inches	
Hole Fluid Type	BRINE		
Density / Viscosity	9.50 lb/USg	47.00 sec/qt.	
PH / Fluid Loss	9.50	6.00 ml/30Min	
Sample Source	FLOWLINE		
Rm @ Measured Temp	0.261 @ 75.3	ohm-m	
Rmf @ Measured Temp	0.196 @ 75.3	ohm-m	
Rmc @ Measured Temp	0.326 @ 75.3	ohm-m	
Source Rmf / Rmc	CALC	CALC	
Rm @ BHT	0.119 @ 173.0	ohm-m	
Time Since Circulation	8 HOURS		
Max Recorded Temp	173.00	deg F	
Equipment / Base	13370	4352	
Recorded By	ROSS KLABON		
Witnessed By	MIKE METCALF		
	-	-	

BOREHOLE RECORD

Last Edited: 22-SEP-2016 05:26

Bit Size inches	Depth From feet		Depth To feet
	12.250	0.00	6400.00
	8.750	6400.00	11060.00

CASING RECORD

Type	Size inches	Depth From feet	Shoe Depth feet	Weight pounds/ft
				40.00
SURFACE	9.625	0.00	6400.00	

97.12.27



Weatherford®

COMPOSITE GAMMA RAY

COMPANY **THREE RIVERS OPERATING CO**
 WELL **SMITHER STATE UNIT 47-38 #6WA**
 FIELD **FORD, WEST (WOLFCAMP)**
 PROVINCE/COUNTY **REEVES**
 COUNTRY/STATE **U.S.A / TEXAS**
 LOCATION **467' FNL & 1187' FEL A-5026**
 PERMIT NUMBER **817398, SEC.2 BLK.53 PSL/CALDWELL, CM**

SEC 2	TWP	RGE	Other Services
Latitude	+31.62503167	PHOTO DENSITY	COMPENSATED NEUTRON
Longitude	-104.0191769	DUAL LATEROLOG	MICRO LATEROLOG
API Number	42-389-35332	COMPENSATED SONIC	

Permanent Datum GL, Elevation 3222.00 feet
 Log Measured From KB
 Drilling Measured From KB

Elevations: feet
 KB 3244
 DF 3243
 GL 3222

Date	21-SEP-2016
Run Number	ONE
Service Order	7089-161664768
Depth Driller	11050.00 feet
Depth Logger	11060.00 feet
First Reading	11051.89 feet
Last Reading	6450.00 feet
Casing Driller	6400.00 feet
Casing Logger	---
Bit Size	8.750 inches
Hole Fluid Type	BRINE
Density / Viscosity	9.50 lb/USg 47.00 sec/qt.
PH / Fluid Loss	9.50 6.00 ml/30Min
Sample Source	FLOWLINE
Rm @ Measured Temp	0.261 @ 75.3 ohm-m
Rmf @ Measured Temp	0.196 @ 75.3 ohm-m
Rmc @ Measured Temp	0.326 @ 75.3 ohm-m
Source Rmf / Rmc	CALC CALC
Rm @ BHT	0.119 @173.0 ohm-m
Time Since Circulation	8 HOURS
Max Recorded Temp	173.00 deg F
Equipment / Base	13370 4352
Recorded By	ROSS KLABON
Witnessed By	MIKE METCALF

Last Edited: 22-SEP-2016 05:26

BOREHOLE RECORD

Bit Size inches	Depth From feet	Depth To feet
12.250	0.00	6400.00
8.750	6400.00	11060.00

CASING RECORD

Type	Size inches	Depth From feet	Shoe Depth feet	Weight pounds/ft
SURFACE	9.625	0.00	6400.00	40.00
NP	4.500	0.00	6450.00	19.50

91.12.21

**Weatherford®**

DUAL LATEROLOG MICRO LATEROLOG GAMMA RAY

COMPANY THREE RIVERS OPERATING CO
WELL SMITHER STATE UNIT 47-38 #6WA
FIELD FORD, WEST (WOLFCAMP)
PROVINCE/COUNTY REEVES
COUNTRY/STATE U.S.A / TEXAS
LOCATION 467' FNL & 1187' FEL A-5026
PERMIT NUMBER 817398, SEC.2 BLK.53 PSL/CALDWELL, CM

SEC 2	TWP	RGE	Other Services
Latitude	+31.62503167	PHOTO DENSITY	COMPENSATED NEUTRON
Longitude	-104.0191769	COMPENSATED SONIC	
API Number	42-389-35332		

Permanent Datum GL, Elevation 3222.00 feet
Log Measured From KB
Drilling Measured From KB

Elevations: feet
KB 3244
DF 3243
GL 3222

Date	21-SEP-2016		
Run Number	ONE		
Service Order	7089-161664768		
Depth Driller	11050.00	feet	
Depth Logger	11060.00	feet	
First Reading	11017.46	feet	
Last Reading	6450.00	feet	
Casing Driller	6400.00	feet	
Casing Logger	---		
Bit Size	8.750	inches	
Hole Fluid Type	BRINE		
Density / Viscosity	9.50 lb/USg	47.00 sec/qt.	
PH / Fluid Loss	9.50	6.00 ml/30Min	
Sample Source	FLOWLINE		
Rm @ Measured Temp	0.261 @ 75.3	ohm-m	
Rmf @ Measured Temp	0.196 @ 75.3	ohm-m	
Rmc @ Measured Temp	0.326 @ 75.3	ohm-m	
Source Rmf / Rmc	CALC	CALC	
Rm @ BHT	0.119 @ 173.0	ohm-m	
Time Since Circulation	8 HOURS		
Max Recorded Temp	173.00	deg F	
Equipment / Base	13370	4352	
Recorded By	ROSS KLABON		
Witnessed By	MIKE METCALF		
	-		-

Last Edited: 22-SEP-2016 05:26

BOREHOLE RECORD

Bit Size inches	Depth From feet	
	Depth To feet	
12.250	6400.00	
8.750	11060.00	

CASING RECORD

Type	Size inches	Depth From feet		Weight pounds/ft
		Shoe Depth feet		
CASING	8.000	6400.00		40.00

07.12.21

HALLIBURTON

GAMMA RAY
CCL LOG

Company	THREE RIVERS OPERATING		
Well	SMITHER STATE UNIT 47-38 #6WA		
Field	FORD, WEST FIELD (WOLFCAMP)		
County	REEVES State TEXAS		
Company THREE RIVERS OPERATING			
Well SMITHER STATE UNIT 47-38 #6WA			
Field FORD, WEST FIELD (WOLFCAMP)			
County REEVES State TEXAS			
API No.: 42-389-35332 Serv #: 903630186			
Location: 467' FNL & 1187' FEL SECT. 2, BLOCK 53 PSLS SURVEY			
Other Services TMD3D			
Sec:	Twp:	Rge:	Elevation
Permanent Datum	G.L.	Elevation	3222'
Log Measured From	KB	26 Ft. above perm. datum	K.B. 3248' D.F. 3247' G.L. 3222'
Drilling Measured From	KB		
Date @ Time Logged	31-OCT-2016	Type Fluid in Hole	FRESHWATER
Run No.	ONE	Density of Fluid	NA
Depth - Driller	18216'	Fluid Level	SURFACE
Depth - Logger	17848'	Cement Top Est. Logged	N/A
Bottom - Logged Interval	17812'	Equipment / Location	11592307 / ODESSA
Top - Logged Interval	8750'	Recorded by	MOHAMED ABUEL GASIM
Maximum Recorded Temp.	NA	Witnessed by	MR. MICHAEL GRIFFIN
CEMENTING DATA	Surface	Protection	Production
	String	String	String
Date / Time Cemented			
Primary / Squeeze			
Expected			
Compressive Strength	psi@ hrs	psi@ hrs	psi@ hrs
Cement Volume			
Cement Type / Weight	/	/	/
Formulation			
Mud Type / Mud Wgt.	/	/	/
Borehole Record			
Run Number	Bit	From	To
ONE	17.5"	1262'	SURFACE
TWO	12.25"	6400'	1262'
THREE	8.5"	9944'	6400'
FOUR	7.875"	18216'	9944'
Casing & Tubing Record			
Run Number	Bit	From	To
ONE	17.5"	1262'	SURFACE
TWO	12.25"	6400'	1262'
THREE	8.5"	9944'	6400'
FOUR	7.875"	18216'	9944'
SHORT JOINT			

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HALLIBURTON DOES NOT GUARANTEE THE ACCURACY OF ANY INTERPRETATION OF THE LOG DATA, CONVERSION OF LOG DATA TO PHYSICAL ROCK PARAMETERS OR RECOMMENDATIONS WHICH MAY BE GIVEN BY HALLIBURTON PERSONNEL OR WHICH APPEAR ON THE LOG OR IN ANY OTHER FORM. ANY USER OF SUCH DATA, INTERPRETATIONS, CONVERSIONS, OR RECOMMENDATIONS AGREES THAT HALLIBURTON IS NOT RESPONSIBLE EXCEPT WHERE DUE TO GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, FOR ANY LOSS, DAMAGES, OR EXPENSES RESULTING FROM THE USE THEREOF.

Comments

CORRELATED TO SHORT JOINT PER COMPANY REP REQUEST

YOUR CREW TODAY: M. ABUEL GASIM, S. GARZA, G. IKPORO

THANK YOU FOR CHOOSING HALLIBURTON ENERGY SERVICES

Database File three_rivers_smither_state_unit_47-38_6wa_tmd3d.dlb
Dataset Pathname pass7
Presentation Format rmti_co

HALLIBURTON

TMD3D

SIGMA MODE

Company	THREE RIVERS OPERATING	Well	SMITHER STATE UNIT 47-38 #6WA	Field	FORD, WEST FIELD (WOLFCAMP)	County	REEVES	State	TEXAS
Company		THREE RIVERS OPERATING							
Well		SMITHER STATE UNIT 47-38 #6WA							
Field		FORD, WEST FIELD (WOLFCAMP)							
County		REEVES TEXAS							
API No.:		42-389-35332		Serv #:		903630186		Other Services	
Location:		467' FNL & 1187' FEL SECT. 2, BLOCK 53 PSLS SURVEY							
Sec:		Twp:		Rge:		NONE			
Permanent Datum		G.L.		Elevation		3222'		Elevation	
Log Measured From		KB		26 Ft. above perm. datum		K.B. 3248'		D.F. 3247'	
Drilling Measured From		KB				G.L. 3222'			
Date @ Time Logged		31-OCT-2016		Type Fluid in Hole		FRESHWATER			
Run No.		ONE		Density of Fluid		NA			
Depth - Driller		18216'		Fluid Level		SURFACE			
Depth - Logger		17846'		Cement Top Est. Logged		N/A			
Bottom - Logged Interval		17824'		Equipment / Location		11592307 / ODESSA			
Top - Logged Interval		8750'		Recorded by		MOHAMED ABUEL GASIM			
Max. Recorded Temp.		NA		Witnessed by		MR. MICHAEL GRIFFIN			
Cementing Data		Surface		Protection		Production		Liner	
		String		String		String			
Date / Time Cemented									
Primary / Squeeze									
Expected									
Compressive Strength		psi@ hrs		psi@ hrs		psi@ hrs		psi@ hrs	
Cement Volume									
Cement Type / Weight		/		/		/		/	
Formulation									
Fluid Type / Mud Wgt.		/		/		/		/	
Borehole Record				Casing & Tubing Record					
Run Number	Bit	From	To	Size	Weight	From	To		
ONE	17.5"	1262'	SURFACE	13.375"	48#	1262'	SURFACE		
TWO	12.25"	6400'	1262'	9.625"	40#	6400'	SURFACE		
THREE	8.5"	9944'	6400'	7"	32#	8834'	SURFACE		
FOUR	7.875"	18216'	9944'	4.5"	13.5#	18216'	8834'		
				SHORT	JOINT	8834'	8860'		

<<< Fold Here >>>

HALLIBURTON DOES NOT GUARANTEE THE ACCURACY OF ANY INTERPRETATION OF THE LOG DATA, CONVERSION OF LOG DATA TO PHYSICAL ROCK PARAMETERS OR RECOMMENDATIONS WHICH MAY BE GIVEN BY HALLIBURTON PERSONNEL OR WHICH APPEAR ON THE LOG OR IN ANY OTHER FORM. ANY USER OF SUCH DATA, INTERPRETATIONS, CONVERSIONS, OR RECOMMENDATIONS AGREES THAT HALLIBURTON IS NOT RESPONSIBLE EXCEPT WHERE DUE TO GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, FOR ANY LOSS, DAMAGES, OR EXPENSES RESULTING FROM THE USE THEREOF.

Comments

CORRELATED TO SHORT JOINT PER COMPANY REP REQUEST

YOUR CREW TODAY: M. ABUEL GASIM, S. GARZA, G. KPORO

THANK YOU FOR CHOOSING HALLIBURTON ENERGY SERVICES

MAIN PASS

HALLIBURTON



File No. ME116822 7.
Reeves County
Completion Report for API 389-35332 Unit # 8115
Date Filed: 01/20/2017
George P. Bush, Commissioner
By Jm



RAILROAD COMMISSION OF TEXAS
1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form G-1

Status: Submitted
Date: 03/08/2017
Tracking No.: 169019

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: THREE RIVERS OPER CO III LLC Operator No.: 857765
Operator Address: 5301 SOUTHWEST PARKWAY STE 400 AUSTIN, TX 78735-0000

WELL INFORMATION

API No.: 42-389-35332 County: REEVES
Well No.: 6H RRC District No.: 08
Lease Name: SMITHER STATE UNIT 47-38 Field Name: FORD, WEST (WOLFCAMP)
RRC Gas ID No.: 281635 Field No.: 31913800
Location: Section: 2, Block: 53, Survey: PSL/ CALDWELL, C M, Abstract: 5026
Latitude: Longitude:
This well is located 15.2 miles in a SOUTHWEST
direction from ORLA,
which is the nearest town in the county.

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing Completion or Recompletion Date: 12/30/2016
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or Deepen 08/10/2016 817398
Rule 37 Exception
Fluid Injection Permit
O&G Waste Disposal Permit
Other:

COMPLETION INFORMATION

Spud date: 09/10/2016 Date of first production after rig released: 12/30/2016
Date plug back, deepening, recompletion, or drilling operation commenced: 10/13/2016 Date plug back, deepening, recompletion, or drilling operation ended: 12/07/2016
Number of producing wells on this lease in this field (reservoir) including this well: 1 Distance to nearest well in lease & reservoir (ft.): 0.0
Total number of acres in lease: 1068.22 Elevation (ft.): 3222 GL
Total depth TVD (ft.): 9643 Total depth MD (ft.): 18220
Plug back depth TVD (ft.): Plug back depth MD (ft.):
Was directional survey made other than inclination (Form W-12)? No Rotation time within surface casing (hours): 65.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No Multiple completion? No
Type(s) of electric or other log(s) run: Combo of Induction/Neutron/Density
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: No
of lease on which this well is located: 467.0 Feet from the North Line and
1187.0 Feet from the East Line of the
SMITHER STATE UNIT 47-38 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type
-------------------	-------------------------	----------	--------------------

G1: N/A
 PACKET: N/A

31317

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination Depth (ft.): 1225.0 Date: 08/02/2016
 SWR 13 Exception Depth (ft.):

GAS MEASUREMENT DATA

Date of test: 02/13/2017 Gas measurement method(s):
 Gas production during test (MCF): 12303 Orifice Meter, Flange Taps
 Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	3.068	2.500	85644.23	121.0	25.4	90.0	0.9723	0.8810	1.011	4101.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.773 Gravity (liquid hydrocarbons) (Deg. API): 51.9
 Gas-Liquid Hydro Ratio (CF/Bbl): 6019 Gravity (mixture): Gmix= 1.147
 Avg. shut in temp. (°F): 158.0 Bottom hole temp. and depth: 242.0 °F@ 9618.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	1440	SI	2015	74.0
1	4320	ADJ	1055	106.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	13 3/8	17 1/2	1262	572		C	653	1067.0	0	Circulated to Surface
2	Surface	13 3/8	17 1/2	1262			C	710	1051.0	572	Calculation
3	Intermediate	9 5/8	12 1/4	6400			C	610	1547.0	2536	Calculation
4	Intermediate	9 5/8	12 1/4	6400	2536		C	360	1083.0	0	Circulated to Surface
5	Intermediate	7	8 3/4	9944			C & H	655	1786.0	7700	Cement Evaluation Log
6	Conventional Production	4 1/2	6	18216			VERSACE M H	700	856.1	9300	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
N/A									

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 7/8	8775	8775 / AS1-X MECHANICAL

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 10055	18176

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed?

Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 9500

Actual maximum pressure (PSIG) during hydraulic fracturing: 9000

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)?

Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1	Fracture	PLEASE SEE FRAC FOCUS TOTAL SAND: 20,465,170 / TOTAL FLUID: 493,456	10055.0	18176.0
2	Other	885 SXS CLASS C CEMENT / WHIPSTOCK SET @ 8939'	8939.0	8939.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	2856.0	2856.0	Yes	BEHIND PIPE
CASTILLE	Yes	1087.0	1087.0	Yes	BEHIND PIPE
BELL CANYON	Yes	2856.0	2856.0	Yes	BEHIND PIPE
DELAWARE	Yes	2856.0	2856.0	Yes	BEHIND PIPE
DELAWARE CONSOLIDATED GAS	No			No	NOT ENCOUNTERED IN THIS AREA
CHERRY CANYON	Yes	3847.0	3847.0	Yes	BEHIND PIPE
BONE SPRINGS	Yes	6407.0	6407.0	Yes	BEHIND PIPE
PERMIAN	No			No	NOT ENCOUNTERED IN THIS AREA
WOLFCAMP	Yes	9318.0	9318.0	No	PRODUCING ZONE
PENNSYLVANIAN	No			No	NOT DRILLED THAT DEEP
MISSISSIPPIAN	No			No	NOT DRILLED THAT DEEP
DEVONIAN	No			No	NOT DRILLED THAT DEEP
FUSSELMAN	No			No	NOT DRILLED THAT DEEP
ELLENBURGER	No			No	NOT DRILLED THAT DEEP

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)?

No

Is the completion being downhole commingled (SWR 10)?

No

REMARKS

WE WOULD LIKE TO CHANGE THE WELL NUMBER FROM 6WA TO 6H THANK YOU!

RRC REMARKS

PUBLIC COMMENTS:

01517

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: Anne Maness

Title: Sr Regulatory Analyst

Telephone No.: (512) 600-3195

Date Certified: 03/03/2017

CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 169019

1. Field name exactly as shown on proration schedule FORD, WEST (WOLFCAMP)		2. Lease name as shown on proration schedule SMITHER STATE UNIT 47-38					
3. Current operator name exactly as shown on P-5 Organization Report THREE RIVERS OPER CO III LLC		4. Operator P-5 no. 857765	5. Oil Lse/Gas ID no 281635	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code 5301 SOUTHWEST PARKWAY STE 400 AUSTIN, TX 78735		9. Well no(s) (see instruction E) 6H					
		10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)			11. Effective Date 12/30/2016		
12. Purpose of Filing (Complete section a or b below.) (See instructions B and G)							
a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code							
☐ field name from _____ ☐ lease name from _____							
-- OR --							
b. New RRC Number for: ☐ oil lease ☒ gas well Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil							
☐ other well (specify) _____ ☐ consolidation, unitization, or subdivision (oil lease only)							
13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X	X	EAGLECLAW MIDSTREAM SERVICES,LLC(238464)			0001	100.0	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)						Percent of Take	
LPC CRUDE OIL MARKETING LLC(480177)						100.0	
RRC USE ONLY: Reviewer's initials: _____ Approval date: _____							
15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.							
Name of Previous Operator _____ Name (print) _____ Title _____				Signature ☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G) _____ Date _____ Phone with area code _____			
16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.							
THREE RIVERS OPER CO III LLC Name (print) Sr Regulatory Analyst Title amaness@3roc.com E-mail Address (optional)				Anne Maness Signature ☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G) 03/03/2017 Date _____ (512) 600-3195 Phone with area code _____			

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL
CLASSIFICATION REPORT

31317

Form G-5

Tracking No.: 169019

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report) THREE RIVERS OPER CO III LLC		3. RRC DISTRICT NO. 08	4. OIL LEASE NO OR GAS WELL ID NO. 281635																												
2. MAILING ADDRESS 5301 SOUTHWEST PARKWAY STE 400 AUSTIN, TX 78735		5. WELL NO. 6H	6. API NO. 42- 389-35332																												
		7. COUNTY OF WELL SITE REEVES																													
8. FIELD NAME (as per RRC Records) FORD, WEST (WOLFCAMP)		9. LEASE NAME SMITHER STATE UNIT 47-38																													
10. LOCATION (Section, Block and Survey) 2, 53, PSL/ CALDWELL, C M, A-5026		11. PIPELINE CONNECTION OR USE OF GAS EAGLE CLAW																													
PRODUCTION TEST AT RATE ELECTED BY OPERATOR (data on 24-hour basis)		A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.																													
A. Date of Test <u>02/13/2017</u> B. Gas Volume <u>4101.0</u> (Mcf) C. Oil or Condensate Volume <u>681.36</u> (Bbl) D. Water Volume <u>2811.0</u> (Bbl) E. Gas/Liquid Hydrocarbon Ratio <u>6019</u> (Cf/Bbl) F. Flowing Tubing Pressure <u>1055</u> (psia) G. Choke Size <u>ADJ</u> (in.) H. Casing Pressure <u>100.0</u> (psia) I. Shut-in Wellhead Pressure--Tubing <u>2015</u> (psia) J. Separator Operating Pressure <u>121.0</u> (psia) K. Color of Stock Tank Liquid <u>Straw</u> L. Gravity of Separator Liquid <u>51.9</u> °API M. Gravity of Stock Tank Liquid _____ °API N. Specific Gravity of the Gas (Air = 1) <u>0.773</u>		Date Liquid Sample Obtained <u>02/17/2017</u> Where Obtained: ☒ Separator ☐ Stock Tank <table style="width:100%;"> <thead> <tr> <th colspan="2">% Over Temp. (deg. F)</th> <th colspan="2">% Over Temp. (deg. F)</th> </tr> </thead> <tbody> <tr> <td>Initial Boiling Temp.</td> <td><u>95.0</u></td> <td>60</td> <td><u>445.0</u></td> </tr> <tr> <td>10</td> <td><u>201.0</u></td> <td>70</td> <td><u>522.0</u></td> </tr> <tr> <td>20</td> <td><u>242.0</u></td> <td>80</td> <td><u>613.0</u></td> </tr> <tr> <td>30</td> <td><u>276.0</u></td> <td>90</td> <td><u>714.0</u></td> </tr> <tr> <td>40</td> <td><u>321.0</u></td> <td>95</td> <td><u>718.0</u></td> </tr> <tr> <td>50</td> <td><u>379.0</u></td> <td>End Point</td> <td><u>721.0</u></td> </tr> </tbody> </table> Total Recovery <u>93.6</u> percent Residue <u>3.6</u> percent Loss <u>2.8</u> percent		% Over Temp. (deg. F)		% Over Temp. (deg. F)		Initial Boiling Temp.	<u>95.0</u>	60	<u>445.0</u>	10	<u>201.0</u>	70	<u>522.0</u>	20	<u>242.0</u>	80	<u>613.0</u>	30	<u>276.0</u>	90	<u>714.0</u>	40	<u>321.0</u>	95	<u>718.0</u>	50	<u>379.0</u>	End Point	<u>721.0</u>
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I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge. <u>03/03/2017</u> DATE		THREE RIVERS OPER CO III LLC NAME (Type or Print) <u>Anne Maness</u> SIGNATURE <u>Sr Regulatory Analyst</u> TITLE <u>(512) 600-3195</u> CONTACT PERSON PHONE NUMBER																													
		RRC USE ONLY																													

Tracking No.: 169019

OPERATOR NAME AND ADDRESS including city, state and zip

THREE RIVERS OPER CO III LLC
5301 SOUTHWEST PARKWAY STE 400
AUSTIN, TX 78735

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967

*This facsimile G-10 was generated electronically
from data submitted to the RRC.*

Reason for Filing



Survey



Retest



Initial Test



Correction

Operator P-5 Organization No.

857765

RRC Dist. No.

08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME * LEASE NAME	RRC IDENT NO.	DATE TESTED MO/DAY/YR	GAS PRODUCED MCF/DAY **	CONDENSATE PRODUCED	WATER PROD BBL/DAY	***SIWH PRESSURE PSIA
	WELL NO.	MARK X FOR SHUT-IN WELL	GAS SPEC. GRAVITY	CONDENSATE GRAVITY (API)	X BOTTOMHOLE PRESSURE PSIA	***FLOWING PRESSURE PSIA
FORD, WEST (WOLFCAMP)	281635	02/16/2017	4687 MCF	681.4 BBL	2811.0 BBL	2015
SMITHER STATE UNIT 47-38	6H		0.773	51.9	3312	1055
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

FESCO, LTD

Signature: JON JACKSON

Title:

Phone: (432) 332-3321

Date: 03/03/2017

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-Well STREAM, INCLUDING
CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cement: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION

Operator Name: THREE RIVERS OIL CO III LLC	Operator P-5 No.: 857765
Cement: Name: HALLIBURTON ENERGY SERVICES	Cement P-5 No.: 347151

WELL INFORMATION

District No.: 08	County: Reeves
Well No.: 6WA	API No.: 42-229-25332
Lease Name: Smithers Unit 47-38	Drilling Permit No.: 817398
Field Name: Ford West (Wolfcamp)	Lease No.: -
	Field No.: 31913800

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☒ Surface ☐ Intermediate ☐ Liner ☐ Production		
Drilled hole size (in.): 17 1/2"	Depth of drilled hole (ft.): 1262'	Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): 13 3/8"	Casing weight (lbs/ft) and grade: 48# J55	No. of centralizers used: 30
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.	Setting depth shoe (ft.): 1262'	Top of liner (ft.): Tool
		Setting depth-liner (ft.): 572'
Hrs. waiting on cement before drill-out: 24	Calculated top of cement (ft.): 0' surface	Cementing date: 9/12/2016

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	653	C	3# KOI-SEAL, 25# POLY	1067	685.85
2					
3					
Total	653			1067	685.85

II. CASING CEMENTING DATA

Type of casing: ☒ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☒ Multi-stage cement shoe ☐ Multiple parallel strings		
Drilled hole size (in.): 17 1/2"	Depth of drilled hole (ft.): 1262'	Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): 13 3/8"	Casing weight (lbs/ft) and grade: 48# J55	No. of centralizers used:
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)	
Upper: Lower:	Upper: Lower:	
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used
Upper: Lower:	Upper: Lower:	Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO	Setting depth shoe (ft.): 1262'	
Hrs. waiting on cement before drill-out: 24	Calculated top of cement (ft.): 0' (surface)	Cementing date: 9/12/2016

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	290	EXTENDACEM		493	709
2	420	C		558	808
3					
Total	710			1051	1517

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings		
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)	
Upper: Lower:	Upper: Lower:	
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used
Upper: Lower:	Upper: Lower:	Upper: Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO	Setting depth tool (ft.):	
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0



CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS
SO# 903528696 Circulated cmt to pit from multistage cementer 2ND STAGE. circulated 102 sacks of cement to pit

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

DANNY DELL

Halliburton

Danny Dell

Name and title of cementer's representative

Cementing Company

Signature

1301 W. Webb St.

Brownfield, Tx, 79316

575-392-0700

09/13/2016

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Anna M. ...

St. Regulation Analyst

Anna M. ...

Typed or printed name of operator's representative

Title

Signature

539 Southwest Drwy #400 Austin TX 78755 512-400-3495

10/2/2016

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

2017

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.

Operator: Fill in other items.

Operator Name: THREE RIVER <u>OPER CO III LLC</u>	Operator P-5 No.: <u>857765</u>
Cementer Name: Halliburton Energy Services	Cementer P-5 No.: <u>347151</u>

District No.: <u>08</u>	County: <u>REEVES</u>
Well No.: <u>6WA</u>	API No.: <u>42.381.35332</u> Drilling Permit No.: <u>817398</u>
Lease Name: <u>SMITHER STATE UNIT 47-38</u>	Lease No.: <u>—</u>
Field Name: <u>Ford, West (Wolfcamp)</u>	Field No.: <u>31913800</u>

Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☐ Production		
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks.	Setting depth shoe (ft.):	Top of liner (ft.):
		Setting depth liner (ft.):
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

Type of casing: ☐ Surface ☒ Intermediate ☐ Production ☐ Tapered production ☒ Multi-stage cement shoe ☐ Multiple parallel strings		
Drilled hole size (in.): <u>12 1/4</u>	Depth of drilled hole (ft.): <u>6400'</u>	Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): <u>9 5/8</u>	Casing weight (lbs/ft) and grade: <u>48.755 / HUBB</u>	No. of centralizers used: <u>158</u>
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)	
Upper:	Lower:	
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used
Upper:	Lower:	Upper:
		Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO	Setting depth shoe (ft.): <u>6400'</u>	
Hrs. waiting on cement before drill-out: <u>14</u>	Calculated top of cement (ft.): <u>surface</u>	Cementing date: <u>9/18/16</u>

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	390	C	POLY-E-FLAKE	1278	4081
2	220	C	SEE REMARKS	269	859
3					
Total	610			1547	4940

Type of casing: ☐ Surface ☒ Intermediate ☐ Production ☐ Tapered production ☒ Multi-stage cement/DV tool ☐ Multiple parallel strings		
Drilled hole size (in.): <u>12 1/4</u>	Depth of drilled hole (ft.): <u>6400'</u>	Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): <u>9 5/8</u>	Casing weight (lbs/ft) and grade: <u>48.755 / HUBB</u>	No. of centralizers used:
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)	
Upper:	Lower:	
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used
Upper:	Lower:	Upper:
		Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO	Setting depth tool (ft.): <u>2536'</u>	
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.): <u>Surface</u>	Cementing date: <u>9/18/16</u>

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	310	C	POLY-E-FLAKE	1016	3244
2	50	C	N/A	67	214
3					
Total	360			1083	3458

71315

	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

125 LBM POLY-E-FLAKE .50% LAP 1 .30% CFR 3 .50% O-AIR
CIRCULATED 23 BBL 39 SKS OF CEMENT TO SURFACE
SD# 903531927

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

QUINCY EDWARDS SERVICE SUPERVISOR

Halliburton

Name and title of cementer's representative

Cementing Company

6155 W. Murphy St.

Odessa, TX, 79763

432-571-8600

9/18/19

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Angelina

Typed or printed name of operator's representative

Dr. Reginald

Title

Reginald

Signature

5801 Southwest Pkwy, #400 Austin TX 78735

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

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RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: THREE RIVERS			Operator P-5 No.: 867716		
Cementer Name: HALLIBURTON			Cementer P-5 No.: 347151		

WELL INFORMATION			
District No.: 08		County: REEVES	
Well No.: 6WA		API No.: 42-389-35220	
Lease Name: SMITH STATE UNIT 47-38		Drilling Permit No.: 817348	
Field Name: Ford West (Wolfgang)		Lease No.: -	
		Field No.: 31913860	

I. CASING CEMENTING DATA					
Type of casing: ☐ Conductor ☐ Surface ☒ Intermediate ☐ Liner ☐ Production					
Drilled hole size (in.): 8 3/4"		Depth of drilled hole (ft.): 9944'		Est. % wash-out or hole enlargement: -	
Size of casing in O.D. (in.): 7"		Casing weight (lbs/ft) and grade: 32#/P10		No. of centralizers used: 62	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO If no for surface casing, explain in Remarks.				Setting depth shoe (ft.): 9944'	
				Top of liner (ft.):	
				Setting depth liner (ft.):	
Hrs. waiting on cement before drill-out: 0		Calculated top of cement (ft.): 7700'		Cementing date: 9/27/16	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	480	C	SEE REMARKS	1569	8530
2	175	H	SEE REMARKS	217	1403
3					
Total	655			1786	9933

II. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:		Lower:		Upper:	
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:		Lower:		Upper:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO				Setting depth shoe (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

III. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:		Lower:		Upper:	
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:		Lower:		Upper:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO				Setting depth tool (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

W-15

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS
LEAD- NEOCEM TAIL- .5% HALAD-344, HALAD-322, 11BM SALT

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

JASON WELTON - SSIII

Halliburton

Name and title of cementer's representative

Cementing Company

6155 W. Murphy St.

Odessa, TX, 79763

Address

City, State, Zip Code

Signature

432-571-8600

Tel: Area Code

Number

9/27/16

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Typed or printed name of operator's representative

Title

Signature

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.
Operator: Fill in other items.

CEMENTING REPORT

OPERATOR INFORMATION

Operator Name: THREE RIVERS OPERATING CO III LLC	Operator P-5 No.: 857766
Cementer Name: HALLIBURTON	Cementer P-5 No.: 347151

WELL INFORMATION

District No.: 08	County: REEVES
Well No.: 0WA	API No.: 43-281-35332
Lease Name: SMITHER STATE UNIT 47-38	Drilling Permit No.: 817398
Field Name: Ford, West (Wolfcamp)	Lease No.: -
	Field No.: 31913000

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☒ Liner ☒ Production	
Drilled hole size (in.): 6"	Depth of drilled hole (ft.): 18,216
Size of casing in O.D. (in.): 4 1/2"	Casing weight (lbs/ft) and grade: 13.5#/R10
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.	Setting depth shoe (ft.): 18,216 TMD
Hrs. waiting on cement before drill-out: 1/2	Calculated top of cement (ft.): 9800
	Cementing date: 10-5-16

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	700	VERSACEM H	.40% HALAD R 344, .30% HR-601	856.1	9965.45
2					
3					
Total	700			856.1	9965.45

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings	
Drilled hole size (in.):	Depth of drilled hole (ft.):
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)
Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade
Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO	Setting depth shoe (ft.):
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):
	Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings	
Drilled hole size (in.):	Depth of drilled hole (ft.):
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)
Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade
Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO	Setting depth tool (ft.):
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):
	Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0



CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

GERARDO HERNANDEZ-TREVIZO

Halliburton

Name and title of cementer's representative
2311 S. First St.

Cementing Company
Artesia, NM, 88210

Signature

575-392-0700

10-5-16

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Anne Mares

SR Regulatory Analyst

Signature

Typed or printed name of operator's representative

Title

Signature

5391 Southwest Pkwy #400 Austin TX 78745 (512) 440-2195

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.
The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementor: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION	
Operator Name: THREE RIVERS OPERATING CO II LLC	Operator P-5 No.: 867765
Cementor Name: HALLIBURTON	Cementor P-5 No.: 347151

WELL INFORMATION	
District No.: 08	County: REEVES
Well No.: 6WA	API No.: 42-281-36222 Drilling Permit No.: 817248
Lease Name: SMITHER STATE UNIT 47-38	Lease No.: -
Field Name: Ford, West (WOLF CAMP)	Field No.: 31913800

I. CASING CEMENTING DATA					
Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☐ Production					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):		Top of liner (ft.):
			Setting depth liner (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

II. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO				Setting depth shoe (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0

III. CASING CEMENTING DATA					
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings					
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO				Setting depth tool (ft.):	
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total	0			0	0



CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date	9/23/16						
Size of hole or pipe (in.)	8 3/4"						
Depth to bottom of tubing or drill pipe (ft.)	11450						
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)	Whipstock 8939						
Amount of cement on top of CIBP (ft.)							
Sacks of cement used	885						
Slurry volume pumped (cu. ft.)	933						
Calculated top of plug (ft.)	8933						
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)	15						
Class/type of cement	C						
Perforate and squeeze (YES/NO)	NO						
REMARKS							
PRIMARY- 0.6% HALAD-322, 3LBM MICROBOND, .25LBM D-AIR 5000, .3% HR-601							

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JASON WELTON - SSIII

Halliburton

Name and title of cementer's representative

Cementing Company

6155 W. Murphy St.

Odessa, TX, 79763

Address

City, State, Zip Code

Signature

432-571-8600

9/23/16

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Anne M. Mass

Dr. Regulation Analyst

Typed or printed name of operator's representative

Title

Signature

5009 Southwest Pkwy, #400 Austin TX 78735

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

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- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: THREE RIVERS OPER CO III LLC	Operator P-5 No.: 857765
Operator Address: 5301 SOUTHWEST PARKWAY SUITE 400, AUSTIN, TX 78735	

SECTION II. WELL INFORMATION

District No.: 08	County: REEVES	Purpose of Filing: ☐ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.: 6WA	API No.: 42-389-35332	
Total Lease Acres: 1068.22	Drilling Permit No.: 817398	
Lease Name: SMITHER STATE UNIT 47-38	Lease No.:	
Field Name: FORD, WEST (WOLF/CAMP)	Field No.: 31913800	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	1	534.11	< A. Total Assigned Horiz. Acreage	534.11	< C. Total Assigned Acreage
		0	< Total Remaining Horiz. Acreage	534.11	< Total Remaining Acreage
		0	< B. Total Assigned Vert./Dir. Acreage		
		0	< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

Completion filing	
-------------------	--

Attach Additional Pages As Needed. ☒ No additional pages ☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Signature

Anne Maness Sr Regulatory Analyst
Name and title (type or print)

Email (include email address *only* if you affirmatively consent to its public release)

5301 Southwest Parkway Suite 400
Address

Austin	TX	78735
City,	State,	Zip Code

Tel: Area Code

12/07/2016
Date: mo. day yr.

3.13.17

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

CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

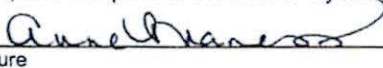
1. Field Name(s) Ford, West (Wolfcamp)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name Three Rivers Oper Co III LLC	5. Operator P-5 Number 857765	6. Well Number 6WA
7. Pooled Unit Name Smither State Unit 47-38	8. API Number 42-389-35332	9. Purpose of Filing ☐ Drilling Permit (W-1) ☒ Completion Report
10. County Reeves	11. Total acres in pooled unit 1068.2	

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	James Robert Hill, et al(Tract1)	426.67	☐	☐
2	State of Texas (Tract 2)	481.16	☐	☐
3	State of Texas (Tract 3)	160.39	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

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.



Anne Maness

Signature

Print Name

Sr Regulatory Analyst

12/07/2016

(512) 600-3195

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.

3.13.17

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 169019

This facsimile P-15 was generated electronically
from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the THREE RIVERS OPER CO III LLC ,

OPERATOR

SMITHER STATE UNIT 47-38 ,

No. 6H

; that such well is

LEASE

WELL

completed in the FORD, WEST (WOLFCAMP) Field, REEVES County,

Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces _____

534.11 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge,

Date 03/03/2017 Signature Anne Maness

Telephone (512) 600-3195 Title Sr Regulatory Analyst
AREA CODE



Pro-Ration Acreage List

SMITHER STATE UNIT 47-38 6WA / API#42-389-35332

Field Name: Ford, West (Wolfcamp)

Lease Name: Smither State Unit 47-38

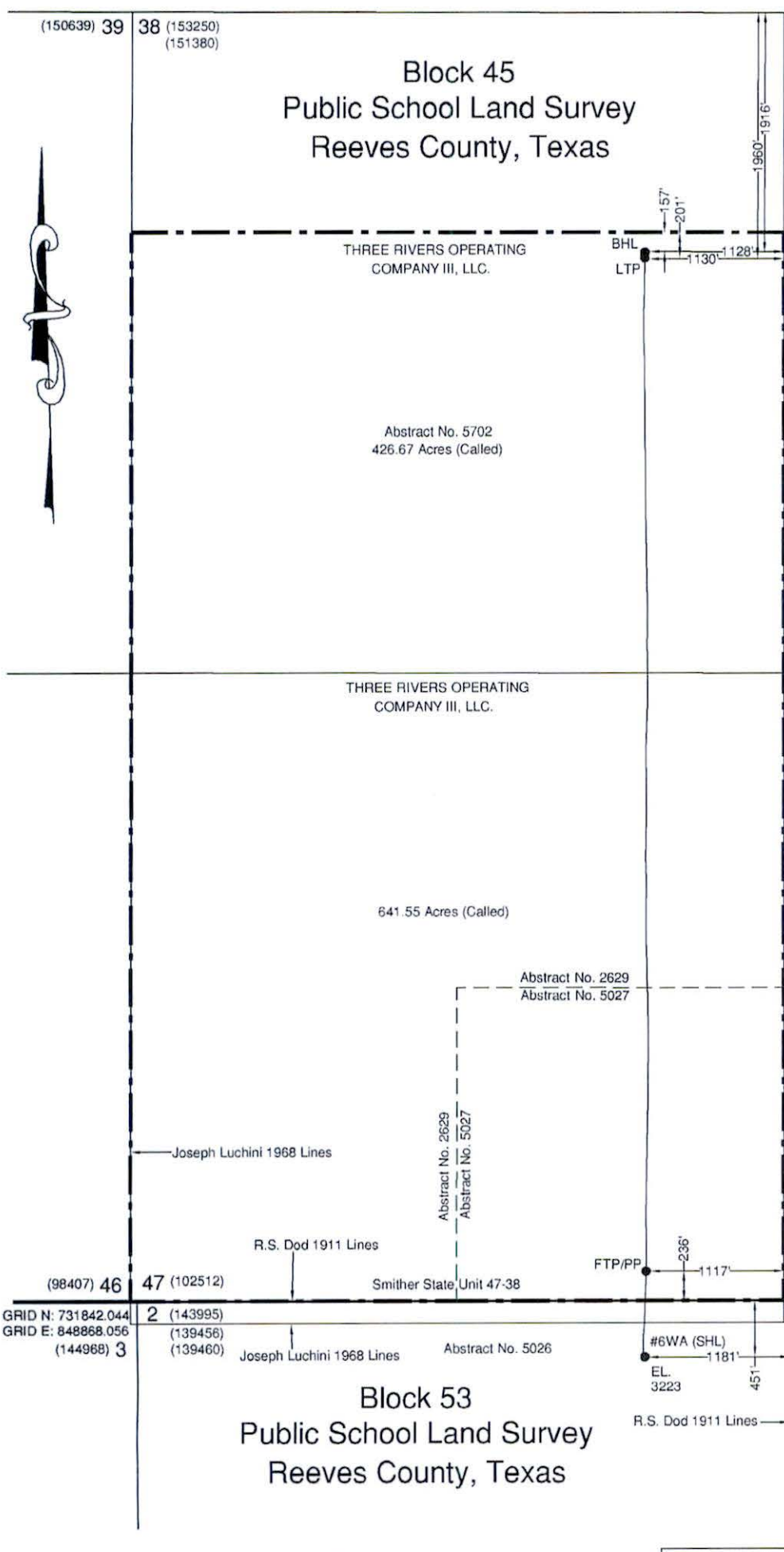
Total Acres in Lease: 1068.22 acres

All wells drilled and/or completed within lease:

Smither State Unit 47-38 6WA / API# 42-389-35332/ 534.11 acres

Available/Unassigned Acreage: 534.11 ACRES

3107



Surface Hole Location (SHL)
GRID N: (Y)731264.321
GRID E: (X)852962.785
NAD'27 Lat/Longs
Lat: 31°37'30.268" N
Long: 104°01'08.969" W

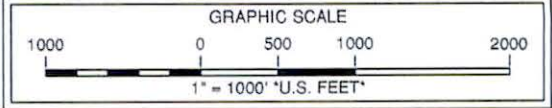
First Take Point (FTP)/
Penetration Point (PP)
GRID N: (Y)731950.886
GRID E: (X)852996.521
NAD'27 Lat/Longs
Lat: 31°37'37.071" N
Long: 104°01'08.842" W

Last Take Point (LTP)
GRID N: (Y)740065.181
GRID E: (X)853242.475
NAD'27 Lat/Longs
Lat: 31°38'57.414" N
Long: 104°01'09.108" W

Bottom Hole Location (BHL)
GRID N: (Y)740109.091
GRID E: (X)853245.315
NAD'27 Lat/Longs
Lat: 31°38'57.849" N
Long: 104°01'09.092" W

WELL BORE LENGTHS	
SHL - PP/FTP	841.19'
PP/FTP - LTP	8119.30'
LTP - BHL	44.00'
SHL - BHL	9004.49'

Driving Directions To Location:
From the intersection of Highway 285 and Farm-to-Market road 652 in Orla, Texas;
Drive West on FM 652 9.5 miles to FM 2119;
Turn left (South) on to a dirt road at Lat: 31°38'10.39", Long: 104°04'01.90";
Turn left (North) on to dirt road, drive 4.4 miles to Lat: 31°37'28.98", Long: 104°00'56.40";
Location is right (West) 1,110 feet.



Note: Well is located 15.2 miles Southwest of the city of Orla, Texas.
Note: Survey Reconstruction filed in the Office of Pennell & Marlowe Land Surveyors, Inc.
Note: Well bore location determined from survey report provided by client.
Note: Coordinates shown herein are on The Texas Coordinate System of 1927, Central Zone. (4203)
Note: Location of the Oatman Unit 11-2 #1H well was obtained from a permit plat provided by client.
Note: Example: (S-99999) indicates General Land Office file number.

USGS Quadrangle Sheet: Derrick Draw, Tex.
USGS Quadrangle Sheet: Dry Lake, Tex.
Railroad Commission Permit Plat

PENNEL & MARLOWE
RESIDENTIAL, OILFIELD &
LAND SURVEYORS, INC.
ALL TYPES OF SURVEYS

Stephen P. Marlowe
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715



January 20, 2017
170120JR4-KRM

THREE RIVERS OPERATING COMPANY III, LLC.
Smither State Unit 47-38 #6WA (As-Drilled)
451' FROM NORTH LINE
1181' FROM EAST LINE
Smither State Unit 47-38
1068.22 Acres (Called) out of
Sections 47 & 38, Block 45
Public School Land Survey
Reeves County, Texas

Scale: 1" = 1000'

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

ELECTRIC LOG
STATUS REPORT

FORM L-1

Tracking No.: 169019

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: THREE RIVERS OPER CO III LLC	District No. 08	Completion Date: 12/30/2016
Field Name FORD, WEST (WOLFCAMP)	Drilling Permit No. 817398	
Lease Name SMITHER STATE UNIT 47-38	Lease/ID No. 281635	Well No. 6H
County REEVES	API No. 42- 389-35332	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential. ☐

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion:

Lease or ID No(s). _____

Well No(s). _____

Anne Maness

Signature

THREE RIVERS OPER CO III LLC

Name (print)

Sr Regulatory Analyst

Title

(512) 600-3195

Phone

02/13/2017

Date

-FOR RAILROAD COMMISSION USE ONLY-

HALLIBURTON

TMD3D

SIGMA MODE

Company: THREE RIVERS OPERATING
Well: SMITHER STATE UNIT 47-38 #6WA
Field: FORD, WEST FIELD (WOLFCAMP)
County: REEVES State: TEXAS

Company: THREE RIVERS OPERATING
Well: SMITHER STATE UNIT 47-38 #6WA
Field: FORD, WEST FIELD (WOLFCAMP)
County: REEVES State: TEXAS

API No.: 42-389-35332 Serv #: 903630186
Location: 467' FNL & 1187' FEL
SECT. 2, BLOCK 53
PSLS SURVEY

Other Services
NONE

Sec: Twp: Rge:

Permanent Datum: G.L. Elevation: 3222'
Log Measured From: KB 26 Ft. above perm. datum
Drilling Measured From: KB

Elevation
K.B. 3248'
D.F. 3247'
G.L. 3222'

Date @ Time Logged	31-OCT-2016	Type Fluid in Hole	FRESHWATER
Run No.	ONE	Density of Fluid	NA
Depth - Driller	18216'	Fluid Level	SURFACE
Depth - Logger	17846'	Cement Top Est. Logged	N/A
Bottom - Logged Interval	17824'	Equipment / Location	11592307 / ODESSA
Top - Log Interval	8750'	Recorded by	MOHAMED ABUEL GASIM
Max. Recorded Temp.	NA	Witnessed by	MR. MICHAEL GRIFFIN

CEMENTING DATA		Surface	Protection	Production	Liner
		String	String	String	
Date / Time Cemented					
Primary / Squeeze					
Expected					
Compressive Strength	psi@	hrs	psi@	hrs	psi@
Cement Volume					
Cement Type / Weight					
Formulation					
Mud Type / Mud Wgt.					

Borehole Record				Casing & Tubing Record			
Run Number	Bit	From	To	Size	Weight	From	To
ONE	17.5"	1262'	SURFACE	13.375"	48#	1262'	SURFACE
TWO	12.25"	6400'	1262'	9.625"	40#	6400'	SURFACE
THREE	8.5"	9944'	6400'	7"	32#	8834'	SURFACE
FOUR	7.875"	18216'	9944'	4.5"	13.5#	18216'	3834'
				SHORT	JOINT	8834'	3860'

<<< Fold Here >>>

HALLIBURTON DOES NOT GUARANTEE THE ACCURACY OF ANY INTERPRETATION OF THE LOG DATA, CONVERSION OF LOG DATA TO PHYSICAL ROCK PARAMETERS OR RECOMMENDATIONS WHICH MAY BE GIVEN BY HALLIBURTON PERSONNEL OR WHICH APPEAR ON THE LOG OR IN ANY OTHER FORM. ANY USER OF SUCH DATA, INTERPRETATIONS, CONVERSIONS, OR RECOMMENDATIONS AGREES THAT HALLIBURTON IS NOT RESPONSIBLE EXCEPT WHERE DUE TO GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, FOR ANY LOSS, DAMAGES, OR EXPENSES RESULTING FROM THE USE THEREOF.

Comments

CORRELATED TO SHORT JOINT PER COMPANY REP REQUEST

YOUR CREW TODAY: M. ABUEL GASIM, S. GARZA, G. IKPORO

THANK YOU FOR CHOOSING HALLIBURTON ENERGY SERVICES

MAIN PASS

HALLIBURTON

HALLIBURTON

GAMMA RAY CCL LOG

Company
THREE RIVERS OPERATING
Well
SMITHER STATE UNIT 47-38 #6WA
Field
FORD, WEST FIELD (WOLFCAMP)
County
REEVES State
TEXAS

Company THREE RIVERS OPERATING
Well SMITHER STATE UNIT 47-38 #6WA
Field FORD, WEST FIELD (WOLFCAMP)
County REEVES State TEXAS

API No.: 42-389-35332 Serv #: 903630186
Location: 467' FNL & 1187' FEL
SECT. 2, BLOCK 53
PSLS SURVEY
Other Services
TMD3D

Sec: Twp: Rge:

Permanent Datum	G.L.	Elevation	3222'	Elevation
Log Measured From	KB	26	Ft. above perm. datum	K.B. 3248'
Drilling Measured From	KB			D.F. 3247'
				G.L. 3222'
Date @ Time Logged	31-OCT-2016	Type Fluid in Hole	FRESHWATER	
Run No.	ONE	Density of Fluid	NA	
Depth - Driller	18216'	Fluid Level	SURFACE	
Depth - Logger	17848'	Cement Top Est. Logged	N/A	
Bottom - Logged Interval	17812'	Equipment / Location	11592307 / ODESSA	
Top - Log Interval	8750'	Recorded by	MOHAMED ABUEL GASIM	
Max. Recorded Temp.	NA	Witnessed by	MR. MICHAEL GRIFFIN	
CEMENTING DATA	Surface	Protection	Production	Liner
	String	String	String	
Date / Time Cemented				
Primary / Squeeze				
Expected				
Compressive Strength	psi@ hrs	psi@ hrs	psi@ hrs	psi@ hrs
Cement Volume				
Cement Type / Weight	/	/	/	/
Formulation				
Mud Type / Mud Wgt.	/	/	/	/
Borehole Record				Casing & Tubing Record
Run Number	Bit	From	To	Size
ONE	17.5"	1262'	SURFACE	13.375"
TWO	12.25"	6400'	1262'	48#
THREE	8.5"	9944'	6400'	40#
FOUR	7.875"	18216'	9944'	7"
				32#
				8834'
				8834'
				8834'
				8834'
				8860'

<<< Fold Here >>>

HALLIBURTON DOES NOT GUARANTEE THE ACCURACY OF ANY INTERPRETATION OF THE LOG DATA, CONVERSION OF LOG DATA TO PHYSICAL ROCK PARAMETERS OR RECOMMENDATIONS WHICH MAY BE GIVEN BY HALLIBURTON PERSONNEL OR WHICH APPEAR ON THE LOG OR IN ANY OTHER FORM. ANY USER OF SUCH DATA, INTERPRETATIONS, CONVERSIONS, OR RECOMMENDATIONS AGREES THAT HALLIBURTON IS NOT RESPONSIBLE EXCEPT WHERE DUE TO GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, FOR ANY LOSS, DAMAGES, OR EXPENSES RESULTING FROM THE USE THEREOF.

Comments

CORRELATED TO SHORT JOINT PER COMPANY REP REQUEST

YOUR CREW TODAY: M. ABUEL GASIM, S. GARZA, G. IKPORO

THANK YOU FOR CHOOSING HALLIBURTON ENERGY SERVICES

Database File three_rivers_smither_state_unit_47-38_6wa_tmd3d.db
Dataset Pathname pass7
Presentation Format rmti_co



Weatherford®

DUAL LATEROLOG MICRO LATEROLOG GAMMA RAY

COMPANY **THREE RIVERS OPERATING CO**
WELL **SMITHER STATE UNIT 47-38 #6WA**
FIELD **FORD, WEST (WOLFCAMP)**
PROVINCE/COUNTY **REEVES**
COUNTRY/STATE **U.S.A / TEXAS**
LOCATION **467' FNL & 1187' FEL A-5026**
PERMIT NUMBER **817398, SEC.2 BLK.53 PSL/CALDWELL, CM**

SEC 2	TWP	RGE	Other Services
Latitude	+31.62503167	PHOTO DENSITY	COMPENSATED NEUTRON
Longitude	-104.0191769	COMPENSATED SONIC	
API Number	42-389-35332		

Permanent Datum GL, Elevation 3222.00 feet
Log Measured From KB
Drilling Measured From KB

Elevations: feet
KB 3244
DF 3243
GL 3222

Date	21-SEP-2016		
Run Number	ONE		
Service Order	7089-161664768		
Depth Driller	11050.00	feet	
Depth Logger	11060.00	feet	
First Reading	11017.46	feet	
Last Reading	6450.00	feet	
Casing Driller	6400.00	feet	
Casing Logger	---		
Bit Size	8.750	inches	
Hole Fluid Type	BRINE		
Density / Viscosity	9.50 lb/USg	47.00 sec/qt.	
PH / Fluid Loss	9.50	6.00 ml/30Min	
Sample Source	FLOWLINE		
Rm @ Measured Temp	0.261 @ 75.3	ohm-m	
Rmf @ Measured Temp	0.196 @ 75.3	ohm-m	
Rmc @ Measured Temp	0.326 @ 75.3	ohm-m	
Source Rmf / Rmc	CALC	CALC	
Rm @ BHT	0.119 @ 173.0	ohm-m	
Time Since Circulation	8 HOURS		
Max Recorded Temp	173.00	deg F	
Equipment / Base	13370	4352	
Recorded By	ROSS KLABON		
Witnessed By	MIKE METCALF		

BOREHOLE RECORD

Last Edited: 22-SEP-2016 05:26

Bit Size inches	Depth From feet		Shoe Depth feet	Weight pounds/ft
	Depth To feet			
12.250	0.00	6400.00	6400.00	40.00
8.750	0.00	11060.00	6400.00	

CASING RECORD

Type	Size inches	Depth From feet
SURFACE	9.625	0.00



Weatherford®

COMPOSITE GAMMA RAY

COMPANY **THREE RIVERS OPERATING CO**
WELL **SMITHER STATE UNIT 47-38 #6WA**
FIELD **FORD, WEST (WOLFCAMP)**
PROVINCE/COUNTY **REEVES**
COUNTRY/STATE **U.S.A / TEXAS**
LOCATION **467' FNL & 1187' FEL A-5026**
PERMIT NUMBER **817398, SEC.2 BLK.53 PSL/CALDWELL, CM**

SEC 2	TWP	RGE	Other Services
Latitude	+31.62503167	PHOTO DENSITY	COMPENSATED NEUTRON
Longitude	-104.0191769	DUAL LATEROLOG	MICRO LATEROLOG
API Number	42-389-35332	COMPENSATED SONIC	

Permanent Datum GL, Elevation 3222.00 feet
Log Measured From KB
Drilling Measured From KB

Date	21-SEP-2016
Run Number	ONE
Service Order	7089-161664768
Depth Driller	11050.00 feet
Depth Logger	11060.00 feet
First Reading	11051.89 feet
Last Reading	6450.00 feet
Casing Driller	6400.00 feet
Casing Logger	---
Bit Size	8.750 inches
Hole Fluid Type	BRINE
Density / Viscosity	9.50 lb/USg 47.00 sec/qt.
PH / Fluid Loss	9.50 6.00 ml/30Min
Sample Source	FLOWLINE
Rm @ Measured Temp	0.261 @ 75.3 ohm-m
Rmf @ Measured Temp	0.196 @ 75.3 ohm-m
Rmc @ Measured Temp	0.326 @ 75.3 ohm-m
Source Rmf / Rmc	CALC CALC
Rm @ BHT	0.119 @ 173.0 ohm-m
Time Since Circulation	8 HOURS
Max Recorded Temp	173.00 deg F
Equipment / Base	13370 4352
Recorded By	ROSS KLABON
Witnessed By	MIKE METCALF

BOREHOLE RECORD

Last Edited: 22-SEP-2016 05:26

Depth To feet	Depth From feet
6400.00	0.00
11060.00	6400.00

CASING RECORD

Type	Size inches	Depth From feet	Shoe Depth feet	Weight pounds/ft
SURFACE	9.625	0.00	6400.00	40.00
DP	4.500	0.00	6450.00	19.50

**Weatherford****COMPENSATED SONIC****GAMMA RAY**

COMPANY **THREE RIVERS OPERATING CO**
 WELL **SMITHER STATE UNIT 47-38 #6WA**
 FIELD **FORD, WEST (WOLFCAMP)**
 PROVINCE/COUNTY **REEVES**
 COUNTRY/STATE **U.S.A / TEXAS**
 LOCATION **467' FNL & 1187' FEL A-5026**
 PERMIT NUMBER **817398, SEC.2 BLK.53 PSL/CALDWELL, CM**

SEC 2	TWP	RGE	Other Services	
Latitude		+31.62503167	COMPENSATED NEUTRON	PHOTO DENSITY
Longitude		-104.0191769	DUAL LATEROLOG	MICRO LATEROLOG
API Number		42-389-35332		

Permanent Datum GL, Elevation 3222.00 feet
 Log Measured From KB
 Drilling Measured From KB

Elevations: feet
 KB 3244
 DF 3243
 GL 3222

Date	21-SEP-2016		
Run Number	ONE		
Service Order	7089-161664768		
Depth Driller	11050.00	feet	
Depth Logger	11060.00	feet	
First Reading	11051.89	feet	
Last Reading	6450.00	feet	
Casing Driller	6400.00	feet	
Casing Logger	---		
Bit Size	8.750	inches	
Hole Fluid Type	BRINE		
Density / Viscosity	9.50 lb/USg	47.00 sec/qt.	
PH / Fluid Loss	9.50	6.00 ml/30Min	
Sample Source	FLOWLINE		
Rm @ Measured Temp	0.261 @ 75.3	ohm-m	
Rmf @ Measured Temp	0.196 @ 75.3	ohm-m	
Rmc @ Measured Temp	0.326 @ 75.3	ohm-m	
Source Rmf / Rmc	CALC	CALC	
Rm @ BHT	0.119 @ 173.0	ohm-m	
Time Since Circulation	8 HOURS		
Max Recorded Temp	173.00	deg F	
Equipment / Base	13370	4352	
Recorded By	ROSS KLABON		
Witnessed By	MIKE METCALF		
	-		

BOREHOLE RECORD

Last Edited: 22-SEP-2016 05:26

Bit Size inches	Depth From feet	Depth To feet
12.250	0.00	6400.00
8.750	6400.00	11060.00

CASING RECORD

Type	Size inches	Depth From feet	Shoe Depth feet	Weight pounds/ft
SURFACE	9.625	0.00	6400.00	40.00
np	4.500	0.00	6450.00	19.50

**Weatherford**

PHOTO DENSITY COMPENSATED NEUTRON GAMMA RAY

COMPANY **THREE RIVERS OPERATING CO**
 WELL **SMITHER STATE UNIT 47-38 #6WA**
 FIELD **FORD, WEST (WOLFCAMP)**
 PROVINCE/COUNTY **REEVES**
 COUNTRY/STATE **U.S.A / TEXAS**
 LOCATION **467' FNL & 1187' FEL A-5026**
 PERMIT NUMBER **817398, SEC.2 BLK.53 PSL/CALDWELL, CM**

SEC 2	TWP	RGE	Other Services
Latitude	+31.62503167	DUAL LATEROLOG	MICRO LATEROLOG
Longitude	-104.0191769	COMPENSATED SONIC	
API Number	42-389-35332		

Permanent Datum GL, Elevation 3222.00 feet
 Log Measured From KB
 Drilling Measured From KB

Date	21-SEP-2016	
Run Number	ONE	
Service Order	7089-161664768	
Depth Driller	11050.00	feet
Depth Logger	11060.00	feet
First Reading	10995.54	feet
Last Reading	1200.00	feet
Casing Driller	6400.00	feet
Casing Logger	---	
Bit Size	8.750	inches
Hole Fluid Type	BRINE	
Density / Viscosity	9.50 lb/USg	47.00 sec/qt.
PH / Fluid Loss	9.50	6.00 ml/30Min
Sample Source	FLOWLINE	
Rm @ Measured Temp	0.261 @ 75.3	ohm-m
Rmf @ Measured Temp	0.196 @ 75.3	ohm-m
Rmc @ Measured Temp	0.326 @ 75.3	ohm-m
Source Rmf / Rmc	CALC	CALC
Rm @ BHT	0.119 @ 173.0	ohm-m
Time Since Circulation	8 HOURS	
Max Recorded Temp	173.00	deg F
Equipment / Base	13370	4352
Recorded By	ROSS KLABON	
Witnessed By	MIKE METCALF	

-

BOREHOLE RECORD

Last Edited: 22-SEP-2016 05:26

Depth From feet	Depth To feet
0.00	6400.00
6400.00	11060.00

CASING RECORD

Depth From feet	Shoe Depth feet	Weight pounds/ft
0.00	6400.00	40.00

Type

SURFACE

nd

3:13:17

COPY

RRC ONLINE SYSTEM

Choose an Application

Go

Log Out

Oil & Gas Completions

[Completions Home](#) [Completions Menu](#) [PB Menu](#) [Help](#)[Search](#) [Return to List](#) [Detail](#)** As Submitted * IP*

Form Summary

Packet Summary Data

Tracking No.: 169019

Operator Name: THREE RIVERS OPER CO III LLC (857765)

Field Name: FORD, WEST (WOLFCAMP)

Lease Name: SMITHER STATE UNIT 47-38

RRC District No.: 08

RRC Gas ID or Oil Lease No.: 281635

Well No.: 6H

API No.: 42-389-35332

Submitted: Online

Status: Submitted (03/08/2017)

Type Of Completion: New Well

Completion or Recompletion Date: 12/30/2016

Purpose Of Filing: Initial Potential

Well Type: Producing

County: REEVES

Drilling Permit No: 817398

Wellbore Profile: HORIZONTAL

Field No.: 31913800

For chemical information after February 1, 2012 enter the API Number on the [FracFocus Chemical Disclosure Registry](#).

Form/Attachment	Status	View Form/Attachment
G-1	Certified	View
L-1	Certified	View
G-5	Certified	View
G-10	Certified	View
P-4 Data	Certified	View
P-15	Certified	View
Plat		View
Proration Acreage List		View
GAU LETTER		View
L-1 Header		View
L-1 Header		View
W-15		View
W-15		View
P-12		View
P-16		View

Public Comments

[Disclaimer](#) | [RRC Online Home](#) | [RRC Home](#) | [Contact](#)



March 8, 2017

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Attn: Joy McCauley, Geotech/Landman

Re: Smither State Unit 47-38 6WA
API#42-389-35332

Dear Ms. McCauley:

Please find enclosed the AS SUBMITTED completion packet for the **Initial Potential** filing with the Railroad Commission of Texas.

PLEASE NOTE: we have requested that the well number be changed to 6H.

If you have any questions please feel free to email me at amaness@3roc.com or call me at 512-600-3195.

Thank you,

Anne Maness
Sr Regulatory Analyst

enclosures

8.
File No. ME116822
Reeves County
Initial Potential Completion Unit 8115
API 42-389-35332
Date Filed: 4/11/2017
George P. Bush, Commissioner
By Jm

42332

**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 831466	DATE PERMIT ISSUED OR AMENDED Oct 10, 2017	DISTRICT * 08
API NUMBER 42-389-36418	FORM W-1 RECEIVED Sep 28, 2017	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 1068.22
OPERATOR THREE RIVERS OPER CO III LLC 5301 SOUTHWEST PARKWAY STE 400 AUSTIN, TX 78735-0000		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 SMITHER STATE UNIT 47-38		WELL NUMBER 2H
LOCATION 15.3 miles SW direction from ORLA		TOTAL DEPTH 11450
Section, Block and/or Survey SECTION 47 BLOCK 45 ABSTRACT 2629 SURVEY PSL/ GOSS, G W		
DISTANCE TO SURVEY LINES 320 ft. SOUTH 990 ft. WEST		DISTANCE TO NEAREST LEASE LINE 680 ft.
DISTANCE TO LEASE LINES 320 ft. SOUTH 990 ft. WEST		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 WE
FORD, WEST (WOLFCAMP) SMITHER STATE UNIT 47-38	1068.22 680	11,450 3159
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 850.0 F SOUTH L 990.0 F WEST L Terminus Location BH County: REEVES Section: 38 Block: 45 Abstract: 5991 Survey: PSL/ MEEKER, J R Lease Lines: 680.0 F NORTH L 990.0 F WEST L Survey Lines: 2440.0 F NORTH L 990.0 F WEST L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		

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 831466	DATE PERMIT ISSUED OR AMENDED Oct 10, 2017	DISTRICT * 08															
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FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *																	
<table border="0"> <thead> <tr> <th>FIELD NAME</th> <th>ACRES</th> <th>DEPTH</th> <th>WELL #</th> <th>DIST</th> </tr> <tr> <th>LEASE NAME</th> <th>NEAREST LEASE</th> <th></th> <th>NEAREST WE</th> <th></th> </tr> </thead> <tbody> <tr> <td colspan="5"> 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. 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. </td> </tr> </tbody> </table>			FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE		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. 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.				
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**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
WOLF CAMP	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.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

1. Field Name(s) Ford, West (Wolfcamp)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name Three Rivers Oper Co III LLC	5. Operator P-5 Number 857765	6. Well Number 2H
7. Pooled Unit Name Smither State Unit 47-38	8. API Number none assigned	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County Reeves	11. Total acres in pooled unit 1068.22	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1	James Robert Hill, et al(Tract1)	426.67	☐	☐
2	State of Texas (Tract 2)	481.16	☐	☐
3	State of Texas (Tract 3)	160.39	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

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.



Anne Maness

Signature

Print Name

Sr Regulatory Analyst

amaness@3roc.com

09/27/2017

(512) 600-3195

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.

Clear Form

RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form P-16

Page 1

Rev. 01/2016

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: THREE RIVERS OPER CO III LLC	Operator P-5 No.: 857765
Operator Address: 5301 SOUTHWEST PARKWAY SUITE 400, AUSTIN, TX 78735	

SECTION II. WELL INFORMATION

District No.: 08	County: REEVES	Purpose of Filing: ☒ Drilling Permit Application (Form W-1) ☐ Completion Report (Form G-1/W-2)
Well No.: 2H	API No.: none assigned	
Total Lease Acres: 1068.22	Drilling Permit No.: 817398	
Lease Name: SMITHER STATE UNIT 47-38	Lease No.:	
Field Name: FORD, WEST (WOLFCAMP)	Field No.: 31913800	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	2	1388.22	< A. Total Assigned Horiz. Acreage	1388.22	< C. Total Assigned Acreage
		<320>	< Total Remaining Horiz. Acreage	<320>	< Total Remaining Acreage
		0	< B. Total Assigned Vert./Dir. Acreage		
		0	< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

P16 for drilling permit. Once the 2H well is drilled and completed the acreage will be divided between both wells in order to take care of the over-assignment of acreage issue.

Attach Additional Pages As Needed. ☒ No additional pages ☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Signature

Anne Maness Sr Regulatory Analyst
Name and title (type or print)

Email (include email address *only* if you affirmatively consent to its public release)

5301 Southwest Parkway Suite 400
Address

Austin	TX	78735
City,	State,	Zip Code

512-600-3195
Tel: Area Code

9/27/2017
Date: mo. day yr.

10-10-17

(150639) 39 38 (153250)
(151380)

Block 45
Public School Land Survey
Reeves County, Texas



THREE RIVERS OPERATING
COMPANY III, LLC.

LTP/BHL

Abstract No. 5702
426.67 Acres (Called)

Tract 1

THREE RIVERS OPERATING
COMPANY III, LLC.

Tract 2
(481.16)
ac

641.55 Acres (Called)

Abstract No. 2629
Abstract No. 5027

Tract 3
(140.31)
ac

Joseph Luchini 1968 Lines

990'

990'

GRID N: 731842.044
GRID E: 848868.056
(144968) 3

(98407) 46

47 (102512)

2 (143995)
(139456)
(139460)

Joseph Luchini 1968 Lines

#2H (SHL)

EL. 3223

FTP/PP SHL-FTP/PP
N 01°52'47" E
530.00'

Smither State Unit 47-38

Abstract No. 5026

R.S. Dod 1911 Lines

48 (105003)

GRID N: 731679.123
GRID E: 854157.076
1 (102098)

R.S. Dod 1911 Lines

Surface Hole Location (SHL)
GRID N: (Y)732133.004
GRID E: (X)849815.942
NAD'27 Lat/Long
Lat: +31°37'37.828"N
Lon: -104°01'45.679"W

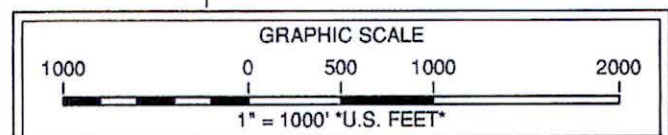
First Take Point (FTP)/
Penetration Point (PP)
GRID N: (Y)732662.720
GRID E: (X)849833.326
NAD'27 Lat/Long
Lat: +31°37'43.073"N
Lon: -104°01'45.681"W

Last Take Point (LTP)/
Bottom Hole Location (BHL)
GRID N: (Y)739690.506
GRID E: (X)850063.967
NAD'27 Lat/Long
Lat: +31°38'52.664"N
Lon: -104°01'45.715"W

Driving Directions To Location:
From the intersection of Highway 285 and Farm-to-Market
road 652 in Orla, Texas;
Drive West on FM 652 9.5 miles to FM 2119;
Turn left (South) on to a dirt road at Lat: 31°38'10.39", Long:
104°04'01.90";
Turn left (North) on to dirt road, drive 4.4 miles to Lat:
31°37'28.98", Long: 104°00'56.40";
Location is at coordinates Lat: +31°37'37.828"N, Lon:
-104°01'45.679"W

Block 53
Public School Land Survey
Reeves County, Texas

Note: Well is located 15.3 miles Southwest of the city of Orla, Texas.
Note: Survey Reconstruction filed in the Office of Pennell & Marlowe Land Surveyors, Inc.
Note: Coordinates shown herein are on The Texas Coordinate System of 1927, Central Zone. (4203)
Note: Bearings and distances are based on The Texas Coordinate System of 1927, Central Zone.
Note: Location of the Oatman Unit 11-2 #1H well was obtained from a permit plat provided by client.
Note: Example: (S-99999) indicates General Land Office file number.



Revised: 09/27/2017-KRM
USGS Quadrangle Sheet: Derrick Draw, Tex.
USGS Quadrangle Sheet: Dry Lake, Tex.
Railroad Commission Permit Plat



Stephen P. Marlowe
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715

September 12, 2017
170912M2-BCL

THREE RIVERS OPERATING COMPANY III, LLC.
Smither State Unit 47-38 #2H
320' FROM SOUTH LINE
990' FROM WEST LINE
Smither State Unit 47-38
1068.22 Acres (Called) out of
Sections 47 & 38, Block 45
Public School Land Survey
Reeves County, Texas

Scale: 1" = 1000'

API No. <u>42-389-36418</u> Drilling Permit # <u>831466</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETION, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>857765</u>		2. Operator's Name (as shown on form P-5, Organization Report) THREE RIVERS OPER CO III LLC		3. Operator Address (include street, city, state, zip): 5301 SOUTHWEST PARKWAY STE 400 AUSTIN, TX 78735-0000		
4. Lease Name SMITHER STATE UNIT 47-38		5. Well No. <u>2H</u>				
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 <u>11450</u>		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. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>15.3</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 <u>47</u>	16. Block <u>45</u>	17. Survey <u>PSL/ GOSS, G W</u>		18. Abstract No. <u>A-2629</u>	19. Distance to nearest lease line: <u>680</u> ft.	
20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1068.22</u>						
21. Lease Perpendiculars: <u>320</u> ft from the <u>SOUTH</u> line and <u>990</u> ft from the <u>WEST</u> line.						
22. Survey Perpendiculars: <u>320</u> ft from the <u>SOUTH</u> line and <u>990</u> ft from the <u>WEST</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	
08	31913800	FORD, WEST (WOLFCAMP)		Oil or Gas Well	11450	
31. Distance to Nearest Well in this Reservoir				32. Number of Wells on this lease in this Reservoir		
3159.00				2		
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Sep 28, 2017 5:06 PM]: This is the second well on this lease.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Anne Maness, Sr Regulatory Analyst</u> Name of filer <u>Sep 28, 2017</u> Date submitted <u>(512)6003195</u> Phone <u>amaness@3roc.com</u> E-mail Address (OPTIONAL)		
RRC Use Only Data Validation Time Stamp: Oct 10, 2017 2:37 PM ('As Approved' Version)						

Permit Status:	Approved
<i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i>	

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

07/2004
Form W-1H
Supplemental Horizontal Well Information

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 #	831466
Approved Date:	Oct 10, 2017

1. RRC Operator No. 857765	2. Operator's Name (exactly as shown on form P-5, Organization Report) THREE RIVERS OPER CO III LLC	3. Lease Name SMITHER STATE UNIT 47-38	4. Well No. 2H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 FORD, WEST (WOLFCAMP) (Field # 31913800, RRC District 08)			
6. Section 38	7. Block 45	8. Survey PSL/ MEEKER, J R	9. Abstract 5991
		10. County of BHL REEVES	
11. Terminus Lease Line Perpendiculars 680 ft. from the North line. and 990 ft. from the West line			
12. Terminus Survey Line Perpendiculars 2440 ft. from the North line. and 990 ft. from the West line			
13. Penetration Point Lease Line Perpendiculars 850 ft. from the South line. and 990 ft. from the West line			

T O T A L

API No. _____ Application Status # <u>831466</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RE-COMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Pending Approval <i>The RRC has not approved this application.</i> <i>Duplication or distribution of information is at the user's own risk.</i>	
1. RRC Operator No. <u>857765</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>THREE RIVERS OPER CO III LLC</u>		3. Operator Address (include street, city, state, zip): <u>5301 SOUTHWEST PARKWAY STE 400</u> <u>AUSTIN, TX 78735-0000</u>		
4. Lease Name <u>SMITHER STATE UNIT 47-38</u>		5. Well No. <u>2H</u>				
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 <u>11450</u>		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. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>15.3</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 <u>47</u>		16. Block <u>45</u>		17. Survey <u>PUBLIC SCHOOL LANDS</u>		
		18. Abstract No. <u>A-2629</u>		19. Distance to nearest lease line: <u>680</u> ft.		
				20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1068.22</u>		
21. Lease Perpendiculars: <u>320</u> ft from the <u>SOUTH</u> line and <u>990</u> ft from the <u>WEST</u> line.						
22. Survey Perpendiculars: <u>320</u> ft from the <u>SOUTH</u> line and <u>990</u> ft from the <u>WEST</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	
<u>08</u>	<u>31913800</u>	<u>FORD, WEST (WOLFCAMP)</u>		<u>Oil or Gas Well</u>	<u>11450</u>	
31. Distance to Nearest Well in this Reservoir				32. Number of Wells on this lease in this Reservoir		
<u>3159.00</u>				<u>2</u>		
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Sep 28, 2017 5:06 PM]: This is the second well on this lease.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Anne Maness, Sr Regulatory Analyst</u> <u>Sep 28, 2017</u> Name of filer Date submitted <u>(512)6003195</u> <u>amaness@3roc.com</u> Phone E-mail Address (OPTIONAL)		
RRC Use Only Data Validation Time Stamp: <u>Sep 28, 2017 5:09 PM (Current Version)</u>						

Permit Status: Pending Approval

*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.*

Form W-1H 07/2004
Supplemental Horizontal Well Information

Status # 831466

Approved Date:

1. RRC Operator No. 857765	2. Operator's Name (exactly as shown on form P-5, Organization Report) THREE RIVERS OPER CO III LLC	3. Lease Name SMITHER STATE UNIT 47-38	4. Well No. 2H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 FORD, WEST (WOLFCAMP) (Field # 31913800, RRC District 08)			
6. Section 38	7. Block 45	8. Survey PUBLIC SCHOOL LANDS	9. Abstract 5702
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 680 ft. from the North line. and 990 ft. from the West line			
12. Terminus Survey Line Perpendiculars 2440 ft. from the North line. and 990 ft. from the West line			
13. Penetration Point Lease Line Perpendiculars 850 ft. from the South line. and 990 ft. from the West line			

70.70.71



GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Groundwater Advisory Unit

Date Issued: 13 October 2017

GAU Number: 181141

Attention: THREE RIVERS OPER CO III
5301 SOUTHWEST PARKWAY
AUSTIN, TX 78735

Operator No.: 857765

API Number:
County: REEVES
Lease Name: Smither State Unit 47-38
Lease Number:
Well Number: 2H
Total Vertical Depth: 11450
Latitude: 31.627172
Longitude: -104.029353
Datum: NAD27

Purpose: New Drill

Location: Survey-PSL; Abstract-2629; Block-45; Section-47

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

The interval from the land surface to the base of the Rustler, which is estimated to occur at a depth of 1100 feet, must be protected.

This recommendation is applicable to all wells within a radius of 1000 feet of this location.

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

This determination is based on information provided when the application was submitted on 09/28/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2
Rev. 02/2014

P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov

File No. MF16822

Reeves County

Drilling Permit API 389-36418 Unit 8115

Date Filed: 02/13/2018

George P. Bush, Commissioner

By gm

10.10.11



November 7, 2016

Texas General Land Office
Attn: Drew Reid
PO Box 12873
Austin, TX 78711

RE: GLO Free Royalty Interest:
• South 426.67 acres of Section 38, Block 45, PSL Survey, Reeves County

Dear Mr. Reid,

The State of Texas owns a Free Royalty Interest in the tract described above. Enclosed are certified recorded copies of three Oil and Gas Leases covering these tracts and a check in the amount of \$75 for the filing fees.

Please reply with the Mineral File numbers for these leases as listed on the following page.

Please contact me at (512) 706-9853 or jadkins@3roc.com if you have any questions or need additional information.

Thank you,

Jessica Adkins
Land Administration Manager

Three Rivers Operating Company III LLC
5301 Southwest Parkway, Ste 400
Austin, Texas 78735

enclosures

11-15-16

State of Texas Free Royalty Interest

Reeves County:

o South 426.67 acres of Section 38, Block 45, PSL Survey

3ROC LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	VOLUME	PAGE	GLO FILING FEE
TX30330012-006	BRUNO AND MARSHALL INVESTMENTS	THREE RIVERS ACQUISITION III LLC	5/18/2016	1293	371	\$ 25.00
TX30330012-007	MBR OIL & GAS #1 LTD	THREE RIVERS ACQUISITION III LLC	8/17/2016	1310	615	\$ 25.00
TX30330012-008	MIDTEX ROYALTY II LP	THREE RIVERS ACQUISITION III LLC	8/25/2016	1319	637	\$ 25.00
						\$ 75.00

TOTAL FILING FEE \$ 75.00

Three Rivers Operating Company III LLC
5301 Southwest Parkway, Suite 400 • Austin, TX 78735

JA

CHECK NO.

010903

Reference	Inv date	Invoice No.	Invoice Amt	Prior Pmt	Discount	Amount Paid
1611-AP-1	11/07/16	CKREQ110716	75.00	0.00		75.00

17703686

Vendor

2468 COMMISSIONER OF THE TEXAS GEN

Ck date

11/10/16

75.00

RIV-100

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

Three Rivers Operating Company III LLC

5301 Southwest Parkway, Suite 400
Austin, Texas 78735

JPMORGAN CHASE BANK N.A.
HOUSTON, TX
88 - 88 / 1113

17703686 010903

DATE

11/10/16

CONTROL NUMBER

2958

PAY Seventy-five dollars and 00 cents

AMOUNT

*****75.00

TO THE
ORDER
OF

COMMISSIONER OF THE TEXAS GEN
LAND OFFICE
1700 N CONGRESS AVE
STEPHEN F AUSTIN STATE BLDG
AUSTIN, TX 78701-1495

010903

File No. 116022

County
Ltr & fee
Date Filed: 04/18/18
George P. Bush, Commissioner
By [Signature]

11.12.18

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

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

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MEMORANDUM OF OIL, GAS AND MINERAL LEASE

This Memorandum of Oil, Gas and Mineral Lease is made and dated this 18th day of May, 2016, by and on behalf of **Bruno and Marshall Investments**, whose address is P.O. Box 590, Midland, Texas 79702 ("Lessor") and **Three Rivers Acquisition III LLC**, whose address is 5301 Southwest Parkway, Suite 400, Austin, Texas 78735 ("Lessee").

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WITNESSETH

Lessor, in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration, did make and execute in favor of Lessee the Oil, Gas and Mineral Lease dated and effective May 18, 2016, (hereinafter called the "Lease") covering Lessor's interest in the following described lands in Reeves County, Texas:

South 426.67 acres of Section 38, PSL, Block 45

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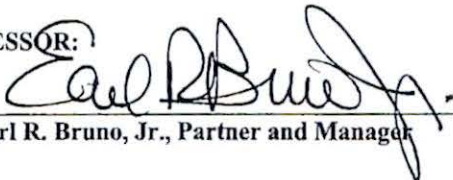
The Oil, Gas and Mineral Lease, subject to certain extension and termination provisions, contains a primary term of three (3) years and shall remain in force as long thereafter as oil, gas, liquid hydrocarbons or their constituent products, or any of them, is produced in commercial paying quantities from the above described lands by Lessee.

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This Memorandum of Oil, Gas and Mineral Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil, Gas and Mineral Lease shall have no effect upon, and is not intended as an amendment of, the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the lands described herein, whether or not the lands recited herein are properly described, and further it is understood that this Lease includes all rights owned by the Lessor in such lands whether or not correctly described and any other properties owned by the Lessor in the lands described herein. A copy of the Lease has been retained by the Lessor and Lessee.

IN WITNESS WHEREOF this Memorandum of Oil, Gas and Mineral Lease is executed as of the date first above written.

LESSOR:



Earl R. Bruno, Jr., Partner and Manager



**TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE**

97.51.11

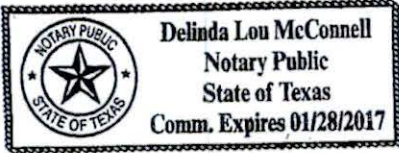
ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND

§
§
§

This instrument was acknowledged before me on the 15th day of JUNE, 2016, by Earl R. Bruno, Jr., Partner and Manager of Bruno and Marshall Investments.



Delinda Lou McConnell
Notary Public

My Commission Expires: 01/28/17

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Inst No. 16-09005
DIANNE O. FLOREZ
COUNTY CLERK
2016 Jul 18 at 11:06 AM
REEVES COUNTY, TEXAS
By: BA Brittany DEPUTY



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

97-57-11

CLERKS OFFICE
REEVES COUNTY
ORIGINAL FILED IN
COPY OF
TRUE & CORRECT



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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1293 PAGE 371, THRU 372.

I hereby certified on 9 22 16

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Aranda DEPUTY



17-12-16

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

OIL AND GAS LEASE

STATE OF TEXAS §
 §
COUNTY OF REEVES §

This Oil and Gas Lease is made and entered into this **18th day of May, 2016**, between **Bruno and Marshall Investments**, a Texas general partnership, whose mailing address P.O. Box 590, Midland, Texas 79702, herein called Lessor, and **Three Rivers Acquisition III LLC**, whose address is 5301 Southwest Parkway, Suite 400, Austin, Texas 78735, herein called Lessee:

WITNESSETH:

1. Lessor, in consideration of TEN AND NO 100 DOLLARS (\$10.00) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged, of the royalties herein provided, and of the covenants, agreements and obligations hereinafter contained on the part of Lessee to be kept and/or performed and upon the conditions and with the limitations hereinafter set forth and contained, hereby GRANTS, LEASES and LETS exclusively unto Lessee for the sole and only purpose of investigating, exploring, prospecting, drilling and operating for, developing and producing oil and gas (oil and gas, for all purposes of this lease, being defined to include oil, gas, casinghead gas, and the byproducts thereof, and such other hydrocarbons and sulphur as are necessarily produced with, and incidental, to the production of oil and/or gas from wells on the lands herein leased), laying pipelines, building roads, tanks, power stations and other structures thereon, to produce, save, take care of, treat, store, transport and own said products, all of the following described land located in Reeves County, State of Texas, (the "**Leased Premises**"):

South 426.67 acres of Section 38, Block 45, PSL

For purposes hereof, the Leased Premises shall be deemed to contain 426.67 acres, whether it actually contains more or less.

2. Subject to the other provisions herein contained, this Lease shall be for a term of three (3) years from this date (called "**Primary Term**") and as long thereafter as oil and/or gas is produced in paying quantities from the Leased Premises hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from the Leased Premises, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, drilling and completion costs. The review period for purposes of determining whether production is in paying quantities shall be the 365 consecutive-day period chosen by Lessor. There shall be no review period where production completely ceases. Production in less than paying quantities shall never be considered as production for the purposes of this Lease.
3. Lessee covenants and agrees to pay to Lessor the following royalties which are hereby reserved and retained by Lessor:
 - (a) On all oil and on all liquid hydrocarbons extracted from gas under the provisions hereof, **one-fourth (1/4th)** of the market value at the well of that produced and saved from the Leased Premises, such value to be determined by (i) the posted price, plus premium, if any, paid for oil, condensate, distillates or other liquid hydrocarbons, respectively of a like type and gravity where produced and when run in the general area, or (ii) the highest price, plus any premium, received by Lessee, its marketing affiliate, or any other person or entity affiliated with Lessee, whichever is the greater.

- (b) On all gas produced from the Leased Premises, including casinghead gas and residue gas at the tailgate of any plant through which gas produced from the Leased Premises may be processed, **one-fourth (1/4th)** of the market value of the gas at the well or at Lessor's option, **one-fourth (1/4th)** of the gas, in kind, at the well or at the outlet side of the separator, or at the tailgate of any plant through which gas is processed, as the case may be. Market value is to be based on the market price at the well offered for gas of comparable quality where produced and when run, or the gross price paid to the producer, whichever is greater.
- (c) On condensate and all liquid hydrocarbon products separated, extracted or manufactured from gas produced from the Leased Premises by any extraction, absorption, pressuring or other plant belonging wholly or in part to Lessee or any subsidiary company, **one-fourth (1/4th)** of the market value at the plant of all such condensate and other products so separated, extracted or manufactured, or, at Lessor's option, **one-fourth (1/4th)** of such condensate and other products, in kind, shall be delivered to Lessor at the plant.
- (d) On condensate and all liquid hydrocarbon products separated, extracted or manufactured from gas produced from the Leased Premises by an extraction, absorption, pressuring or other plant belonging to a third party or parties, **one-fourth (1/4th)** of the amount received by Lessee from the sale of condensate and other products separated, extracted or manufactured by said plant and credited to Lessee under the terms of Lessee's contract with such plant.
- (e) This lease is intended to cover only oil and gas, but it is contemplated that some sulphur may be produced necessarily with, and incidental to, the production of oil and gas and, in such event, this lease shall also cover such sulphur so produced. On all sulphur so produced under and by virtue of the terms of this lease, Lessor shall have and be entitled to a royalty of **one-fourth (1/4th)** of all such sulphur produced and saved, same to be delivered to Lessor, free of all costs, or, at the option of Lessor, Lessee shall account to Lessor for **one-fourth (1/4th)** of the amount received by Lessee from the sale of such sulphur.
- (f) At any time, either before or after the expiration of the Primary Term of this lease, where gas from a well located on the Leased Premises and completed as a commercial producer of gas only is not sold, Lessee may pay or tender as royalty, by a valid check of Lessee, to Lessor or the parties entitled to receive royalties under this lease on or before ninety (90) days after the date on which (1) the first gas well is shut-in, or (2) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and annually thereafter, a shut-in gas well royalty payment in the amount hereinafter provided, and if such payment is properly and timely made, it will be considered that gas is being produced from the Leased Premises in accordance with the terms of this lease; provided, however, this lease may not be continued in force by the making of shut-in gas well royalty payments as herein provided for a period of longer than two (2) consecutive years after the end of the Primary Term. The annual payment following the date on which a well is shut-in shall be a sum of money equal to \$1,000.00 per net mineral acre for the acreage within the Producing Unit (as defined in Paragraph 8 below) allocated to such gas well. The term "**gas only**" includes gas, distillate, condensate and other substances produced from a gas well or a well classified as a gas well by the governmental agency having jurisdiction, but not casinghead gas or any substance produced from any oil well.
- (g) All royalties payable under Subparagraphs (a), (b), (c), (d) and (e) of this Paragraph 3 shall be without deduction for the cost of producing, gathering, storing, separating at the well head, treating and/or transporting the oil and gas produced hereunder. Lessor shall bear his/her portion of any applicable severance, ad valorem and other taxes (if any) levied by a governmental taxation jurisdiction having the power of legal assessment in the above described county and state.
- (h) In the event Lessee enters into any agreement containing what is commonly referred to as a "take or pay provision" or a provision of similar import (such provision meaning that the purchaser agrees to take delivery of a specified minimum volume or quantity of gas over a specified term at a specified price or to make minimum periodic payments to the producer for gas not taken by the purchaser) and the purchaser under such agreement makes payments to Lessee by virtue of such purchaser's failure to take delivery of such minimum volume or quantity of gas, then Lessor shall be entitled to



one-fourth (1/4) of all such sums paid to Lessee or producer under the "pay" provision of such agreement.

- (i) Notwithstanding anything contained in this Paragraph 3 or elsewhere in this lease to the contrary, Lessor may at any time and from time to time, on sixty (60) days prior notice in writing to Lessee, require that payment of all or any part of the royalties accruing to Lessor under this lease on oil, gas or any product, be made in kind, effective as of the first day of the calendar month next following the expiration of said sixty (60) day period, or if payment of any such royalties are then being made to Lessor in kind, require that such in kind payments cease and that payment of such royalties thereafter be made as provided in this Paragraph 3, with Lessor having the recurring right on a yearly basis to either take in kind, cease taking in kind, and resume taking in kind, all or any part of such royalties. Any additional expenditures resulting solely from Lessor's taking in kind or separately marketing Lessor's royalty gas (and which would not have been necessary otherwise) shall be borne and paid by Lessor. Any meter hook-up will be installed by Lessee or Assigns, and paid for by Lessor within thirty days of billing.
 - (j) Royalty on oil or gas is due and must be received by Lessor, within one hundred-twenty (120) days after the end of the month during which there occurs the first purchase of production of oil and/or gas from any well on the Leased Premises or lands pooled herewith. Royalties on sales of production for subsequent months shall be paid within sixty (60) days after the end of the calendar month in which the sales occur. Any royalty not paid within the time specified herein shall bear simple interest at the rate provided for under Chapter 91 of the Texas Natural Resources Code, as amended. In the absence of a bona fide dispute, if royalties owed to Lessor hereunder are not paid within sixty (60) days after Lessor has given Lessee written notice of such default by certified mail, return receipt requested, then this Lease shall be subject to forfeiture at Lessor's election. If Lessor elects to consider this Lease to have been forfeited in accordance with this provision, Lessor shall send to Lessee by certified mail, return receipt requested, a Notice of Forfeiture no earlier than upon the expiration of the thirty (30) day period set forth herein. Further, the terms of this lease may not be amended or superseded by any division order.
 - (k) Lessee shall have free use of oil or gas produced from the Leased Premises for all operations on the Leased Premises, however, Lessor shall be paid royalty on all oil and gas produced (including oil or gas used by Lessee for operations on or off the Leased Premises), except gas, casinghead gas or other gaseous substances lost or wasted due to plant leakage with respect to gas, casinghead gas or other gaseous substances treated in a gas treatment plant.
4. Lessee shall have free use of water from the Leased Premises, except water from the Lessor's wells, tanks, or any stream or river on or adjoining the Leased Premises, for drilling, reworking and ordinary lease operations.
5. (a) This is a "paid up" oil and gas lease, and no rental payments are due during the Primary Term hereof.
- (b) Lessee may at any time or times execute a release or releases covering any portion or portions of the Leased Premises, record the same and deliver to Lessor a copy of the same reflecting the recording data, and thereby surrender this lease as to such portion or portions, and be relieved of all obligations as to the acreage surrendered.
6. After the expiration of the Primary Term, if oil or gas has been produced from the Leased Premises, and if all production thereof in paying quantities should cease from any cause, this lease shall not terminate, provided Lessee, until production is again obtained, does not permit more than ninety (90) days to elapse between the cessation of production and the beginning of additional drilling or reworking operations in a bona fide attempt to obtain production, and if such operations result in the discovery of oil or gas, this lease shall not terminate as long as oil or gas is being produced by Lessee from the Leased Premises in paying quantities.
7. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land not owned by Lessor and draining the Leased Premises, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

8. Notwithstanding anything herein to the contrary, at the expiration of the Primary Term hereof, this Lease shall remain in effect as to all of the Leased Premises for so long as Lessee is then engaged to continuously develop the Leased Premises allowing no more than 180 days to elapse from the date the drilling rig is released from one well until the commencement of actual operations for the drilling of another well on the Leased Premises ("**Continuous Development Period**"). For the purposes of interpretation of this provision, actual operations for the drilling of another well shall be determined to be commenced on the calendar day that the drill bit attached to a Capable Drilling Rig first penetrates the ground at its wellbore's surface location. This meaning is intended to be different than that sometimes accorded lease provisions such as "commencement of a well," "commencement of operations," "drilling operations," "operations for drilling" and the like when such have been interpreted to include activities prior to the penetration of the ground by a Capable Drilling Rig; such preliminary activities, including but not limited to surveying, staking, dirt moving, road building, site preparation, rig assembly and preliminary shallow drilling with a non-capable rig, expressly do not constitute actual operations for the drilling of another well for purposes of this Lease. A Capable Drilling Rig shall mean a drilling rig constructed and equipped so as to be able to drill to the total depth of a permitted well planned as a commercial well in a reasonably expeditious manner. Expressly excluded from this meaning is a drilling rig used for preliminary operations, such as setting surface casing, drilling a "rat hole," or similar near surface activities, but which is not used to drill the well to its total depth - for purposes of this lease such a rig is considered to be a non-capable rig, not a Capable Drilling Rig. Unless this Lease is otherwise maintained in force and effect as provided herein, upon the expiration of either the Primary Term (if Lessee elects not to continuously develop), or the Continuous Development Period, this Lease shall terminate as to (1) all lands not then included within a Producing Unit (as defined below), and (2) all depths and horizons lying one hundred (100) feet below the stratigraphic equivalent of (i) the base of the deepest formation producing commercially or (ii) the base of the deepest formation capable of producing commercially from a well for which shut-in royalty has been timely and properly paid in accordance with Paragraph 3(f) above, in each of the then producing or shut-in Producing Units. For the purposes of this Lease, the term "**Producing Unit**" is defined as follows:

- (a). The maximum amount of acreage permitted within a proration unit for a producing well formed pursuant to Special Field Rules of the Railroad Commission of Texas, or any other governmental agency having jurisdiction thereof; or
- (b). If there are no Special Field Rules in effect for the field in which such producing well is completed and Lessee has not filed an application for such rules on or before said expiration then all lands included in a Producing Unit formed as follows:

- (1) for Horizontal Wells, the Producing Unit shall contain the following acreage:

160 acres Plus Additional Acreage Assignment for Fields with a Density Rule Greater than 40 acres (which is based on Horizontal Drainhole Displacement) as provided in Texas Railroad Commission Rule 86 (adopted effective June 1, 1990);

For purposes hereof, a "**Horizontal Well**" shall be defined as an oil or gas well in which the Horizontal Drainhole Displacement of the gross completion interval exceeds 100 feet in length. "**Horizontal Drainhole Displacement**" shall be the distance from the penetration point of the correlative interval to the terminus of the wellbore.

- (2) for all wells other than Horizontal Wells, the Producing Unit shall contain the following acreage:

40 acres for an oil well and 160 acres for a gas well.

For the purposes hereof, the classification of a well as a gas well or an oil well and the perforated and producing intervals will be as shown by the records of the Railroad Commission of Texas or other regulatory body having jurisdiction and such records will be conclusive.

- (c). If there are no Special Field Rules in effect for the field in which such producing well is completed but Lessee has filed an application for such rules on or before the expiration of the Primary Term (if Lessee elects not to continuously develop) or the Continuous Development Period, whichever is

later, the Producing Unit shall contain the amount of acreage as permitted in accordance with said application until such time as the Texas Railroad Commission, or any other governmental agency having jurisdiction, has issued an order establishing Special Field Rules for said field. In the event such an order is not issued on or before two (2) years after the expiration of the Primary Term (if Lessee elects not to continuously develop) or the Continuous Development Period, whichever is later, then the Producing Unit definition under 8(a) or 2(b) above, whichever is applicable, shall apply.

Further, upon the later to occur of (a) three (3) years after the expiration of the Primary Term, or (b) three (3) years after cessation of the Continuous Development Period, this Lease shall further terminate as to all lands held by production in paying quantities, as to all depths between the surface and one hundred feet (100') above the most shallow producing perforation then producing oil and gas. Within thirty (30) days after a partial termination of this lease as provided above, Lessee shall execute and deliver to Lessor a recordable release of this lease as to all the Leased Premises hereby save and except the lands and depths to be allocated to each Producing Unit in accordance with the terms set forth above.

After the expiration of the Primary Term or upon cessation of the Continuous Development Period, whichever occurs last, each Producing Unit shall be considered a separate and distinct lease containing identical terms to this Lease, so that thereafter each separate lease can be kept in force and effect only by actual production from, or operations upon, that particular tract without regard to production or drilling operations upon the other tracts retained by Lessee under the terms hereof.

9. With respect to actual operations conducted by Lessee on the Leased Premises, it is agreed by and between Lessor and Lessee as follows:
 - (a) Prior to the commencement of any operations on the Leased Premises, Lessee shall give Lessor notice of Lessee's intention to commence operations, the approximate date of such commencement and the approximate location of same, and the type of operations to be conducted, such notice to be given within a reasonable time prior to the actual commencement of operations.
 - (b) All operations conducted by Lessee on the Leased Premises shall be conducted in accordance with all applicable federal, state and local environmental laws and regulations.
 - (c) Any salt water produced from wells drilled under this lease shall be disposed of off of the Leased Premises or shall be reinjected into a subsurface strata at a depth sufficient to protect all oil and/or gas bearing formations and all sources and supplies of fresh and potable water.
 - (d) Lessee shall at all times defend, indemnify and save and hold harmless Lessor and Lessor's heirs, successors and assigns, from any and all claims, liabilities, demands, damages and causes of action in any manner due to or arising out of Lessee's ownership of rights pursuant to this lease or any and all operations of Lessee, its assigns, employees, agents and contractors on the Leased Premises. Notwithstanding the foregoing, Lessee agrees to indemnify and hold harmless Lessor from and against any claims resulting from or arising out of or in connection with operations of or for Lessee hereunder, and from and against all costs and expenses incurred by Lessor from and against any and all claims. Each assignee claiming hereunder agrees to indemnify and hold harmless Lessor from and against any and all claims resulting from or arising out of or in connection with operations of or for such assignee hereunder, and from and against all costs and expenses incurred by Lessor by reason of such claim or claims, unless it is determined by final judgment of a court of competent jurisdiction that the percentage of negligence of lessor is greater than the percentage of negligence of Lessee.
 - (e) So long as this lease continues in force and effect as to any portion of the Leased Premises and for the sole purpose of operation on and production from, the Leased Premises, Lessee shall be deemed to have a continuing non-exclusive easement and rights of ingress and egress on the lands covering the Leased Premises even though this lease has been released or has otherwise terminated with respect to portions of the Leased Premises.

10. Upon request, Lessee shall furnish Lessor with copies of all logs. Lessee shall also furnish Lessor with daily drilling reports, said information to be faxed or emailed to Lessor upon its request. Any proprietary information so furnished by Lessee shall be held confidential to and for the sole use of Lessor for and during the term of this Oil and Gas Lease.
11. Lessee shall furnish Lessor with a copy of all complete title opinions obtained by Lessee, together with any curative pertaining to the interest of Lessor, within fifteen (15) days from the receipt by Lessee of such information. Any proprietary information so furnished by Lessee shall be held confidential to and for the sole use of Lessor for and during the term of this Oil and Gas Lease.
12. Except as otherwise provided herein, Lessee shall have the right at any time during or within six (6) months after the expiration of this lease as to any portion of the Leased Premises, to remove all property and fixtures placed by Lessee on any such portion of the Leased Premises, including the right to draw and remove all casing, then belonging to Lessee and not taken over by Lessor under some other provision of this lease.
13. All rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, successors, executors, administrators and assigns of such party, but no change or division in ownership of the Leased Premises or of the rentals and royalties payable to Lessor hereunder shall operate to enlarge the obligations or diminish the rights of Lessee; and no such change or division in ownership shall be binding on Lessee until the person acquiring any interest has furnished Lessee with a copy of the instrument, reflecting the recording data, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of future, unaccrued obligations hereunder with respect to the interest assigned. Provided, however, that no assignment by Lessee to another party shall relieve Lessee of its obligation hereunder to properly plug and abandon any well drilled hereunder which is abandoned as a dry hole, in accordance with the rules, regulations and orders of the Texas Railroad Commission or other governmental authority having Jurisdiction, or Lessee's obligation, upon the termination of operations at any site on the Leased Premises to remove all debris and restore the surface of such site as nearly as practicable to the condition existing prior to the commencement of such operations. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the Leased Premises and such notice shall be accompanied by a true copy of the instrument effecting such assignment. All rights and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of each party.
14. Should Lessee be prevented from complying with any express or implied covenants of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of operation of force majeure, or by any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable in damages for failure to comply therewith; the time provided for compliance shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas from the Leased Premises, and the time while Lessee is so prevented shall not be counted against Lessee. However, nothing herein shall excuse Lessee from paying, or extending the time for paying, any royalty, shut-in gas royalty or other payment payable in money hereunder, or permit Lessee to maintain this lease in force and effect by shut-in gas well royalty payment for any period longer than two (2) consecutive years after the end of the Primary Term. Notwithstanding the foregoing, Lessee shall not be entitled to the relief described above when the cause or causes therefore could have been reasonably prevented by Lessee's actions or when the delay or default is caused by Lessee's actions.
15. This lease is made by Lessor without warranty of any kind, either express or implied. Lessor hereby agrees that Lessee, at its option, shall have the right at any time to redeem for Lessor by payment any mortgage, tax or other lien upon the Leased Premises, in the event of default of payment by Lessor, and in the event Lessee does so, Lessee shall be subrogated to the rights of the holder thereof. If this lease covers an interest in the Leased Premises less than the entire oil and gas estate, then the royalties to be paid Lessor hereunder shall be reduced proportionately.
16. Any notice provided or permitted to be given under this Lease must be in writing and may be served by depositing same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested; by delivering the same in person to such party; or by telecopy. Notice given in accordance herewith will be effective upon receipt at the address of the addressee. A courtesy copy of any notice provided hereunder may also be provided via electronic means to the party to be notified; provided, however, that



the original must be delivered in the manner provided above and the delivery of such original shall be the effective notice for all purposes. For purposes of notice, the addresses of the parties will be as follows:

If to LESSOR:

Bruno and Marshall Investments
Attn: Weston Bruno
P.O. Box 590
Midland, Texas 79702
Phone: 432-685-0113
Fax: 432-685-3621
Email: wbruno@aspen-grove.com

If to LESSEE:

Three Rivers Acquisition III, LLC
Attn: Land Department
5301 Southwest Parkway, Suite 400
Austin, Texas 78735
Phone: 512-706-9840
Fax: 512-600-3199
Email: dgoodman@3roc.com

17. By way of expansion, and not as a limitation of any other indemnity herein, Lessee shall defend, indemnify, save and hold harmless, Lessor, his employees, agents, successors and assigns, from and against any and all damages, losses, claims, suits, judgments, obligations and liabilities of any kind (strict, absolute or otherwise), including any attorneys' fees or consulting fees, arising out of Lessee's possession or ownership of the Leased Premises, or Lessee's operations on the Leased Premises demanded or claimed pursuant to any federal, state or local law (including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act [CERCLA], as amended, the Resource Conservation and Recovery Act [RCRA], as amended, or the Federal Water Pollution Control Act [FWPCA], as amended, and their state or local counterparts), statute, regulation, ordinance, or determined in any adjudication, order, permit, directive or consent decree (whether judicial or administrative) in any action, suit or proceeding relating to the protection of human health, safety or the environment. Notwithstanding the foregoing, Lessee agrees to indemnify and hold harmless Lessor from and against any claims resulting from or arising out of or in connection with operations of or for Lessee hereunder, and from and against all costs and expenses incurred by Lessor from and against any and all claims. Each assignee claiming hereunder agrees to indemnify and hold harmless Lessor from and against any and all claims resulting from or arising out of or in connection with operations of or for such assignee hereunder, and from and against all costs and expenses incurred by Lessor by reason of such claim or claims, unless it is determined by final judgment of a court of competent jurisdiction that the percentage of negligence of lessor is greater than the percentage of negligence of Lessee.
18. In order for the Lessee to obtain production from the Leased Premises, Lessor acknowledges that it may become necessary for the Lessee to pool production from the Leased Premises with production from adjacent land, as to any or all depths or zones, and as to oil and gas, or either of them, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop, or operate the Leased Premises, whether or not similar pooling authority exists with respect to such other lands, leases, or interests. Units so pooled will not exceed the standards enunciated for Producing Units pursuant to the terms of Paragraph 8 herein below and the portion of the Leased Premises committed to such unit on a gross acreage basis will make up not less than twenty five percent (25%) of the total acreage in each such unit. Lessee may pool or combine the Leased Premises or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other strata or stratum, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee will file of record a written declaration describing the unit, and the effective date of pooling will be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands lying within a unit. Such lands lying within a unit may include, but are not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling, or reworking operations anywhere on a unit that includes all or any part of the Leased Premises, regardless of whether such production was secured or such drilling or reworking operations were commenced before or after the execution of this Lease or the instrument designating the pooled unit, will be treated for all purposes (except the payment of royalties on production from the pooled unit) as if there were production, drilling, or reworking operation on that portion of the Leased Premises included in the pooled unit, and references herein to production from or operations on the Leased Premises will be deemed to include production from or operations on any portion of such a pooled unit. The production on which Lessor's royalty is calculated will be that proportion of the total unit production for which the net acreage covered by this Lease and

included in the unit bears to the total gross acreage in the unit. Pooling in one or more instances will not exhaust Lessee's pooling rights hereunder, and Lessee will, without the joinder of Lessor, have the recurring right, but not the obligation, to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the applicable governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of oil and/or gas in and under and that may be produced from the Leased Premises; provided, however, that as a result of any such revision the portion of the Leased Premises committed to such unit on a gross acreage basis makes up not less than twenty five percent (25%) of the total acreage in such unit. In making such a revision, Lessee will file of record a written declaration describing the revised unit and the effective date of revision will be the date of filing unless provided otherwise in such declaration. To the extent that any portion of the Leased Premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder will thereafter be adjusted accordingly, and such adjustment will be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution will be the date of filing unless provided otherwise in such declaration. If this Lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or will be implied or result merely from the inclusion of such separate tracts within this Lease, but Lessee will nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. As used herein, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the Leased Premises.

19. This Lease will be governed by and construed in accordance with the laws of the United States of America and the State of Texas, and will be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, representatives and assigns.
20. Lessor and Lessee expressly agree and stipulate that this Lease was prepared jointly by Lessor and Lessee, and not by any one party to the exclusion of the other. Accordingly, Lessor and Lessee agree that any rule of construction resolving any ambiguities against the drafting party shall be inapplicable to this Lease. If either party places any dispute under this Lease in the hands of an attorney for enforcement and prevails, in whole or in part, the nonprevailing party will, in addition to all other amounts it may owe, reimburse the prevailing party for all of the prevailing party's reasonable costs and expenses of enforcing its rights under this Lease, including attorneys' fees and expenses, and costs of court.
21. No express obligation imposed upon Lessee herein will relieve it of any implied or otherwise existing duty of exploration, development, operation, marketing or protection from drainage. All express obligations will be construed as providing minimum standards only.
22. The terms and provisions hereof will inure to the benefit of and be binding upon the heirs, representatives, successor and assigns of Lessor and Lessee. If any one or more of the provisions of this Lease, or any exhibit hereof, is for any reason held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability will not affect any other provision.
23. This Lease may be executed in any number of counterparts, all of which will be deemed an original, and all of which will be construed together as but one instrument.
24. Lessee shall be responsible for recording this Lease, or a memorandum thereof, in the Public Records of the appropriate county. A copy of the recorded Lease or memorandum shall be delivered to Lessor within sixty (60) days of the date of this Lease. If the Lessee elects to record a memorandum, said memorandum shall contain, at a minimum, the information concerning the parties hereto, a description of the Leased Premises, and the Primary Term.

IN WITNESS WHEREOF, this instrument is executed as of the day, month and year first hereinabove written.



LESSOR:

Bruno and Marshall Investments

Earl R. Bruno, Jr.
Earl R. Bruno, Jr., Partner and Manager

LESSEE:

Three Rivers Acquisition III LLC

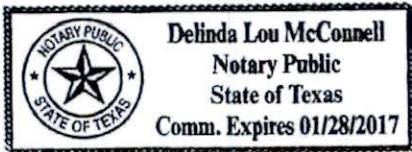
DL
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PRESIDENT

THE STATE OF TEXAS

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COUNTY OF MIDLAND

On this the 15th day of JUNE, 2016, before me, Earl R. Bruno, Jr., Manager and Partner of Bruno and Marshall Investments personally appeared, who acknowledged himself and that he, being authorized so to do, executed the foregoing instrument for the purposes therein contained and in the capacities stated therein.



Delinda Lou McConnell

Notary Public, State of Texas

Notary's Printed Name: DELINDA LOU MCCONNELL

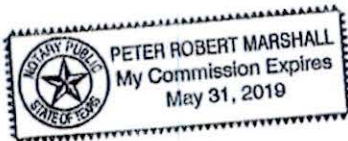
Notary's Commission Expires: 01/28/17

THE STATE OF TEXAS

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COUNTY OF TRANS

On this the 12 day of JULY, 2016, before me, MIKE WICKERICH of Three Rivers Acquisition III LLC personally appeared, who acknowledged HIMSELF and that HE, being authorized so to do, executed the foregoing instrument for the purposes therein contained and in the capacities stated therein.



Peter Marshall
Notary Public, State of Texas

Notary's Printed Name: PETER MARSHALL

Notary's Commission Expires: MAY 31, 2019

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

STATE OF TEXAS
COUNTY OF REEVES

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KNOW ALL MEN BY THESE PRESENTS

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

This Memorandum of Oil, Gas and Mineral Lease is made and dated this 17 day of August, 2016, by and on behalf of MBR Oil and Gas #1 Ltd., whose address is 2216 Cedar Springs #1707 ("Lessor") and Three Rivers Acquisition III LLC, whose address is 5301 Southwest Parkway, Suite 400, Austin, Texas 78735 ("Lessee").

WITNESSETH

Lessor, in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration, did make and execute in favor of Lessee the Oil, Gas and Mineral Lease dated and effective August 17, 2016, (hereinafter called the "Lease") covering Lessor's interest in the following described lands in Reeves County, Texas:

South 426.67 acres of Section 38, PSL, Block 45

The Oil, Gas and Mineral Lease, subject to certain extension and termination provisions, contains a primary term of three (3) years and shall remain in force as long thereafter as oil, gas, liquid hydrocarbons or their constituent products, or any of them, is produced in commercial paying quantities from the above described lands by Lessee.

This Memorandum of Oil, Gas and Mineral Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil, Gas and Mineral Lease shall have no effect upon, and is not intended as an amendment of, the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the lands described herein, whether or not the lands recited herein are properly described, and further it is understood that this Lease includes all rights owned by the Lessor in such lands whether or not correctly described and any other properties owned by the Lessor in the lands described herein. A copy of the Lease has been retained by the Lessor and Lessee.

IN WITNESS WHEREOF this Memorandum of Oil, Gas and Mineral Lease is executed as of the date first above written.

LESSOR
MBR OIL & GAS #1 LTD

By: Michael Ramsey, Managing Member

ACKNOWLEDGEMENT

STATE OF Texas
COUNTY OF Tarrant

This instrument was acknowledged before me on the 17th day of August, 2016, by Michael Ramsey, Managing Member of MBR Oil & Gas #1 LTD.

Janie D Brown
Notary Public

My Commission Expires: 6/24/2018



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Inst No. 16-11249
DIANNE O. FLOREZ
COUNTY CLERK
2016 Sep 06 at 11:39 AM
REEVES COUNTY, TEXAS
By: RL Diana Ryles DEPUTY

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

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

The above and foregoing is a full, true and correct photographic copy of the
original record now in my lawful custody and possession, as the same is
filed/recorded in the public records of my office, found in VOL. 1310,
PAGE 615, THRU 616.



I hereby certified on 11-01-2016

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Diana Ryles DEPUTY

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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 17th DAY OF August, 2016, between **MBR OIL & GAS #1 LTD.**, as Lessor (whether one or more), whose address is 2215 Cedar Springs Dallas, TX, and **THREE RIVERS ACQUISITION III LLC**, as Lessee, whose address is 5301 SOUTHWEST PARKWAY, SUITE 400, AUSTIN, TEXAS 78735.

WITNESSETH:

1. Lessor in consideration of Ten and 00/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in **REEVES COUNTY, TEXAS**, to-wit:

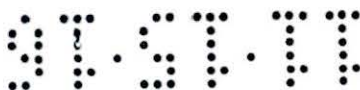
South 426.67 acres of Section 38, PSL, Block 45

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said surveyor surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of **THREE (3) YEARS** from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal one-fourth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-fourth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessors interest, in either case, to bear one-fourth of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, one-fourth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, one-fourth of the amount realized from the sale of gasoline or other products extracted therefrom and one-fourth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessees election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall payor tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the _____ Bank at _____ or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, payor tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessees right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessees judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction permit the creation of units larger than those specified, for the drilling or



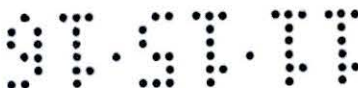
operation of a well at a regular location, units thereafter created may conform substantially in size with those permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in anyone or more strata and as to gas in anyone or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis -that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 90 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 90 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor



cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10 % of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

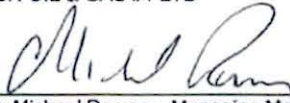
9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties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

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

11. If this lease is held by production or operations at the end of the primary term (nothing in this paragraph shall be deemed to extend the primary term in the event it is not extended by operations or production in accordance with the other terms of this lease), Lessee agrees, after the expiration of the primary term of this lease, to continuously develop all lands then covered by this lease without allowing a period of more than 180 days to elapse between the completion of one well and the commencement of actual drilling on the next succeeding well. The first such continuous development well shall be due within 180 days after the end of the primary term or within 180 days after the completion of any well which is being drilled at the end of the primary term, whichever is the later date. Upon the cessation of such Continuous Development, this lease shall terminate except as to each proration unit permitted by such governmental authority having jurisdiction, upon which a well is producing oil and/or gas in commercial quantities, and as to each such proration unit as to all depths below 100' below the base of the deepest producing formation in each such proration unit. A well shall be deemed to have been completed on the first to occur (i) the date the completion report requirement by the Texas Railroad Commission or other governmental authority having jurisdiction is filed, or (ii) thirty (30) days after the drilling rig that drilled the relevant well is released.

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

LESSOR:
MBR OIL & GAS #1 LTD


By: Michael Ramsey, Managing Member



ACKNOWLEDGEMENT

STATE OF TEXAS

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COUNTY OF Tarrant

The foregoing instrument was acknowledged before me on this 17th day of August, 2016, by Michael Ramsey,
Managing Member of MBR Oil + Gas

My Commission Expires:

6/24/2018



Janie Brown

Notary Public

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

STATE OF TEXAS §
COUNTY OF REEVES §

KNOW ALL MEN BY THESE PRESENTS

16-12427
FILED FOR RECORD
REEVES COUNTY, TEXAS
Sep 27, 2016 at 11:04:00 AM

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

This Memorandum of Oil, Gas and Mineral Lease is made and dated this 25th day of August, 2016, by and on behalf of **MIDTEX ROYALTY II LP**, whose address is P. O. Box 50174, Midland, Texas, 79710-0174 ("Lessor") and **Three Rivers Acquisition III LLC**, whose address is 5301 Southwest Parkway, Suite 400, Austin, Texas 78735 ("Lessee").

WITNESSETH

Lessor, in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration, did make and execute in favor of Lessee the Oil, Gas and Mineral Lease dated and effective August 25, 2016, (hereinafter called the "Lease") covering Lessor's interest in the following described lands in Reeves County, Texas:

South 426.67 acres of Section 38, PSL, Block 45, Abstract No. 5702

The Oil, Gas and Mineral Lease, subject to certain extension and termination provisions, contains a primary term of three (3) years and shall remain in force as long thereafter as oil, gas, liquid hydrocarbons or their constituent products, or any of them, is produced in commercial paying quantities from the above described lands by Lessee.

This Memorandum of Oil, Gas and Mineral Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil, Gas and Mineral Lease shall have no effect upon, and is not intended as an amendment of, the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the lands described herein, whether or not the lands recited herein are properly described, and further it is understood that this Lease includes all rights owned by the Lessor in such lands whether or not correctly described and any other properties owned by the Lessor in the lands described herein. A copy of the Lease has been retained by the Lessor and Lessee.

IN WITNESS WHEREOF this Memorandum of Oil, Gas and Mineral Lease is executed as of the date first above written.

LESSOR:

MIDTEX ROYALTY II LP,
A Texas Limited Partnership

By:

Steven C. Hofer
Steven C. Hofer, Manager of Midtex Royalty
Management LLC, General Partner

LESSEE:

THREE RIVERS ACQUISITION III LLC
a Delaware Limited Liability Company

By:

Mike Wichterich
Mike Wichterich
President

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True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 2

91.57.11

ACKNOWLEDGEMENT

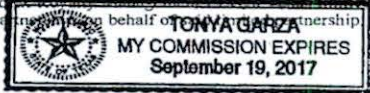
THE STATE OF TEXAS

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COUNTY OF MIDLAND

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This instrument was acknowledged before me on the 30th day of August, 2016 by Steven C. Hofer, Manager of Midtex Royalty LP, a Texas limited liability company, General Partner of Midtex Royalty LP, a Texas limited liability company, on behalf of TONYA GARZA



Tonya Garza
Notary Public, State of TEXAS

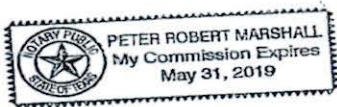
THE STATE OF TEXAS

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COUNTY OF TRAVIS

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This instrument was acknowledged before me on the 12th day of SEPTEMBER, 2016, by Mike Wichterich, President of Three Rivers Acquisition III LLC, a Delaware limited liability company, on behalf of said company.



Peter Marshall
Notary Public, State of TEXAS

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Inst No. 16-12427
DIANNE O. FLOREZ
COUNTY CLERK
2016 Sep 27 at 11:04 AM
REEVES COUNTY, TEXAS
By: RL Dianne O. Florez DEPUTY

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL 1319, PAGE 637 THRU 638.



I hereby certified on 11-01-2016

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

Dianne O. Florez DEPUTY

OIL AND GAS LEASE

THIS LEASE is made and entered into this 25th day of August, 2016, by and between **MIDTEX ROYALTY II LP**, with an address of P. O. Box 50174, Midland, Texas, 79710-0174, (hereinafter referred to as "Lessor") and **Three Rivers Acquisition III LLC**, with an address of 5301 Southwest Parkway, Suite 400, Austin, Texas, 78735, (hereinafter referred to as "Lessee").

WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the covenants and agreements of Lessee herein contained, hereby grants, leases and lets unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and related hydrocarbons, laying pipe lines and power lines, building tanks, power stations and other structures thereon to produce, save, take care of, treat, transport and own said products, the following described land in located in **Reeves County, Texas**:

South 2/3 of Section 38, Block 45, PSL, Abstract No. 5702, containing 426.67 acres, more or less.

2. Subject to the other provisions herein contained, this Lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced in paying quantities from said land hereunder. Paying quantities is defined as a quantum of production which returns a profit to Lessee above all costs and expenses directly attributable to the production from said land, including, but not limited to, the cost of producing, transporting, treating, and marketing said production and all ad valorem and production taxes assessed against the interest of Lessee, but excluding bonus, drilling and completion costs. The review period for purposes of determining whether production is in paying quantities shall be the 365 consecutive-day period chosen by Lessor. There shall be no review period where production ceases. Production in less than paying quantities shall never be considered as production for the purposes of this Lease, and Lessee's continued occupation or operations and Lessor's acceptance of royalty shall never support claims of lease perpetuation by adverse possession or under theories of estoppel, same being waived by Lessee.

3. When production of oil and/or gas is secured during the term of this Lease, Lessee agrees to pay or cause to be paid to Lessor, at the address shown above, the following royalties:

(a) On all oil and on all liquid hydrocarbons extracted from gas under the provisions hereof, one-fourth (1/4) of the market value of that produced and saved from the said land, such value to be determined by (i) the highest posted price, plus premium, if any, paid to the producer for oil, condensate, distillates or other liquid hydrocarbons, respectively of a like type and gravity, or (ii) the prevailing market price therefor offered or paid to the producer, or (iii) the gross proceeds of the sale thereof, whichever is the greatest.

(b) On all gas produced from said land, including casinghead gas and residue gas at the tailgate of any plant through which gas produced from said land may be processed, one-fourth (1/4) of the market value of the gas at the place of use or sale by Lessee, or at Lessor's option, one-fourth (1/4) of the gas, in kind, or at the outlet side of the separator, or at the tailgate of any plant through which gas is processed, as the case may be. Market value is to be based on the average market price paid for gas of comparable quality for the field (which, for such purpose, means the general area in which the land covered by this Lease is located) where produced and when run, or the gross price paid or offered to the producer, whichever is greater; provided, however, that when gas is sold in an arms-length sale transaction with an unaffiliated third-party, market value shall be the price paid to Lessee for such gas.

(c) On condensate and all other products separated, extracted or manufactured from gas produced from said land by any extraction, absorption, pressuring or other plant belonging wholly or in part to Lessee or any subsidiary company or affiliate of Lessee, one-fourth (1/4) of the market value at the plant of all such condensate and other products so separated, extracted or manufactured, or, at Lessor's option, one-fourth (1/4) of such condensate and other products, in kind, shall be delivered to Lessor at the plant.

(d) On condensate and all other products separated, extracted or manufactured from gas produced from said land by an extraction, absorption, pressuring or other plant belonging to a non-affiliated third party or parties of Lessee, one-fourth (1/4) of the amount received by Lessee from the sale of condensate and other products separated, extracted or manufactured by said plant and credited to Lessee under the terms of Lessee's contract with such plant.

(e) Lessee agrees that all royalties accruing under this Lease (including those paid in kind) shall be without deduction for, and the value thereof shall not be reduced directly or indirectly so as to offset all or any part of, the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting to the point of sale or processing and otherwise making the oil, gas and other products hereunder ready for sale or use, with all such costs being borne by Lessee. It is intended that the terms of this paragraph of this Lease be material, and not merely surplusage, and that this language controls.

(f) Notwithstanding anything contained in this Paragraph 3 or elsewhere in this Lease to the contrary, Lessor at any time and from time to time on sixty (60) days prior notice in writing to Lessee may require that payment of all or any part of the royalties accrued to Lessor under this Lease on oil, gas or any product be made in kind effective as of the first day of the calendar month next following the expiration of said sixty (60) day period or if payment of any such royalties are then being made to Lessor in kind, require that such in kind payment cease and that payment of such royalties thereafter be made as provided above in Paragraph 3 of this Lease. In the event Lessor elects to take in kind, Lessee shall make all its leasehold and pipeline facilities available for Lessor's use and Lessor shall bear any increased costs incurred by Lessee in connection therewith.

(g) Lessee shall have the use free from royalty of oil and gas produced from said land in all operations hereunder, except processing, waterflooding, pressure maintenance or secondary recovery operations.

(h) Within ninety (90) days following the date of first sale of oil and/or gas produced from said land, all royalties from such production due Lessor by virtue of this Lease shall be paid to Lessor without the necessity of Lessor executing a division or transfer order. Thereafter, royalty shall be paid to Lessor on or before the last day of the second month succeeding the month of production. In the event royalty is not so timely paid, Lessee agrees that it will pay to Lessor interest on the amount so due at the rate of twelve percent (12%) per annum or at the Wells Fargo Bank, N.A. (or its successors) prime rate per annum, whichever is greater, for the royalties so owing, said interest to commence on the day following the date such royalty is owing by the terms hereof.

4. This is a "paid-up" Lease and no delay rentals are due hereunder. Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term; provided, however, this provision shall not relieve Lessee of the obligation to pay royalties on actual production. Lessee may at any time or times surrender this Lease as to all or any portion or portions of said land by delivering to Lessor, or by filing for record, a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

5. If prior to discovery of oil or gas on said land Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this Lease shall remain in force as long as additional drilling or re-working operations are conducted upon said land with no cessation for more than ninety (90) consecutive days in a good faith effort to discover and produce oil and/or gas. If, at the expiration of the primary term, oil and/or gas is not being produced on said land, but Lessee is then engaged in actual drilling or reworking operations on said land, this Lease shall remain in force so long as operations are prosecuted with no cessation of more than ninety (90) consecutive days, 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.

6. After the discovery of oil and/or gas on said land, Lessee shall further develop said land as a reasonably prudent operator would do in the same or similar circumstances. Lessee shall adequately protect the oil and gas under said land from drainage from other lands as a reasonably prudent operator would do in the same or similar circumstances.

7. The rights of Lessee hereunder may not be assigned, farmed-out or otherwise transferred, in whole or in part, without the prior written consent of Lessor, which consent shall not be unreasonably withheld. The rights of Lessor hereunder may be assigned in whole or in part. The provisions hereof shall extend to the heirs, successors and permitted assigns of each party, but no change or division in ownership of the royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished a copy of the recorded instrument evidencing same. No permitted assignment by Lessee of this Lease or any interest therein, or any rights hereunder, shall be valid until Lessee shall have furnished to Lessor a true copy of such assignment or instrument of

transfer. All rights, covenants and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and permitted assigns of such party.

8. Lessee shall conduct its operations in compliance with all applicable rules and regulations of any regulatory agency having jurisdiction on such operations. Lessee agrees to fully defend, protect, indemnify and hold harmless Lessor, and its principals, employees, agents, successors and assigns, from and against all claims, damages, demands, losses, environmental liabilities, causes of action and expenses (including attorney's fees, court costs and other expenses of litigation) arising out of or relating to Lessee's acts, omissions, performance or operations hereunder, or on account of any operations performed for the benefit of Lessee.

9. Notwithstanding anything contained in this Lease to the contrary, upon the expiration of one (1) year from the end of the primary term hereof, this Lease shall terminate as to all lands covered hereby, except as to each well capable of producing oil and/or gas in paying quantities together with the proration unit allocated thereto (the size of said proration unit being hereby defined as (a) forty (40) acres for a well classified as an oil well or eighty (80) acres for a well classified as a gas well, or (b) the number of acres permitted by the proper governmental authority, as the number of acres required for the production from a well in the particular field and from the particular formation involved as of the date of such termination). At such time this Lease shall also terminate as to all depths within each such retained spacing unit which are more than 100 feet below the then perforated and producing interval in each such well capable of producing oil and/or gas in paying quantities. Thereafter Lessee shall promptly execute and deliver to Lessor a recordable release of this Lease as to all lands and depths as to which the Lease has so terminated. If after sixty (60) days' written notice to Lessee by Lessor requesting such release, Lessee fails to deliver such release to Lessor, then this Lease shall automatically terminate as to all of said land. The land allocated to each retained proration unit shall, to the extent reasonably practicable, be in the form of a square or rectangle. Upon such partial termination each such producing proration unit shall become a separate Lease subject to all of the terms and provisions hereof, so that production and/or operations from one such producing proration unit shall not constitute production and/or operations on any other such proration unit. It is agreed that as long as this Lease remains in force as to any part of said land, any portion of the land as to which this Lease expires may, nevertheless, be used by Lessee, its successors and assigns, to the extent reasonably necessary for ingress and egress for gathering, transporting, treating, processing, and storing oil and/or gas produced from the land as to which this Lease remains in force.

10. Should Lessee be prevented from complying with any express or implied covenant of this Lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations hereunder shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this Lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the Lease premises; provided, however, nothing herein shall excuse Lessee from paying, or extend the time for paying any royalty or other payment payable in money to Lessor, or serve to extend the primary term; further provided that as a condition to relying upon an event of force majeure, Lessee must notify Lessor in writing of the claimed event of force majeure (with a full explanation of the same) within five (5) days of its onset, and must further notify Lessor in writing when such event of force majeure concludes.

11. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the acreage covered by this lease, or any strata or stratum thereof, as to gas and condensate, with other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said leased premises in compliance with the Spacing Rules of any lawful authority; provided, however, Lessor or Lessor's representative, Steven Hofer, must approve the pooling designation establishing any such unit so formed, which approval shall not be unreasonably withheld. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata. Lessee shall file for record in the county records of the county in which the lands are located an instrument identifying and describing the pooled acreage, and shall immediately furnish Lessor a copy thereof. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled upon production of gas from the pooled unit, there shall be allocated to the land covered by this lease that pro rata portion of the gas and condensate produced from the pooled unit which the number of surface acres covered by this lease bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production so allocated to the land covered by this lease just as though such production were from such land.

If any of the leased premises be pooled or unitized, then this lease shall constitute a separate lease as to any formation or formations in such pooled or unitized area, and operations upon or production from such formation or formations shall not maintain this lease in force as to any formations not so included within the pooled unit or unitized area. Actual drilling on or production from any pooled unit or units which might maintain this lease in effect will maintain this lease only as to the formations included in such unit or units; and this lease must be maintained in force as to the remainder of the leased premises, if at all, in some other manner specified herein. The pooling authority granted hereunder, and any pooled units created shall not survive termination of this lease. Lessee has no power to grant, convey or bind any interest covered hereby beyond the term of this lease.

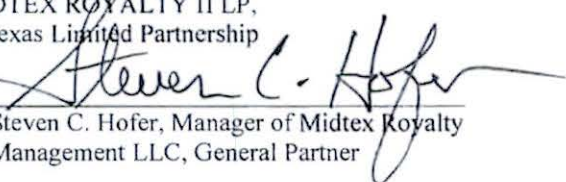
12. This Lease is made without warranty of title, express or implied. If Lessor owns an interest in said land less than the entire and undivided fee simple mineral estate therein, then the royalties herein provided shall be paid Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple mineral estate therein. In all dealings hereunder, Lessee shall be held to a standard of utmost good faith and fair dealing toward Lessor. Lessee, at its option, may discharge any tax, mortgage or other lien against Lessor's interest in said land, either in whole or in part, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same.

13. If Lessor takes any action against Lessee to enforce any provision of this Lease, including, without limitation, any action for declaratory or injunctive relief, and if Lessor prevails on any issues pertaining to such action, Lessee shall reimburse Lessor for all attorneys' fees and costs and expenses of investigation and litigation, all as actually incurred for the entire action and not limited to those points or issues on which the Lessor prevails, including, without limitation, attorneys' fees, costs and expenses of investigation incurred in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under the United States Bankruptcy Code, or any successor statutes. This provision shall extend beyond the termination of this Lease.

EXECUTED AND EFFECTIVE as of the date first hereinabove written.

LESSOR:

MIDTEX ROYALTY II LP,
A Texas Limited Partnership

By: 

Steven C. Hofer, Manager of Midtex Royalty
Management LLC, General Partner

LESSEE:

THREE RIVERS ACQUISITION III LLC
a Delaware Limited Liability Company

By:  DL
PRM

Mike Wichterich
President



THE STATE OF TEXAS
COUNTY OF MIDLAND

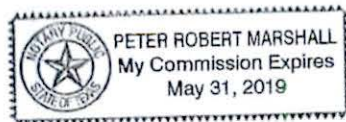
This instrument was acknowledged before me on the 30th day of August, 2016 by Steven C. Hofer, Manager of Midtex Royalty Management LLC, a Texas limited liability company, General Partner of Midtex Royalty LP, a Texas limited partnership, on behalf of said limited partnership.



Tonya Garza
Notary Public, State of MIDLAND-TEXAS

THE STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on the 12th day of SEPTEMBER, 2016, by _____ Mike Wichterich, President of Three Rivers Acquisition III LLC, a Delaware limited liability company, on behalf of said company.



Peter Marshall
Notary Public, State of TEXAS

File No. 116882

County

lease

Date Filed: 04/18/18

George P. Bush, Commissioner

By [Signature]

116882

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

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

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MEMORANDUM OF OIL, GAS AND MINERAL LEASE

This Memorandum of Oil, Gas and Mineral Lease is made and dated this 19th day of April, 2016, by and on behalf of Fred W. Shield and Company, whose address is P. O. Box 90627, San Antonio, TX 78209 ("Lessor") and Three Rivers Acquisition III LLC, whose address is 5301 Southwest Parkway, Suite 400, Austin, Texas 78735 ("Lessee").

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WITNESSETH

Lessor, in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration, did make and execute in favor of Lessee the Oil, Gas and Mineral Lease dated and effective April 19, 2016, (hereinafter called the "Lease") covering Lessor's interest in the following described lands in Reeves County, Texas:

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South 426.67 acres of Section 38, PSL, Block 45

The Oil, Gas and Mineral Lease, subject to certain extension and termination provisions, contains a primary term of three (3) years and shall remain in force as long thereafter as oil, gas, liquid hydrocarbons or their constituent products, or any of them, is produced in commercial paying quantities from the above described lands by Lessee.

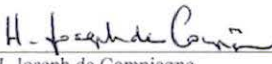
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This Memorandum of Oil, Gas and Mineral Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil, Gas and Mineral Lease shall have no effect upon, and is not intended as an amendment of, the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the lands described herein, whether or not the lands recited herein are properly described, and further it is understood that this Lease includes all rights owned by the Lessor in such lands whether or not correctly described and any other properties owned by the Lessor in the lands described herein. A copy of the Lease has been retained by the Lessor and Lessee.

IN WITNESS WHEREOF this Memorandum of Oil, Gas and Mineral Lease is executed as of the date first above written.

LESSOR:

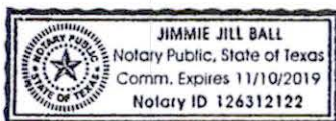
FRED W. SHIELD AND COMPANY


H. Joseph de Compiegne
Managing Partner

ACKNOWLEDGEMENT

STATE OF Texas
COUNTY OF Midland

This instrument was acknowledged before me on the 25th day of April, 2016, by H. Joseph de Compiegne, as Managing Partner of Fred W. Shield and Company, a Texas general partnership, on behalf of said partnership.




Notary Public

My Commission Expires: _____



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

2016

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Inst No: 16-08236
DIANNE O FLOREZ
COUNTY CLERK
2016 Jul 06 at 09:07 AM
REEVES COUNTY, TEXAS
By: BA *Brittany J. Alcala*



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

2016

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1287
PAGE 355 THRU 356

OFFICIAL PUBLIC
RECORD 8/16/16

I hereby certified on

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY MARY ABILA DEPUTY

TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE



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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 19th DAY OF APRIL, 2016, between **FRED W. SHIELD AND COMPANY**, as Lessor (whether one or more), whose address is **P. O. BOX 90627, SAN ANTONIO, TX 78209**, and **THREE RIVERS ACQUISITION III LLC**, as Lessee, whose address is **5301 SOUTHWEST PARKWAY, SUITE 400, AUSTIN, TEXAS 78735**.

WITNESSETH:

1. Lessor in consideration of Ten and 00/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in **REEVES COUNTY, TEXAS**, to-wit:

South 426.67 acres of Section 38, PSL, Block 45

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said surveyor surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of **THREE (3) YEARS** from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal one-fourth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-fourth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessors interest, in either case, to bear one-fourth of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, one-fourth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, one-fourth of the amount realized from the sale of gasoline or other products extracted therefrom and one-fourth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessees election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall payor tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the _____ Bank at _____ or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, payor tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessees right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessees judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction permit the creation of units larger than those specified, for the

drilling or operation of a well at a regular location, units thereafter created may conform substantially in size with those permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in anyone or more strata and as to gas in anyone or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit, and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis -that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 90 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 90 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor



cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10 % of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

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

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

11. If this lease is held by production or operations at the end of the primary term (nothing in this paragraph shall be deemed to extend the primary term in the event it is not extended by operations or production in accordance with the other terms of this lease), Lessee agrees, after the expiration of the primary term of this lease, to continuously develop all lands then covered by this lease without allowing a period of more than 180 days to elapse between the completion of one well and the commencement of actual drilling on the next succeeding well. The first such continuous development well shall be due within 180 days after the end of the primary term or within 180 days after the completion of any well which is being drilled at the end of the primary term, whichever is the later date. Upon the cessation of such Continuous Development, this lease shall terminate except as to each proration unit permitted by such governmental authority having jurisdiction, upon which a well is producing oil and/or gas in commercial quantities, and as to each such proration unit as to all depths below 100' below the base of the deepest producing formation in each such proration unit. A well shall be deemed to have been completed on the first to occur (i) the date the completion report requirement by the Texas Railroad Commission or other governmental authority having jurisdiction is filed, or (ii) thirty (30) days after the drilling rig that drilled the relevant well is released.

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

LESSOR:

FRED W. SHIELD AND COMPANY



H. Joseph de Compigne
Managing Partner

ACKNOWLEDGEMENT

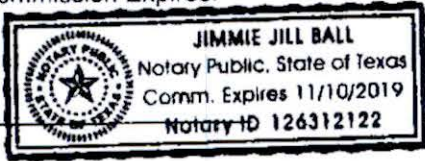
STATE OF TEXAS

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COUNTY OF Midland

The foregoing instrument was acknowledged before me on this 25th day of April, 2016, by H. Joseph de Compiegne, as Managing Partner of Fred W. Shield and Company, a Texas general partnership, on behalf of said partnership.

My Commission Expires:




Notary Public

16-07106

FILED FOR RECORD
REEVES COUNTY, TEXAS

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

STATE OF TEXAS

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KNOW ALL MEN BY THESE PRESENTS

COUNTY OF REEVES

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MEMORANDUM OF OIL, GAS AND MINERAL LEASE

This Memorandum of Oil, Gas and Mineral Lease is made and dated this 19th day of April, 2016, by and on behalf of The de Compiegne Property Company No. 20, Ltd., whose address is P.O. Box 1071, Midland, TX 79702 ("Lessor") and Three Rivers Acquisition III LLC, whose address is 5301 Southwest Parkway, Suite 400, Austin, Texas 78735 ("Lessee").

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WITNESSETH

Lessor, in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration, did make and execute in favor of Lessee the Oil, Gas and Mineral Lease dated and effective April 19, 2016, (hereinafter called the "Lease") covering Lessor's interest in the following described lands in Reeves County, Texas:

P
G

South 426.67 acres of Section 38, PSL, Block 45

The Oil, Gas and Mineral Lease, subject to certain extension and termination provisions, contains a primary term of three (3) years and shall remain in force as long thereafter as oil, gas, liquid hydrocarbons or their constituent products, or any of them, is produced in commercial paying quantities from the above described lands by Lessee.

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This Memorandum of Oil, Gas and Mineral Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil, Gas and Mineral Lease shall have no effect upon, and is not intended as an amendment of, the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the lands described herein, whether or not the lands recited herein are properly described, and further it is understood that this Lease includes all rights owned by the Lessor in such lands whether or not correctly described and any other properties owned by the Lessor in the lands described herein. A copy of the Lease has been retained by the Lessor and Lessee.

IN WITNESS WHEREOF this Memorandum of Oil, Gas and Mineral Lease is executed as of the date first above written.

LESSOR:

The de Compiegne Property Company No. 20, Ltd.

H. Joseph de Compiegne

H. Joseph de Compiegne
President of the General Partner

ACKNOWLEDGEMENT

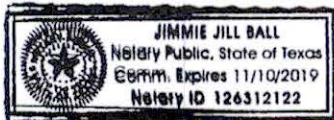
STATE OF

Texas

COUNTY OF

Midland

This instrument was acknowledged before me on the 27th day of April, 2016, by H. Joseph de Compiegne, President of the General Partner of The de Compiegne Property Company No. 20, Ltd., a Texas limited partnership, on behalf of said partnership.



Jimmie Jill Ball
Notary Public

My Commission Expires: _____

Inst No. 16-07106
DIANNE O. FLOREZ
COUNTY CLERK

2016 Jun 14 at 11:43 AM
REEVES COUNTY, TEXAS
By: BA *Britany Ball* DEPUTY



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

CLERK'S OFFICE
REEVES COUNTY
ORIGINAL FILED IN
COPY OF
TRUE & CORRECT



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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1279
PAGE 184. THRU--

OFFICIAL PUBLIC
RECORD 8/16/16

I hereby certified on
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Mary Abila DEPUTY
MARY ABILA



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OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 19th DAY OF APRIL, 2016, between THE DE COMPIEGNE PROPERTY COMPANY NO. 20, LTD., as Lessor (whether one or more), whose address is P.O. BOX 1071, MIDLAND, TX 79702, and THREE RIVERS ACQUISITION III LLC, as Lessee, whose address is 5301 SOUTHWEST PARKWAY, SUITE 400, AUSTIN, TEXAS 78735.

WITNESSETH:

1. Lessor in consideration of Ten and 00/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in **REEVES COUNTY, TEXAS**, to-wit:

South 426.67 acres of Section 38, PSL, Block 45

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said surveyor surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of **THREE (3) YEARS** from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal one-fourth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-fourth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessors interest, in either case, to bear one-fourth of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, one-fourth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, one-fourth of the amount realized from the sale of gasoline or other products extracted therefrom and one-fourth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessees election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall payor tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the _____ Bank at _____ or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, payor tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessees right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessees judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction permit the creation of units larger than those specified, for the

drilling or operation of a well at a regular location, units thereafter created may conform substantially in size with those permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in anyone or more strata and as to gas in anyone or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis -that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 90 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 90 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor

cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10 % of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

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

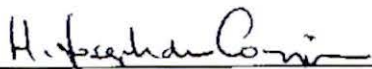
10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by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

11. If this lease is held by production or operations at the end of the primary term (nothing in this paragraph shall be deemed to extend the primary term in the event it is not extended by operations or production in accordance with the other terms of this lease), Lessee agrees, after the expiration of the primary term of this lease, to continuously develop all lands then covered by this lease without allowing a period of more than 180 days to elapse between the completion of one well and the commencement of actual drilling on the next succeeding well. The first such continuous development well shall be due within 180 days after the end of the primary term or within 180 days after the completion of any well which is being drilled at the end of the primary term, whichever is the later date. Upon the cessation of such Continuous Development, this lease shall terminate except as to each proration unit permitted by such governmental authority having jurisdiction, upon which a well is producing oil and/or gas in commercial quantities, and as to each such proration unit as to all depths below 100' below the base of the deepest producing formation in each such proration unit. A well shall be deemed to have been completed on the first to occur (i) the date the completion report requirement by the Texas Railroad Commission or other governmental authority having jurisdiction is filed, or (ii) thirty (30) days after the drilling rig that drilled the relevant well is released.

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

LESSOR:

THE DE COMPIEGNE PROPERTY COMPANY NO. 20, LTD.



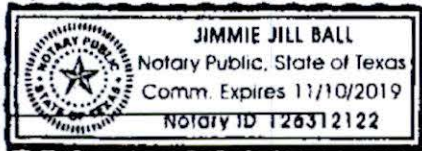
H. Joseph de Compiegne
President of de Compiegne Management Co., LLC,
its General Partner

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on this 27th day of April, 2016, by H. Joseph de Compiegne as President of de Compiegne Management Co., LLC, the General Partner of The de Compiegne Property No. 20, Ltd., a Texas limited partnership, on behalf of said partnership.

My Commission Expires:




Notary Public

Producers 88 (4/16) Revised Paid Up With 640 Acres Pooling Provision

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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 19th DAY OF APRIL, 2016, between Oak Valley Mineral and Land, LP as Lessor (whether one or more), whose address is P.O. Box 50820 Midland, TX 79710, and THREE RIVERS ACQUISITION III LLC, as Lessee, whose address is 5301 SOUTHWEST PARKWAY, SUITE 400, AUSTIN, TEXAS 78735.

WITNESSETH:

1. Lessor in consideration of Ten and 00/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in REEVES COUNTY, TEXAS, to-wit:

South 426.67 acres of Section 38, PSL, Block 45

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said surveyor surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of **THREE (3) YEARS** from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder, in paying quantities.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal one-fourth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-fourth part of such oil at the wells as of the day it is run to the pipe line or storage tanks; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, one-fourth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, one-fourth of the amount realized from the sale of gasoline or other products extracted therefrom and one-fourth of the amount realized from the sale of residue gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-fourth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall payor tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the _____ Bank at _____ or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, payor tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for vertical oil wells hereunder shall not substantially exceed 40 acres each in area, and units pooled for horizontal oil or gas wells hereunder shall not substantially exceed in area of 320 acres per lateral mile each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location, units thereafter created may conform substantially in size with those permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in anyone or more strata and as to gas in anyone or more strata. The units formed by pooling as to any stratum or strata need not



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conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis -that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 90 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 90 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

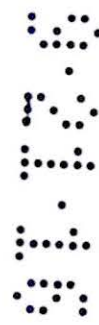
8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no

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event be required to drill more than one vertical well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one horizontal well per 320 acres per lateral mile plus an acreage tolerance not to exceed 10 % of 320 acres per lateral mile of the area retained hereunder and capable of producing oil or gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

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

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

11. If this lease is held by production or operations at the end of the primary term (nothing in this paragraph shall be deemed to extend the primary term in the event it is not extended by operations or production in accordance with the other terms of this lease), Lessee agrees, after the expiration of the primary term of this lease, to continuously develop all lands then covered by this lease without allowing a period of more than 180 days to elapse between the completion of one well and the commencement of actual drilling on the next succeeding well. The first such continuous development well shall be due within the primary term or within 180 days after the completion of any well which is being drilled at the end of the primary term, whichever is the later date. Upon the cessation of such Continuous Development, this lease shall terminate except as to each proration unit permitted by such governmental authority having jurisdiction, upon which a well is producing oil and/or gas in commercial quantities, and as to each such proration unit as to all depths below 100' below the base of the deepest producing horizon or zone in each such proration unit, whichever is the lesser depth. A well shall be deemed to have been completed on the first to occur (i) the date the completion report requirement by the Texas Railroad Commission or other governmental authority having jurisdiction is filed, or (ii) after the drilling rig that drilled the relevant well is released, whichever occurs first.

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

LESSOR: Oak Valley Mineral and Land, LP, a Texas limited partnership
By: Oak Valley Mineral and Land I, LLC, its GP


Michael E. Black, Manager

BA



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Exhibit "A"

Exhibit "A" to that certain Oil and Gas Lease dated April 19th, 2016, by and between Oak Valley Mineral and Land, L.P., ("Lessor") and THREE RIVERS ACQUISITION III LLC ("Lessee")

It is understood and agreed that this lease covers oil, gas and associated liquid hydrocarbons only, and that the reference to other minerals is deleted from the terms of this lease.

12. Notwithstanding anything else to the contrary herein, payment of shut-in Gas Well Royalties will not be permitted to maintain this lease in force for a period greater than one (1) year beyond the primary term, at which time this lease shall automatically terminate. Lessee may pay as shut-in gas well royalty a sum of money equal to \$25.00 per net mineral acre with in sixty (60) days after lessee shuts in said well. Said payment shall extend the term of this lease for period of one (1) year from the date such payment or tender is made.

13. Notwithstanding any other provisions hereof, at the end of the primary term, all acreage not included in a proration unit as designated by or with the Texas Railroad Commission or other governmental agency and all depths 100 feet below the deepest producing horizon shall be automatically eliminated from this lease and revert to LESSOR, unless LESSEE is drilling a well on the leased premises or on lands pooled therewith, in which event the lease will be held in its entirety as long as not more than one hundred eighty (180) days elapse between the completion of one well and the commencement of another. "Completion" shall be defined as (1) the date on which a dry hole is plugged or (2) the date of cementing of production casing, whichever is appropriate. "Commencement" shall be defined as the date drilling operations are commenced on the leased premises or on lands pooled therewith.

At the end of the primary term, or the conclusion of the continuous development program, whichever is later, this lease shall terminate as to:

- A. All lands not included in a proration unit on which there is a well producing or capable of producing oil and/or gas in paying quantities, and,
- B. All horizons or zones in each proration unit lying 100 feet below the deepest depth drilled or producing formation in each proration unit whichever is the lessor depth.

At the end of the primary term, or at the end of the continuous development period, the undrilled and undeveloped lands and horizons described in (A.) and (B.) above will automatically revert to Lessor. Within sixty (60) days after the partial termination of this lease, Lessee shall execute and file of record (and deliver to Lessor an executed or certified copy) a recordable instrument designating and describing all of the lands included within tracts surrounding commercially productive oil or gas wells. Lessee shall also execute and deliver to Lessor a recordable release of all the lands not included in the tracts surrounding commercially productive oil or gas wells. If Lessee fails to execute and file of record this release or the instrument designating the lands surrounding producing oil or gas wells, Lessor shall have the right to file such instruments which will have the same force and effect as if executed and filed by Lessee.

14. Lessee shall act as a reasonably prudent operator in developing and further exploring the Leasehold Estate. Lessee shall also act as a reasonably prudent operator in protecting the Leasehold Estate from drainage by wells located off of the Leasehold Estate, and, without limiting generality of Lessee's obligations of development, further exploration and protection from drainage, in the express situation in which a Commercial Well is completed on lands in which Lessor owns no interest or only a partial interest in the minerals, leasehold or royalty, and which has any part of its borehole within 330 feet of the Leasehold Estate (offsetting well), then within one hundred twenty (120) days after the commencement of production from such offsetting well, Lessee shall either (a) commence the Actual Drilling of a similar well at a location on the Leasehold Estate as near as practical to such offsetting well and thereafter diligently drill and complete the same, or (b) release this lease as to a tract of land as nearly contiguous to the location of the offsetting well as practicable and of a size which would constitute a Production Unit for a similar well drilled by Lessee on the Leasehold Estate, or (c) Lessee may maintain the lease as to the acreage otherwise required to be released for a maximum of two (2) more successive years by Lessee paying compensatory royalty at the rate provided in this lease for oil, gas, and other Products as though the production from the offset well was production from a well located on an unpooled Production Unit on the Leasehold Estate. The compensatory royalty is to be paid monthly subject to the same terms and conditions as the royalty on actual production from the Leasehold Estate; provided that the due date for each



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royalty payment shall be extended by sixty (60) days from the due date for royalty payments on production from the Leasehold Estate in order to give Lessee sufficient time in which to acquire production information from the offsetting well. If this lease is maintained in force by payment of compensatory royalties, after two (2) years of such payments Lessee shall have the same obligation to release acreage as provided in item (b) above unless Lessee is then maintaining the acreage required to be released under some other provision hereof. Lessee shall have an absolute obligation to protect the Leasehold Estate from drainage by wells located off of the Leasehold Estate which Lessee operates or in which Lessee has any ownership or contractual interest.

15. As an addition to the terms hereof, it is expressly agreed that all royalty to be paid hereunder shall be delivered to LESSOR free of all costs of transportation, compression, processing, treatment, purification, dehydration, separation, stabilization, manufacturing, measuring, accounting, or marketing the oil, gas, or other hydrocarbons covered by this Lease. Lessor shall bear his/her portion of any applicable severance, ad valorem and other taxes (if any) levied by a governmental taxation jurisdiction having the power of legal assessment in the above described county and state.

16. Lessee shall begin payment of royalty within ninety (90) days from the date of the Potential Test shown on the Completion Report (Form W-2), filed with the Texas Railroad Commission, of any well that is completed on the leased premises. If lessee fails to pay royalty within one hundred twenty (120) days of any due date, then Lessor shall notify Lessee in writing, and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to pay said royalty, provided however, such obligation shall be waived in any instance involving a title defect affecting Lessor's title which would ordinarily require suspension of royalty payments pending resolution of such title defect, or for those causes which may be designated as Force Majeure.

17. The execution of division orders shall never be required as a prerequisite for payment of royalty or other sum under this lease. Division orders or transfer orders, if executed, shall be solely for the convenience of the parties for the purpose of confirming the extent of Lessor's interest in the production of oil and gas from the land. No term or provision of this lease shall be altered, amended, extended, or ratified by any division order or transfer order.

18. Lessee shall not have right to commence seismic operations on the leased premises without the prior written consent of the Lessor. Any infringement on this stipulation that causes irreparable damage to the estate of the lands herein described will invoke automatic damages be tendered to the Lessor.

19. There shall be no salt water disposed on the leased lands; provided however, should any secondary or tertiary recovery operations occur on the premises while this lease is in force and effect, then produced water can be injected into known hydrocarbon bearing formations for the purpose of maximizing production of oil and gas.

20. Lessee shall advise Lessor in writing as to the location of each well drilled upon the Leasehold Estate, or on lands pooled therewith, on or before (7) days after commencement of operations, and shall advise Lessor in writing as to the date of completion or abandonment of each well drilled within thirty (30) days after such completion or abandonment. Upon written request from Lessor, Lessee agrees to furnish Lessor with all well drilling, completion and production data, reports, title opinions, logs, and information. Lessee agrees that immediately following this instrument being recorded in the county records where the Leasehold Estate is located that Lessee will provide Lessor with a copy of this fully recorded instrument as it appears in said records.

Lessee shall indemnify and hold Lessor harmless from any and all action or liability resulting from Lessee's operations upon the leased premises. This lease is granted without warranty of title either express or implied. Notwithstanding the foregoing, Lessee agrees to indemnify and hold harmless Lessor from and against any claims resulting from or arising out of or in connection with operations of or for Lessee hereunder, and from and against all costs and expenses incurred by Lessor from and against any and all claims. Each assignee claiming hereunder agrees to indemnify and hold harmless Lessor from and against any and all claims resulting from or arising out of or in connection with operations of or for such assignee hereunder, and from and against all costs and expenses incurred by Lessor by reason of such claim or claims, unless it is determined by final judgment of a court of competent jurisdiction that the percentage of negligence of lessor is greater than the percentage of negligence of Lessee.

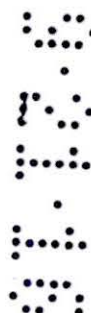
In the event of a conflict between the printed provisions of this oil and gas lease and the provisions of this Exhibit "A", the provisions of the Exhibit "A" shall prevail.

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Lessor: Oak Valley Mineral and Land, LP

Lessee: THREE RIVERS ACQUISITION III LLC

By: [Signature]

By: [Signature] DL

Name: Michael E. B. / 201

Name: m. w.ichterich

Date: 4/29/16
BA

Date: 6-13-16 pan

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End of Exhibit "A"



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CLERKS OFFICE

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND

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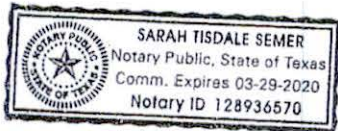
The foregoing instrument was acknowledged before me on this 29th day of April, 2016, by Michael E. Black as Manager of Oak Valley Mineral and Land I, LLC as General Partner of Oak Valley Mineral and Land, LP, a Texas limited partnership on behalf of said partnership.

My Commission Expires:

March 29, 2020

Sarah Tisdale Semer

Notary Public



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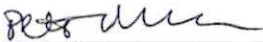
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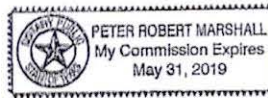
STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 13th day of JUNE, 2016, by Mike
Wichterich, President of Three Rivers Acquisition III LLC, on behalf of said Company.


Notary Public

My Commission Expires: MAY 31, 2019

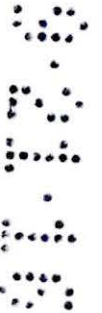


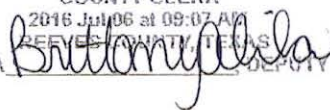
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Inst No. 16-08239
DIANNE O. FLOREZ
COUNTY CLERK
2016 Jul 06 at 09:07 AM
REEVES COUNTY, TEXAS
By: BA  DEPUTY



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COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

29

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1287 PAGE 372, THRU 379

OFFICIAL PUBLIC
RECORD 8/16/16

I hereby certified on _____
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Mary Abila DEPUTY
MARY ABILA



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

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

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MEMORANDUM OF OIL, GAS AND MINERAL LEASE

This Memorandum of Oil, Gas and Mineral Lease is made and dated this 19th day of April, 2016, by and on behalf of Kennedy Minerals, Ltd, whose address is 500 West Texas Avenue, Suite 655, Midland, Texas 79701 ("Lessor") and Three Rivers Acquisition III LLC, whose address is 5301 Southwest Parkway, Suite 400, Austin, Texas 78735 ("Lessee").

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WITNESSETH

Lessor, in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration, did make and execute in favor of Lessee the Oil, Gas and Mineral Lease dated and effective April 19, 2016, (hereinafter called the "Lease") covering Lessor's interest in the following described lands in Reeves County, Texas:

South 2/3 of Section 38, Block 45, PSL, being 426.67 acres, more or less,

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The Oil, Gas and Mineral Lease, subject to certain extension and termination provisions, contains a primary term of three (3) years and shall remain in force as long thereafter as oil, gas, liquid hydrocarbons or their constituent products, or any of them, is produced in commercial paying quantities from the above described lands by Lessee.

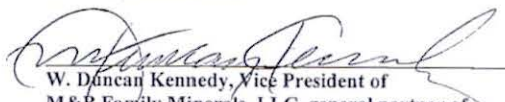
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This Memorandum of Oil, Gas and Mineral Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil, Gas and Mineral Lease shall have no effect upon, and is not intended as an amendment of, the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the lands described herein, whether or not the lands recited herein are properly described, and further it is understood that this Lease includes all rights owned by the Lessor in such lands whether or not correctly described and any other properties owned by the Lessor in the lands described herein. A copy of the Lease has been retained by the Lessor and Lessee.

IN WITNESS WHEREOF this Memorandum of Oil, Gas and Mineral Lease is executed as of the date first above written.

LESSOR:

Kennedy Minerals, Ltd.

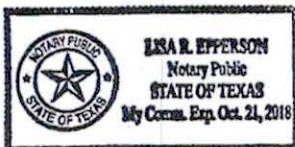

W. Duncan Kennedy, Vice President of
M&B Family Minerals, LLC, general partner of
Kennedy Minerals, Ltd.

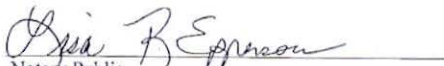
ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF MIDLAND

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This instrument was acknowledged before me on the 19th day of April, 2016, by W. Duncan Kennedy, Vice President of M&B Family Minerals, LLC, general partner of Kennedy Minerals, Ltd., a Texas Limited Partnership.




Notary Public



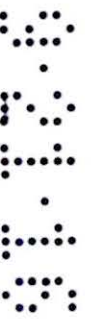
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SHERIFF, REEVES COUNTY, TEXAS
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By: BA *Brittany* DEPUTY



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REEVES COUNTY
CLERKS OFFICE

2016

**CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES**

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1287 PAGE 357 THRU 358 **OFFICIAL PUBLIC RECORD**

I hereby certified on 08-16-2016



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Mary Abila DEPUTY
MARY ABILA

OIL AND GAS LEASE

This Oil and Gas Lease is made and entered into this 19th day of April, 2016, between, **Kennedy Minerals, Ltd.** whose mailing address 500 West Texas Avenue, Suite 655, Midland, Texas, 79701, herein called Lessor, and **Three Rivers Acquisition III LLC**, whose address is 5301 Southwest Parkway, Suite 400, Austin, TX 78735, herein called Lessee:

WITNESSETH:

1. Lessor, in consideration of TEN AND NO 100 DOLLARS (\$10.00) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged, of the royalties herein provided, and of the covenants, agreements and obligations hereinafter contained on the part of Lessee to be kept and/or performed and upon the conditions and with the limitations hereinafter set forth and contained, hereby GRANTS, LEASES and LETS exclusively unto Lessee for the sole and only purpose of investigating, exploring, prospecting, drilling and operating for, developing and producing oil and gas (oil and gas, for all purposes of this lease, being defined to include oil, gas, casinghead gas, and the byproducts thereof, and such other hydrocarbons and sulphur as are necessarily produced with, and incidental to, the production of oil and/or gas from wells on the lands herein leased), laying pipelines, building roads, tanks, power stations and other structures thereon, to produce, save, take care of, treat, store, transport and own said products, all of the following described lands (the "said lands") located in **Reeves County, Texas**, to wit:

South 2/3 Section 38, Block 45, A-5702, PSL Survey

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of **three (3) years** from the effective date hereof (herein called "primary term"), and as long thereafter as oil or gas is produced in commercial quantities from said lands by Lessee, or drilling or reworking operations are prosecuted thereon under the other provisions hereof.
3. Lessee covenants and agrees to pay to Lessor the following royalties which are hereby reserved and retained by Lessor:
 - (a) On all oil and on all liquid hydrocarbons extracted from gas under the provisions hereof, except for those liquid hydrocarbons governed by paragraphs 3(c) & (d) below, **one-fourth (1/4th)** of the market value of that produced and saved from the said lands, such value to be determined by the price received by Lessee from the sale thereof.
 - (b) On all gas produced from said lands, including casinghead gas and residue gas at the tailgate of any plant through which gas produced from said lands may be processed, **one-fourth (1/4th)** of the market value of the gas or, at Lessor's option, **one-fourth (1/4th)** of the gas, in kind, at the well or at the outlet side of the separator, or at the tailgate of any plant through which gas is processed, as the case may be. Market value is to be based on the gross price paid to the producer.
 - (c) On condensate and all liquid hydrocarbon products separated, extracted or manufactured from gas produced from said lands by any extraction, absorption, pressuring or other plant belonging wholly or in part to Lessee, or any subsidiary or affiliate of Lessee, **one-fourth (1/4th)** of the market value at the plant of all such condensate and other products so separated, extracted or manufactured, or, at Lessor's option, **one-fourth (1/4th)** of such condensate and other products, in kind, shall be delivered to Lessor at the plant.
 - (d) On condensate and all liquid hydrocarbon products separated, extracted or manufactured from gas produced from said lands by an extraction, absorption, pressuring or other plant belonging to a third party or parties not affiliated with Lessee, **one-fourth (1/4th)** of the amount received by Lessee from the sale of condensate and other products separated, extracted or manufactured by said plant and credited to Lessee under the terms of Lessee's contract with such plant.
 - (e) This lease is intended to cover only oil and gas, but it is contemplated that some sulphur may be produced necessarily with, and incidental to, the production of oil and gas and, in such event, this lease shall also cover such sulphur so produced. On all sulphur so produced under and by virtue of the terms of this lease, Lessor shall have and be entitled to a royalty of **one-fourth (1/4th)** of all such sulphur produced and saved, same to be delivered to Lessor, free of all costs, or, at the option of Lessor, Lessee shall account to Lessor for **one-fourth (1/4th)** of the amount received by Lessee from the sale of such sulphur.
 - (f) At any time, either before or after the expiration of the primary term of this lease, where gas from a well located on said lands and completed as a commercial producer of gas only, or gas and condensate or distillate only, is not sold, Lessee may pay or tender as royalty, by a valid check of Lessee, to Lessor, or the parties entitled to receive royalties under this lease, on or before ninety (90) days after the date on which (1) the first gas well is shut-in, or (2) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and annually thereafter, a shut-in gas well royalty payment in the amount hereinafter provided, and if such payment is properly and timely made, it will be considered that gas is being produced from said lands in accordance with the terms of this lease; provided, however, this lease may not be continued in force by the making of shut-in gas well royalty payments as herein provided for a period of longer than two (2) consecutive years after the end of the primary term. The annual payment following

the date on which a well is shut-in shall be a sum of money equal to twenty-five dollars multiplied by the number of acres then held under this lease by the parties making such payment or tender. This provision as to the payment of shut-in gas royalty is a condition and not a covenant.

- (g) All royalties payable under Subparagraphs (a), (b), (c), (d) and (e) of this Paragraph 3 shall be calculated according to its gross value calculated at the point of delivery to a third-party purchaser not affiliated with Lessee and be without deduction for the cost of producing, marketing, gathering, transporting, storing, separating, and/or treating the oil and gas produced hereunder. Lessor is responsible for its proportionate share of any applicable severance or personal taxes.
 - (h) Notwithstanding anything contained in this Paragraph 3 or elsewhere in this lease to the contrary, Lessor may at any time and from time to time, on sixty (60) days prior notice in writing to Lessee, require that payment of all or any part of the royalties accruing to Lessor under this lease on oil, gas or any product, be made in kind, effective as of the first day of the calendar month next following the expiration of said sixty (60) day period, or if payment of any such royalties are then being made to Lessor in kind, require that such in kind payments cease and that payment of such royalties thereafter be made as provided in this Paragraph 3, with Lessor having the recurring right on a yearly basis to either take in kind, cease taking in kind, and resume taking in kind, all or any part of such royalties. Any additional expenditures resulting solely from Lessor's taking in kind or separately marketing Lessor's royalty gas (and which would not have been necessary otherwise) shall be borne and paid by Lessor. Any meter hook-up will be installed by Lessee or Assigns, and paid for by Lessor within thirty (30) days of billing; in the event Lessor fails to pay for said hookup within the aforementioned period, Lessee has the right to deduct such costs from Lessor's royalty until such time as the costs have been recouped by Lessee.
 - (i) After payment of royalties is first begun on production from any well on said lands, all royalties that may become due thereafter shall be paid to Lessor on or before the last day of the second month following the month in which said oil and/or gas are produced. Lessee shall bear all responsibility for paying or causing royalties to be paid by the due date. Any royalty not paid when due shall become delinquent and shall have added to the sum owing interest calculated at the rate of 18% per annum, or the maximum interest rate permitted by law, whichever is the lesser, compounded daily until the delinquency and interest are paid in full; provided, however, that the additional amount shall never be less than \$100 for each such occurrence, it being agreed that such amount is a reasonable minimum compensation to Lessor for administering and remedying any such delinquency. Further, the terms of this lease may not be amended or superceded by any division order.
 - (j) Lessee shall have free use of oil and gas produced from said lands for all drilling and reworking operations conducted on said lands under the terms of this lease, and the royalties on oil and gas shall be computed after deducting any so used.
4. Lessee shall have free use of water from said lands, except water from the Lessor's wells, tanks, or any stream or river on or adjoining said lands, for drilling, reworking and ordinary lease operations.
5. (a) This is a "paid up" oil and gas lease, and no rental payments are due during the primary term hereof.
- (b) Lessee may at any time or times execute a release or releases covering any portion or portions of said lands, record the same and deliver to Lessor a copy of the same reflecting the recording data, and thereby surrender this lease as to such portion or portions, and be relieved of all obligations as to the acreage surrendered.
6. After the expiration of the primary term, if oil or gas has been produced from said lands, and if all production thereof in paying quantities should cease from any cause, this lease shall not terminate, provided Lessee, until production is again obtained, does not permit more than ninety (90) days to elapse between the cessation of production and the beginning of additional drilling or reworking operations in a bona fide attempt to obtain production, and if such operations result in the discovery of oil or gas, this lease shall not terminate as long as oil or gas is being produced by Lessee from said lands in paying quantities.
7. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land not owned by Lessor and draining said lands, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.
8. Notwithstanding any other provision herein contained to the contrary, it is understood and agreed as follows:
- If this lease is in full force and effect after the end of the primary term hereof, then within one hundred eighty (180) days after the expiration of the primary term Lessee shall commence actual drilling of a well on said lands and shall thereafter continuously develop said lands by drilling additional wells on the lands covered hereby with no more than one hundred eighty (180) days elapsing between the completion of one well and the commencement of the next succeeding well. For the purposes of interpretation of this provision, a well shall be determined to be completed on the day Lessee releases the drilling rig used to drill such well or the day such rig is moved off the location, whichever day occurs first, and a well shall be determined to be commenced when such well is spudded with tools capable of drilling such well to its deepest objective depth.

Upon the cessation of such continuous drilling program by Lessee, or if such continuous development program is not commenced, this lease and all rights hereunder shall automatically terminate as to all lands covered hereby, save and except as to each well then capable of producing oil or gas in paying quantities together with

the production unit allocated thereto (the size of said production unit being hereby defined as a tract designated by Lessee containing the number of acres required in order for such well to produce in compliance with applicable well spacing and density rules) as of the date of such termination, and shall further terminate as to all depths in each such production unit deeper than one hundred feet (100') below the shallower of: (a) the stratigraphic equivalent of the deepest depth, as measured from the surface, from which such well has (i) undergone bona fide completion operations (including, without limitation, hydraulic fracturing operations) with the intention of obtaining production of oil and/or gas from such well in commercial quantities, and (ii) is then open to production, as in each such well then capable of producing oil or gas in paying quantities, or (b) the stratigraphic equivalent of the total vertical depth drilled in each such well then capable of producing oil and gas in paying quantities. Further, upon the later to occur of (a) five (5) years after the expiration of the primary term, or (b) two (2) years after cessation of continuous development, this Lease shall further terminate as to all lands held by production in paying quantities, as to all depths between the surface and one hundred feet (100') above the stratigraphic equivalent of the shallowest depth, as measured from the surface, from which such well is then open to production.

Within thirty (30) days after a partial termination of this lease as provided above, Lessee shall execute and deliver to Lessor a recordable release of this lease as to all lands covered hereby save and except the lands and depths to be allocated to each producing production unit in accordance with the terms set forth above.

Upon cessation of said continuous drilling program, any acreage so assigned to a producing production unit shall be considered as covered by a separate lease containing the same terms and provisions hereof, so that thereafter each separate lease can be kept in force and effect only by actual production from, or operations upon, that particular tract without regard to production or drilling operations upon the other tracts retained by Lessee under the terms hereof.

9. With respect to actual operations conducted by Lessee on said lands, it is agreed by and between Lessor and Lessee as follows:
 - (a) Prior to the commencement of any drilling or hydraulic fracturing or stimulation operations on said lands, Lessee shall use reasonable efforts to give Lessor notice of Lessee's intention to commence operations, the approximate date of such commencement and the approximate location of same, and the type of operations to be conducted, such notice to be given within a reasonable time prior to the actual commencement of operations.
 - (b) All operations conducted by Lessee on said lands shall be conducted in accordance with all applicable federal, state and local environmental laws and regulations.
 - (c) Lessee shall at all times defend, indemnify and save and hold harmless Lessor and Lessor's heirs, successors and assigns, from any and all claims, liabilities, demands, damages and causes of action in any manner due to or arising out of Lessee's ownership of rights pursuant to this lease or any and all operations of Lessee, its assigns, employees, agents and contractors on the said lands, subject to any willful misconduct of Lessor.
 - (d) So long as this lease continues in force and effect as to any portion of said lands and for the sole purpose of operation on and production from, said lands, Lessee shall be deemed to have a continuing non-exclusive easement and rights of ingress and egress on said lands even though this lease has been released or has otherwise terminated with respect to portions of said lands.
10. Lessee, upon written request, shall furnish Lessor with copies of all reports filed by Lessee with the **Texas Railroad Commission** or other governmental authority having jurisdiction relating to the location, drilling, completion, and plugging and abandonment of each well drilled by Lessee hereunder, together with copies of any logs or tests run, within thirty (30) days from receipt by Lessee of such request. Lessee shall also furnish Lessor with daily drilling reports, said information to be faxed or emailed to Lessor. Any information so furnished by Lessee shall become the property of Lessor; however, any information designated, in writing, as "proprietary" by Lessee at the time of transmission to Lessor shall be held confidential to and for the sole use of Lessor for and during the lesser of: (i) the term of this Oil and Gas Lease or (ii) three (3) years from the date of transmission.
11. Lessee, upon written request, shall furnish Lessor with a copy of all title opinions obtained by Lessee, together with any curative, pertaining to the interest of Lessor, within thirty (30) days from the receipt by Lessee of such request. Any information so furnished by Lessee shall become the property of Lessor; however, any information designated, in writing, as "proprietary" by Lessee at the time of transmission to Lessor shall be held confidential to and for the sole use of Lessor for and during the lesser of: (i) the term of this Oil and Gas Lease or (ii) three (3) years from the date of transmission.
12. Except as otherwise provided herein, Lessee shall have the right at any time during or within six (6) months after the expiration of this lease as to any portion of the said lands, to remove all property and fixtures placed by Lessee on any such portion of said lands, including the right to draw and remove all casing, then belonging to Lessee and not taken over by Lessor under some other provision of this lease. If Lessee fails to remove such property and fixtures within said six (6) months, such property and fixtures shall be owned by Lessor; provided, however, Lessee shall not be relieved of its liability to plug any well so abandoned.
13. All rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, successors, executors, administrators and assigns of such party, but no change or division in ownership of said lands or of the rentals and royalties payable to Lessor hereunder shall operate to enlarge the obligations or diminish the rights of Lessee; and no such change or division in ownership shall be binding on

Lessee until the person acquiring any interest has furnished Lessee with a copy of the instrument, reflecting the recording data, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of future, unaccrued obligations hereunder with respect to the interest assigned. Provided, however, that no assignment by Lessee to another party shall relieve Lessee of its obligation hereunder to properly plug and abandon any well drilled hereunder which is abandoned as a dry hole, in accordance with the rules, regulations and orders of the **Texas Railroad Commission** or other governmental authority having Jurisdiction, or Lessee's obligation, upon the termination of operations at any site on the said lands to remove all debris and restore the surface of such site as nearly as practicable to the condition existing prior to the commencement of such operations. Lessee shall give Lessor prompt written notice of any assignment of this lease as to all or any portion of the said lands and such notice shall be accompanied by a true copy of the instrument effecting such assignment. All rights and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of each party.

14. Should Lessee be prevented from complying with any express or implied covenants of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of operation of force majeure, or by any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable in damages for failure to comply therewith; the time provided for compliance shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas from the said lands, and the time while Lessee is so prevented shall not be counted against Lessee. However, nothing herein shall excuse Lessee from paying, or extending the time for paying, any royalty, shut-in gas royalty or other payment payable in money hereunder, or permit Lessee to maintain this lease in force and effect by shut-in gas well royalty payment for any period longer than two (2) consecutive years after the end of the primary term.
15. This lease is made by Lessor without warranty of any kind, either express or implied. Lessor hereby agrees that Lessee, at its option, shall have the right at any time to redeem for Lessor by payment any mortgage, tax or other lien upon said lands, in the event of default of payment by Lessor, and in the event Lessee does so, Lessee shall be subrogated to the rights of the holder thereof. If this lease covers an interest in said lands less than the entire oil and gas estate, then the royalties and other payments (excluding all bonus payments) to be paid Lessor hereunder shall be reduced proportionately.
16. All notices permitted or required to be given hereunder shall be in writing and shall be deemed to have been given if sent by United States mail, postage prepaid, properly addressed, or delivered in person to the party to whom such notice is to be given at the following addresses:

LESSOR: Kennedy Minerals, Ltd.
500 West Texas Avenue, Suite 655
Midland, TX 79701

LESSEE: Three Rivers Acquisition III LLC
5301 Southwest Parkway, Suite 400
Austin, TX 78735

17. Pooling. Subject to the limitations herein contained, Lessee, at its option, is hereby given the right and power to pool or combine Lessor's interest in said lands or any portion thereof (and only Lessor's interest in said lands or any portion thereof as Lessor recognizes and acknowledges that Lessor does not have the right, power or authority to permit the interest of any third party in said lands, or any portion thereof, to be pooled or combined) as to oil and gas, or either of them, with other contiguous land, lease or leases, when in Lessee's judgment it is necessary or advisable to do so in order to properly explore, develop and operate said lands in compliance with the spacing and density rules of the **Texas Railroad Commission**, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of the oil and/or gas in and under and that may be produced from said lands; provided, however, Lessee's right, power and authority to pool or combine the interests of Lessor as to oil or gas are subject to the following terms and conditions:

A. Exercise of the Right to Pool. Lessee's right to pool or combine Lessor's interest in said lands, as set forth here below, may only be exercised by Lessee with respect to horizontal drainhole wells (as defined by applicable regulations of the Texas Railroad Commission, or other governmental authority having jurisdiction), and Lessee shall have no right to pool or combine Lessor's interest in said lands with respect to any other wells. In the event Lessee exercises the right to pool or combine Lessor's interest in said lands, any unit formed for the exploration and production of oil shall not exceed 320 acres per lateral mile, and any unit formed for the exploration and production of gas shall not exceed 320 acres per lateral mile for gas above 6,000 feet subsurface, or exceed 320 acres per lateral mile for gas below 6,000 feet subsurface, and in either case the acreage around each well shall be in as near the form of a square or rectangle as is practicable; provided however, if any federal or state law, or any order, rule or regulation of governmental authority shall (i) prescribe or permit a spacing pattern for the development of the field or (ii) allocate a producing allowable in whole or in part based on acreage per well, then any such units may embrace as much additional acreage as (a) may be so prescribed or permitted or (b) as may be used, permitted or allowed in such allocation or allowable pursuant to statewide rules or special field rules. Lessee may pool or combine acreage covered by this lease or any portion thereof as to oil or gas in any one or more strata and the units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall execute in writing an instrument identifying and describing the pooled acreage, the leases or interests so pooled, the zones, formations and depths covered by the pooled unit and the substance (either oil, gas or both) and file said instrument for record in the county or counties in which the pooled land is situated. The pooled unit shall be effective on the date such instrument is filed of record and a copy of such recorded instrument, and all amendments thereof, shall be furnished to Lessor within thirty (30) days from their respective effective dates. Subject to the terms of Section 8 above, production, drilling or reworking operations anywhere on any such unit shall be treated as production, drilling or reworking operations on land covered by the lease then in effect and covering such lands. Unless otherwise stated herein, there shall be allocated to this lease the proportion of the pooled production from any

unit that the number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit; and royalties shall be paid hereunder only upon that portion of such production so allocated. Notwithstanding anything to the contrary hereinabove contained, production, drilling or reworking operations on any unit or units established under the provisions of this Section shall not be treated as production, drilling or reworking operations on any acreage covered by this lease not included within such unit. This lease may be continued in force as to acreage not included in any such unit only as provided in this lease. Any pooled unit designated by Lessee in accordance with the provisions hereof shall automatically terminate upon the completion of a dry hole on said unit or upon the cessation of production in commercial quantities from said unit unless Lessee commences additional operations or restores production on the unit within the applicable time period required for operations provided for in Section 6 of this lease. Further, Lessee may dissolve any pooled unit designated in accordance with the provisions hereof at any time after the completion of a dry hole or cessation of production in commercial quantities from such unit. Notwithstanding the foregoing, any well that requires pooling shall count towards the continuous development program pursuant to the continuous development provision.

B. Non-communitization. If this lease now or hereafter covers separate tracts, no pooling, unitization or communitization of mineral or royalty interests as between any such separate tracts is intended or shall be implied or result from the inclusion of such separate tracts within this lease, and the rule of non-apportionment shall be applicable to this lease and to all lands covered by this lease, but Lessee shall nevertheless have the right to pool Lessor's interest in any separate tract or tracts, to the extent and as provided in this subparagraph 17A above, with consequent allocation of production as therein provided. The inclusion of Lessor's interest in any separate tract within this lease shall not constitute an offer on the part of Lessor to any party who may now or hereafter have an ownership interest in the minerals or royalties in any such separate tract to pool, unitize or communitize any such interest with other interests covered by this lease, and with respect to Lessor's interests in said lands, or in any separate tract, and any other party's interest in said lands, or in any separate tract, such interests shall remain separate ownerships with neither party having any rights, interests or ownership whatsoever in the rights, interests or ownership of the other. Any attempt by an owner of any mineral or royalty interest under a separate tract, now or hereafter, to ratify, adopt or confirm this lease, or any provision herein contained, by any means and thereby effect a pooling, unitization or communitization of any separate tract covered by this lease with any other interests shall by such action specifically ratify, adopt and confirm the entire contents of this subparagraph and such attempt to effect a pooling, unitization or communitization shall be ineffective, null and void for all purposes. As used in this subparagraph, the words "separate tract" means any tract with mineral or royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the lands covered by this lease.

18. Indemnification. Lessee agrees to indemnify and hold harmless Lessor from and against any claims resulting from or arising out of or in connection with operations of or for Lessee hereunder, and from and against all costs and expenses incurred by Lessor from and against any and all claims. Each assignee claiming hereunder agrees to indemnify and hold harmless Lessor from and against any and all claims resulting from or arising out of or in connection with operations of or for such assignee hereunder, and from and against all costs and expenses incurred by Lessor by reason of such claim or claims, unless it is determined by final judgment of a court of competent jurisdiction that the percentage of negligence of Lessor is greater than the percentage of negligence of Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the day, month and year first hereinabove written.

LESSOR:

Kennedy Minerals, Ltd.

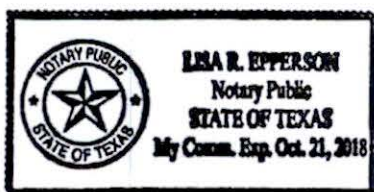
By

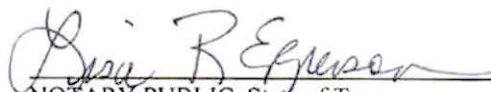
Fred C. Kennedy, Vice President of
M&B Family Minerals, LLC, general partner of
Kennedy Minerals, Ltd.

THE STATE OF TEXAS
COUNTY OF MIDLAND

§
§

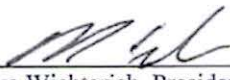
This instrument was acknowledged before me on this 19th day of April, 2016, by Fred C. Kennedy, Vice President of M&B Family Minerals, LLC, general partner of Kennedy Minerals, Ltd., a Texas Limited Partnership.




NOTARY PUBLIC, State of Texas

LESSEE:

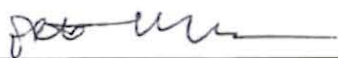
By: THREE RIVERS ACQUISITION III LLC


Mike Wichterich, President of Three Rivers Acquisition III LLC *Dr pan*

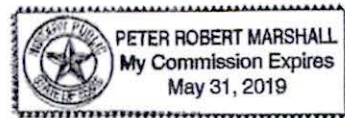
ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF TRANS §

This instrument was acknowledged before me on the 27th day of JUNE, 2016, by Mike Wichterich, President of Three Rivers Acquisition III LLC.


Notary Public

My Commission Expires: 5/31/2019



01.19.0

File No. 116822

_____ County

Lease

Date Filed: 04/30/18

George P. Bush, Commissioner

By [Signature]

Three Rivers Operating Company III LLC
5301 Southwest Parkway, Suite 400 • Austin, TX 78735

CHECK NO. 010816

Reference	Inv date	Invoice No.	Invoice Amt	Prior Pmt	Discount	Amount Paid
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1609-AP-13	09/08/16	CKREQ090816	350.00	0.00	17701017	350.00
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Vendor

2468 COMMISSIONER OF THE TEXAS GEN

Ck date

09/15/16

350.00

RIV-100

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

Three Rivers Operating Company III LLC

5301 Southwest Parkway, Suite 400

Austin, Texas 78735

JPMORGAN CHASE BANK N.A.
HOUSTON, TX

88-88 / 1113

17701010816

DATE

09/15/16

CONTROL NUMBER

2206

PAY Three hundred fifty dollars and 00 cents

AMOUNT

\$*****350.00

TO THE
ORDER
OF

COMMISSIONER OF THE TEXAS GEN
LAND OFFICE
1700 N CONGRESS AVE
STEPHEN F AUSTIN STATE BLDG
AUSTIN, TX 78701-1495

11010816

13.
File No. 116022

Fee County

Date Filed: 04/30/10

George P. Bush, Commissioner

By [Signature]

2010.05.03

01210

NADOA Model Form Division Order (Adopted 9/95)

✓ MF 116822
MF 116842
MF 117511
Unit 8115

DIVISION ORDER

To: **Three Rivers Operating Company III, LLC**
5301 Southwest Parkway, Suite 400
Austin, TX 78735
Attn: D.O. Analyst

Date: May 23, 2018

Property Number: 3420089
Property Name: SMITHER STATE UNIT 47-38 2H
Operator: THREE RIVERS OPER CO III LLC
County and State: Reeves, Texas
Property Description: PSL, Blk: 45 Sec: 47
389-36418

Effective Date: April 26, 2018

Production: ☒ X Oil ☒ X Gas ☒ X Other: all products

Owner Name and Address:
See 'Exhibit A' attached hereto and made a part hereof

Owner Number:
Type of Interest:
Decimal Interest:

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

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

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

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

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

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

Special Clauses: *(None or See Attached Exhibit)*

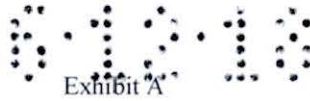
Owner(s) Signature(s): _____

Owner(s) Tax I.D. Number(s): _____

Owner Daytime Telephone: _____

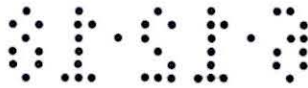
Owner FAX Telephone #: _____

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



3420089 - SMITHER STATE UNIT 47-38 2H

Owner No.	Credit To	Type	Interest
2468	COMMISSIONER OF THE TEXAS GEN LAND OFFICE	NPRI	0.02496384 << Your Interest ✓
2468	COMMISSIONER OF THE TEXAS GEN LAND OFFICE	RI	0.07507232 << Your Interest ✓



INSTRUCTIONS TO ALL INTEREST OWNERS

Dear Interest Owner,

Three Rivers Operating Company III, LLC has enclosed a Division Order for your execution.

The attached document should not be altered in any way except to correct spelling errors, unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

1. Sign your name as shown on the Division Order.
2. If your name has changed due to marriage or divorce, execute the Division Order using your present name and furnish a copy of the marriage certificate or divorce decree.
4. If signing for a corporation, signature must be attested, corporate seal fixed and title of signatory party reflected.
5. If signed by agent, attorney-in-fact, guardian or any party other than the named interest owner, a certified copy of the power of attorney or other evidence of such party's right to sign must be furnished.
6. Your correct mailing address should be noted in the space provided to insure prompt receipt of production proceeds.
7. The top copy or the "Original" of the Division Order should be returned to:

Three Rivers Operating Company III, LLC
5301 Southwest Parkway, Suite 400
Austin, TX 78735
Attn: Division Orders

8. Should you have any further questions regarding the enclosed Division Order, please contact Three Rivers Operating Company III, LLC at (888) 491-5393 or royaltyrelations@3rnr.com
9. Please DO NOT DETACH the exhibit from the Division Order or Transfer Order if one is included.

61218

COMMISSIONER OF THE TEXAS GEN
LAND OFFICE
1700 N CONGRESS AVE
STEPHEN F AUSTIN STATE BLDG
AUSTIN, TX 78701-1495



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 19, 2018

Jessica Adkins
Land Administration Manager
Three Rivers Operating Company III, LLC
5301 Southwest Parkway, Suite 400
Austin, TX 78735

Re: State Lease Nos. MF116822, MF116842 and MF117511 Smither State 47-38 2H Unit 8115

Dear Mrs. Adkins:

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

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

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

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

Thank you,

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

File No. MF116822

Reeves County

Division Order

Date Filed: 7/20/2018

George P. Bush, Commissioner

By V.Z.



July 3, 2018

Texas General Land Office
Attn: Daryl Morgan
PO Box 12873
Austin, TX 78711

RE: Certified Recorded Copies – Pooled Unit and Pooling Agreement Documents

Dear Mr. Morgan,

Enclosed are certified recorded copies of the following Pooled Unit and Pooling Agreement documents.

Mineral File Number	GLO Unit Number	Document	County	Volume	Page
112408	7299	1 st Amendment of Designation of Pooled Unit – Oatman Unit 29	Culberson	36	362
114385	8218	Declaration of Pooled Unit – Dr Pepper Unit 46-39, GLO Unit	Reeves	1458	512
114385	8218	Ratification of Declaration of Pooled Unit – Dr Pepper Unit 46-39, GLO Unit	Reeves	1560	681
115655; 118170	8636	Pooling Agreement – AT Land State Unit	Culberson	35	958
115655; 118170	8636	Declaration of Pooled Unit – AT Land State Unit	Culberson	35	967
116822; 117511	8115	Pooling Agreement – Smither State Unit 47-38	Reeves	1349	700
116822; 117511	8115	Declaration of Pooled Unit – Smither State Unit 47-38	Reeves	1349	193
116822; 117511	8115	Ratification of Declaration of Pooled Unit – Smither State Unit 47-38	Reeves	1417	416
117815	8936	Declaration of Pooled Unit – Red Bull State Unit	Reeves	1605	83
117815; 117816	8303	Pooling Agreement – Smither State Unit 12-13	Reeves	1417	420
117815; 117816	8303	Declaration of Pooled Unit – Smither State Unit 12-13	Reeves	1385	21
117550	8870	Pooling Agreement – Big Red State Unit	Culberson	36	229
118118	8632	Pooling Agreement – Dublin State Unit	Reeves	1565	701
118118	8632	Declaration of Pooled Unit – Dublin State Unit	Reeves	1569	147

Mineral File Number	GLO Unit Number	Document	County	Volume	Page
118382	8748	Pooling Agreement – Cottonwood West State Unit	Culberson	36	597
118382	8748	Declaration of Pooled Unit – Cottonwood West State Unit	Culberson	37	464

A check in the amount of \$400 is enclosed for the filing fees.

Please contact me at (512) 706-9853 or jadkins@3roc.com if you have any questions or need additional information.

Thank you,



Jessica Adkins
Land Administration Manager

Enclosures

APR OPERATING LLC
400 W. ILLINOIS, SUITE 970 MIDLAND, TX 79701

CHECK NO.

001237

Reference	Inv date	Invoice No.	Invoice Amt	Prior Pmt	Discount	Amount Paid
1806-AP-73	07/11/18	CKREQ071118	400.00	0.00		400.00

18714588

121

Vendor	Ck date		
1190 COMMISSIONER OF THE TEXAS GEN	07/18/18	400.00	BOLO 100

THE KEY TO DOCUMENT SECURITY • HEAT ACTIVATED THUMB PRINT • ADDITIONAL SECURITY FEATURES INCLUDED • SEE BACK FOR DETAILS

APR OPERATING LLC
400 W. ILLINOIS, SUITE 970
MIDLAND, TX 79701

WELLS FARGO BANK, N.A.
11 - 24 / 1210

001237

DATE
07/18/18

CONTROL NUMBER

236
18714588

PAY Four hundred dollars and 00 cents

TO THE
ORDER
OF

COMMISSIONER OF THE TEXAS GEN
LAND OFFICE
1700 N CONGRESS AVE
STEPHEN F AUSTIN STATE BLDG
AUSTIN, TX 78701-1495

AMOUNT

\$*****400.00

VOID AFTER 180 DAYS

C C

HEAT SENSITIVE
FINGER WITH TOUCH

001237

File No. M-116822

Ltr. From 3, RDC County

Date Filed: 7/23/18

George P. Bush, Commissioner

By [Signature]

POOLING AGREEMENT
THREE RIVERS OPERATING COMPANY III LLC
SMITHER STATE UNIT 47-38
GLO UNIT NO. 8115
REEVES COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Three Rivers Operating Company III LLC, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

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

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional or horizontal well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional or horizontal well surfaced on adjacent or adjoining land or drilling or reworking of any such well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included

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within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than the number of acres included in the pooled unit, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of September 6, 2016.

SPECIAL TERMS AND CONDITIONS:

8.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum "A".

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Agreement.

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STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed 11/30/14

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

STATE OF TEXAS

By: *[Signature]*
George P. Bush, Commissioner
General Land Office

THREE RIVERS OPERATING COMPANY III LLC

Date Executed 9/20/16

By: *[Signature]*
Mike Wichtench
Its: CEO

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CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of September, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 30th day of November, 2016.


Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Travis

This instrument was acknowledged before me on September 20, 2016, by Mike Wichterich
as CEO for Three Rivers Operating Company III LLC, a Delaware limited
liability company on behalf of said company.




Notary Public in and for the
State of Texas



Date Executed:

11-10-2016

Summit West Resources LP

By: Summit West Management LLC, its General Partner


By: Matt R. Johnson
President & COO

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ACKNOWLEDGEMENT

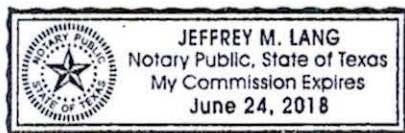
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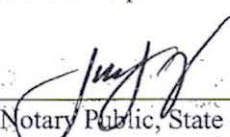
STATE OF TEXAS §

COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on this 10th day of November, 2016, by Matt R. Johnson, President and COO of Summit West Management LLC, as General Partner of Summit West Resources LP, a Texas limited partnership, on behalf of said limited partnership.

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Notary Public, State of Texas

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Addendum "A"

To that certain Pooling Agreement for the Smither State Unit 47-38

The parties hereby agree that should a conflict exist between this Addendum and the body of the agreement that this Addendum shall prevail.

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of approximately 267 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the well or wells. In the event that Lessee choses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

Lessee shall have commenced actual Drilling Operations in the following manner:

- First well — spud on or before June 13, 2017;
- Second, Third and Fourth well — spud on or before June 13, 2019.

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder as provided above and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph nine (9) of this Agreement.

End of Addendum "A"

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EXHIBIT A

STATE LEASE NUMBER (MF)	LESSOR	LESSEE OF RECORD	LEASE DATE	VOLUME	PAGE	COUNTY
MF116842	GLO, CMC/SC BECKHAM HOLDINGS LP, ET AL	CONOCOPHILLIPS COMPANY	6/13/2014	1091	304	REEVES
MF117511 C	GLO, SAGE GREEN COMPANY	CONOCOPHILLIPS COMPANY	4/23/2015	1197	637	REEVES
MF117511 B	GLO, PLEASANT STREET LIMITED	CONOCOPHILLIPS COMPANY	4/23/2015	1197	627	REEVES
MF117511 U	GLO, CLYDE MICHAEL WILLIAMS III TRUST, BY CLYDE MICHAEL WILLIAMS III, TRUSTEE	CONOCOPHILLIPS COMPANY	5/23/2015	1198	1	REEVES
MF117511 S	GLO, JOHN THOMAS SMITHER WILLIAMS TRUST, BY JOHN THOMAS SMITHER WILLIAMS, TRUSTEE	CONOCOPHILLIPS COMPANY	5/23/2015	1198	21	REEVES
MF117511 T	GLO, EDITH GIBBS WILLIAMS TRUST, BY EDITH GIBBS WILLIAMS, TRUSTEE	CONOCOPHILLIPS COMPANY	5/23/2015	1198	11	REEVES
MF117511 N	GLO, CLYDE MICHAEL WILLIAMS III	CONOCOPHILLIPS COMPANY	5/23/2015	1197	717	REEVES
MF117511 L	GLO, JOHN THOMAS SMITHER WILLIAMS, BY CLYDE MICHAEL WILLIAMS III, ATTORNEY-IN-FACT	CONOCOPHILLIPS COMPANY	5/23/2015	1197	737	REEVES
MF117511 K	GLO, KATHLEEN SMITHER WILLIAMS BY CLYDE MICHAEL WILLIAMS III, ATTORNEY-IN-FACT	CONOCOPHILLIPS COMPANY	5/23/2015	1197	747	REEVES
MF117511 M	GLO, EDITH GIBBS WILLIAMS, BY CLYDE MICHAEL WILLIAMS III, ATTORNEY-IN-FACT	CONOCOPHILLIPS COMPANY	5/23/2015	1197	727	REEVES
MF117511 O	GLO, MARY LEE NICHOLS	CONOCOPHILLIPS COMPANY	5/23/2015	1197	767	REEVES
MF117511 R	GLO, MARK B WOODWARD	CONOCOPHILLIPS COMPANY	5/23/2015	1197	757	REEVES
MF117511 I	GLO, FRANCES R SNIPES	CONOCOPHILLIPS COMPANY	5/23/2015	1197	707	REEVES
MF117511 E	GLO, CRIMSON PROPERTIES LTD	CONOCOPHILLIPS COMPANY	5/23/2015	1197	657	REEVES
MF117511 F	GLO, MARY SUE COFFMAN	CONOCOPHILLIPS COMPANY	5/16/2015	1197	667	REEVES
MF117511 J	GLO, FLORINE KLUSMAN	CONOCOPHILLIPS COMPANY	5/16/2015	1197	697	REEVES
MF117511 P	GLO, WALTER WOODWARD JR	CONOCOPHILLIPS COMPANY	5/23/2015	1197	777	REEVES
MF117511 Q	GLO, WILLIAM ROBINSON WOODWARD	CONOCOPHILLIPS COMPANY	5/23/2015	1197	787	REEVES
MF117511 G	GLO, SMITHER ASSET MANAGEMENT LLC	CONOCOPHILLIPS COMPANY	5/23/2015	1197	687	REEVES
MF117511 H	GLO, GERTRUDE J SMITHER	CONOCOPHILLIPS COMPANY	5/23/2015	1197	677	REEVES
MF117511 V	GLO, KATHLEEN SMITHER WILLIAMS TRUST, BY KATHLEEN SMITHER WILLIAMS, TRUSTEE	CONOCOPHILLIPS COMPANY	5/23/2015	1197	617	REEVES
MF117511 D	GLO, EVA HAWLEY SMITHER FAMILY TRUST, SARAH HAWLEY DUNNING AND JOHN RICHARD HAWLEY, CO-TRUSTEES	CONOCOPHILLIPS COMPANY	5/23/2015	1197	647	REEVES
MF117511 A	GLO, E M SMITHER COMPANY	CONOCOPHILLIPS COMPANY	5/23/2015	1197	603	REEVES
MF117511 W	GLO, WILBUR LAWRENCE SMITHER III ESTATE, BY MARTHA MOSSMAN SMITHER, EXECUTOR	CONOCOPHILLIPS COMPANY	5/16/2015	1233	718	REEVES
FEE LEASE	JAMES ROBERT HILL, ET AL	ENERGEN RESOURCES CORPORATION	12/1/2010	863	335	REEVES
FEE LEASE	FRED W SHIELD AND COMPANY	THREE RIVERS ACQUISITION III LLC	4/19/2016	1287	355	REEVES
FEE LEASE	DE COMPIEGNE PROPERTY COMPANY NO 20 LTD	THREE RIVERS ACQUISITION III LLC	4/19/2016	1279	184	REEVES
FEE LEASE	OAK VALLEY MINERAL AND LAND LP	THREE RIVERS ACQUISITION III LLC	4/19/2016	1287	372	REEVES
FEE LEASE	KENNEDY MINERALS LTD	THREE RIVERS ACQUISITION III LLC	4/19/2016	1287	357	REEVES
FEE LEASE	BRUNO AND MARSHALL INVESTMENTS	THREE RIVERS ACQUISITION III LLC	5/18/2016	1293	371	REEVES
FEE LEASE	CG INTERESTS, LLC	SUMMIT WEST RESOURCES LP	2/8/2016	1250	503	REEVES
FEE LEASE	TRIANGLE ROYALTY L.P. AND JK ROYALTY LP	SUMMIT WEST RESOURCES LP	2/8/2016	1253	14	REEVES

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Exhibit "B"

LEGAL DESCRIPTION FOR Three Rivers Operating Company III LLC
SMITHER STATE UNIT 47-38, GLO UNIT NUMBER 8115
1068.22 ACRES
REEVES COUNTY, TEXAS

Being a 1,068.22 acre tract, more or less, and being the South two-thirds being 426.67 acres of Section 38, Block 45, PSL Survey, Reeves County, Texas and All of Section 47, Block 45, PSL, Reeves County, Texas and being described by Metes and Bounds as follows:

Beginning at a point for the Northeast corner of this tract and being a point in the East line of Section 38, Block 45 from which a 5/8" iron rod for the Northeast corner of Section 38, Block 45 bears N 01°49'18" E, 1759.53 feet.

Thence S 01°49'18" W, a distance of 3519.06 feet to a point in the East line of this tract and being the Southeast corner of Section 38, Block 45;

Thence S 01°49'17" W, a distance of 5033.12 feet to a point for the Southeast corner of this tract and being the Southeast corner of Section 47, Block 45;

Thence N 88°14'07" W, a distance of 5292.46 feet to a point for the Southwest corner of this tract and being the Southwest corner of Section 47, Block 45;

Thence N 01°52'47" E, a distance of 5044.63 feet to a point in the West line of this tract and being the Northwest corner of Section 47, Block 45;

Thence N 01°52'47" E, a distance of 3519.46 feet to a point for the Northwest corner of this tract and being a point in the West line of Section 38, Block 45;

Thence S 88°06'23" E, a distance of 5283.78 feet to the place of beginning.

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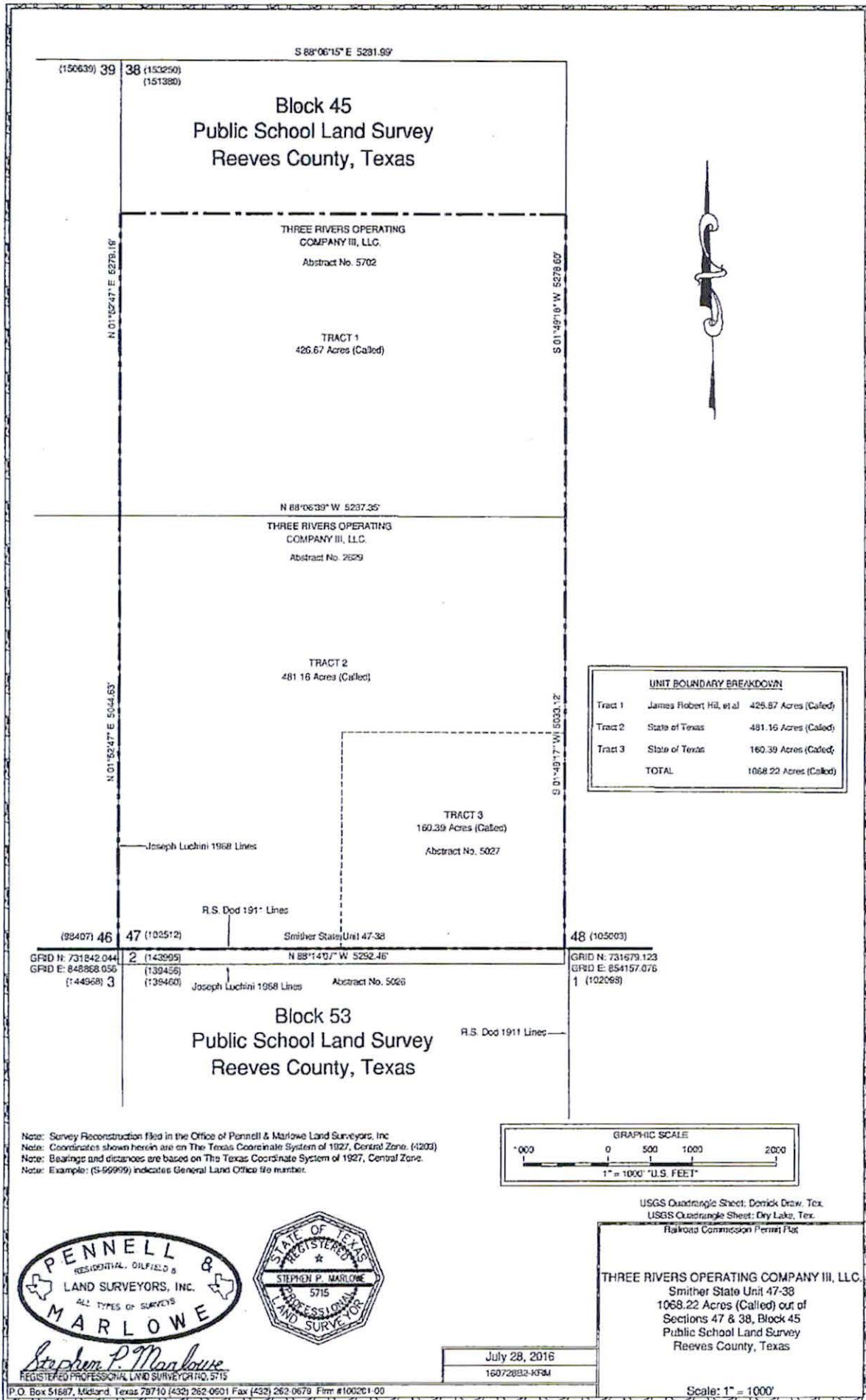
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EXHIBIT C



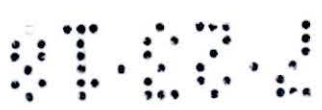
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Inst No. 16-16941
DIANNE O. FLOREZ
COUNTY CLERK
2016 Dec 15 at 11:00 AM
REEVES COUNTY, TEXAS
By: ER E. Rayos, DEPUTY

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File No. M-116822

Cert. Copy of Smith State Wit County

Date Filed: 7/23/18

George P. Bush, Commissioner

By [Signature]

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL 1344

PAGE 100 THRU 101

I hereby certified on 3/27/18



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY [Signature] DEPUTY



DECLARATION OF POOLED UNIT
SMITHER STATE UNIT 47-38 6WA

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

This Declaration of Pooled Unit is executed by the undersigned parties, who are the owners of an interest in the leasehold estates created under those certain Oil, Gas and Mineral Leases (the "Leases") which are more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, or who are the owners of an interest in the mineral estate in the lands described in the Leases, who join in the execution hereof to evidence their consent to the pooling, unitization and combination of the leases and mineral estates herein described.

RECITALS

WHEREAS, each of the Leases authorizes the Lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, or Lessee has received prior authorization to form a pooled unit of the size prescribed or permitted under the terms of the Leases and/or rules or regulations of the appropriate governmental authority for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases (the "Unit" or "Unit Area"); and

WHEREAS, the pooling, unitization and combination of the Leases and mineral estates to the extent necessary to form the hereinafter described Unit are necessary and advisable in the judgment of the undersigned.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

1. Declaration of Unit. In accordance with the provisions of the Leases, the undersigned do hereby declare, pool, unitize and combine the Leases, including all renewals, extensions, ratifications and amendments thereof, and the lands covered thereby and the mineral estates therein, to the extent necessary to form and create the Unit Area described below. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion, which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit. If at any time any tract of land or interest within the Unit is not properly pooled or unitized by this Declaration of Pooled Unit (the "Declaration"), or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair, or otherwise invalidate the Unit as to any interest pooled or unitized by this Declaration.

2. Description of Unit Area. The Unit Area shall consist of **1068.22 acres**, more or less, being the lands which are more particularly described and depicted by plat on Exhibit "B", all of which Exhibits are attached hereto and incorporated herein by reference for all purposes. This Declaration covers all oil, gas, and associated and constituent hydrocarbons produced from a well or wells classified as an oil well or a gas well on the lands within the Unit.

3. Unit Name. The Unit created hereby shall be known as the **"SMITHER STATE 47-38 UNIT."**

4. Additional Interest Included; Consent. In the event the undersigned, as of the effective date of this Declaration, owns any leasehold interest or mineral interest other than those specifically described or referred to herein covering the lands inside the Unit Area, including any unleased mineral interest in lands inside the Unit Area, or any interest for which ratification of the Unit created hereby is necessary, such interest or interests are hereby pooled and combined into said Unit as hereby declared without the necessity of specifically enumerating such interests or the specific lands covered by such interests or in which they are held.

5. Right to Amend. The undersigned hereby expressly reserve the right, from time to time, to amend this Declaration, and the respective terms and provisions hereof, and to change the size and area of, and interests covered by the Unit described herein, including without limitation, the power (i) to change, reduce, enlarge or extend the size or configuration of the Unit Area; (ii) to include any other formation or formations and any other mineral or minerals therein, thereunder

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or produced therefrom the Unit, all in accordance with the terms and provisions of the Leases; (iii) to include in the Unit described herein or in any amendments hereto, oil, gas and mineral leases, or interests in the lands described therein, covering interests in the Unit Area, which are secured or obtained subsequent to the effective date of this Declaration, or prior to the effective date of this Declaration, and not included and described herein, and (iv) to include in the Unit described herein or in any amendments hereto, full or undivided interests in the Unit Area which are not otherwise included herein by the respective owner of such full or undivided interests. Any amendment may be executed by the Operator of the Unit on behalf of the undersigned, provided that the amendment will not change the interests of the working interest owners in the Unit.

6. Dissolution of Unit. The Unit formed hereby may be dissolved by the Operator of the Unit on behalf of the undersigned, at any time, by an instrument filed for record in Reeves County, Texas, for any reason, including but not limited to, any failure to establish unit production, or after cessation of operations upon the Unit.

7. Ratification of Unit. This Declaration may be ratified by other parties by separate instruments in writing, referring to this Declaration and the effective date of said Declaration. This Declaration, and each counterpart or ratification hereof, shall be binding upon each party who executed the same, and shall have the effect of pooling such party's undivided ownership interest in the leases covered hereby, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

8. General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns, representatives, and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

9. Effective Date. The Unit created by this Declaration shall be effective as of the date of its recording and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the Leases are maintained in force and effect by payment or tender of shut-in royalties, or by other means, in the manner provided for under the terms of these Leases, so long as the Unit has not been terminated or dissolved.

EXECUTED by the undersigned parties on the respective dates of acknowledgment hereof.

Three Rivers Acquisition III LLC,
a Delaware limited liability company

By: [Signature]
Mike Wichterich
Chief Executive Officer

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 14th day of September, 2018, by Mike Wichterich, as Chief Executive Officer of Three Rivers Acquisition III LLC on behalf of said limited liability company.

[Signature]
Notary Public

My Commission Expires: 8/19/18



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Page 2 of 5

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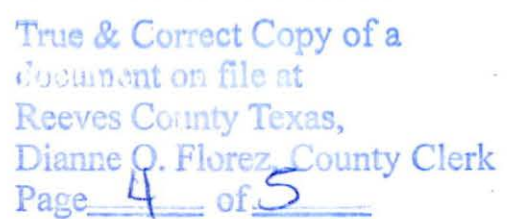
EXHIBIT "A"

LESSOR	LESSEE OF RECORD	LEASE DATE	BOOK	PAGE	STATE	COUNTY	DESCRIPTION
JAMES ROBERT HILL, ET AL	ENERGEN RESOURCES CORPORATION	12/1/2010	863	335	TX	REEVES	SOUTH 2/3 SECTION 38, BLOCK 45, PSL SURVEY
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MIDTEX ROYALTY II LP	THREE RIVERS ACQUISITION III LLC	8/25/2016	1319	637	TX	REEVES	SOUTH 2/3 SECTION 38, BLOCK 45, PSL SURVEY
CG INTERESTS, LLC	SUMMIT WEST RESOURCES LP	2/8/2016	1250	503	TX	REEVES	SOUTH 2/3 SECTION 38, BLOCK 45, PSL SURVEY
TRIANGLE ROYALTY L.P. AND JK ROYALTY LP	SUMMIT WEST RESOURCES LP	2/8/2016	1253	14	TX	REEVES	SOUTH 2/3 SECTION 38, BLOCK 45, PSL SURVEY
GLO, CMC/SC BECKHAM HOLDINGS LP, ET AL	CONOCOPHILLIPS COMPANY	6/13/2014	1091	304	TX	REEVES	SE/4 SECTION 47, BLOCK 45, PSL SURVEY
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Inst No. 17-01876
DIANNE O. FLOREZ
COUNTY CLERK
2017 Feb 03 at 03:41 PM
REEVES COUNTY, TEXAS
By: RL Homena Ryle, DEPUTY

07.03.17



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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1269, PAGE 113, THRU 197.



I hereby certified on 3/27/2018

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Houma Sylis DEPUTY



RATIFICATION OF DECLARATION OF POOLED UNIT
SMITHER STATE UNIT 47-38 6WA

STATE OF TEXAS
COUNTY OF REEVES

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WHEREAS, a certain instrument entitled "Declaration of Pooled Unit Smither State Unit 47-38 6WA" ("Declaration") has been executed effective February 3, 2017 for conducting Unit Operations in Reeves County, Texas, as more particularly described in said Declaration recorded in Volume 1369, Page 193 of the Official Public Records of Reeves County, Texas; and

WHEREAS, the Declaration describes the Leases included within the Unit by Exhibit "A" ("Leases"), and shows a plat of the unit as Exhibit "B" ("Unit"); and

WHEREAS, the Declaration may be ratified by other parties by separate instruments in writing, and shall be binding upon each party who executes the same, and shall have the effect of pooling such party's undivided ownership interest in the Leases covered thereby; and

WHEREAS, Summit West Resources LP, whose address is 550 W Texas Avenue #700, Midland, Texas 79701, is the current lessor of two of said Leases within said Unit; and

WHEREAS, Three Rivers Operating Company III LLC and Summit West Resources LP entered into an Operating Agreement covering the land and Leases within said Unit on August 11, 2016, a memorandum of which is recorded in Volume 1369, Page 198 of the Official Public Records of Reeves County, Texas;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, Summit West Resources LP, by its General Partner Summit West Management LLC, does hereby ratify the Declaration, commit to said Unit all of its Leases within the Unit and does hereby agree to be bound by all of the provisions of said Declaration, the same as if the undersigned had executed the original or a counterpart of said Declaration.

EXECUTED this 18th day of April, 2017, but effective for all purposes as of February 3, 2017.

Summit West Resources LP
By: Summit West Management LLC, its General Partner

By:

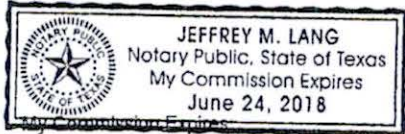
Matt R. Johnson
Matt R. Johnson
President and COO

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF MIDLAND

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This instrument was acknowledged before me on this 18th day of April, 2017, by Matt R. Johnson, as President and COO of Summit West Management LLC, General Partner of Summit West Resources LP, on behalf of said limited partnership.



Jeffrey M. Lang
Notary Public

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 4

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EXHIBIT "A"

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Page 2 of 4

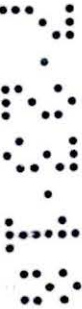
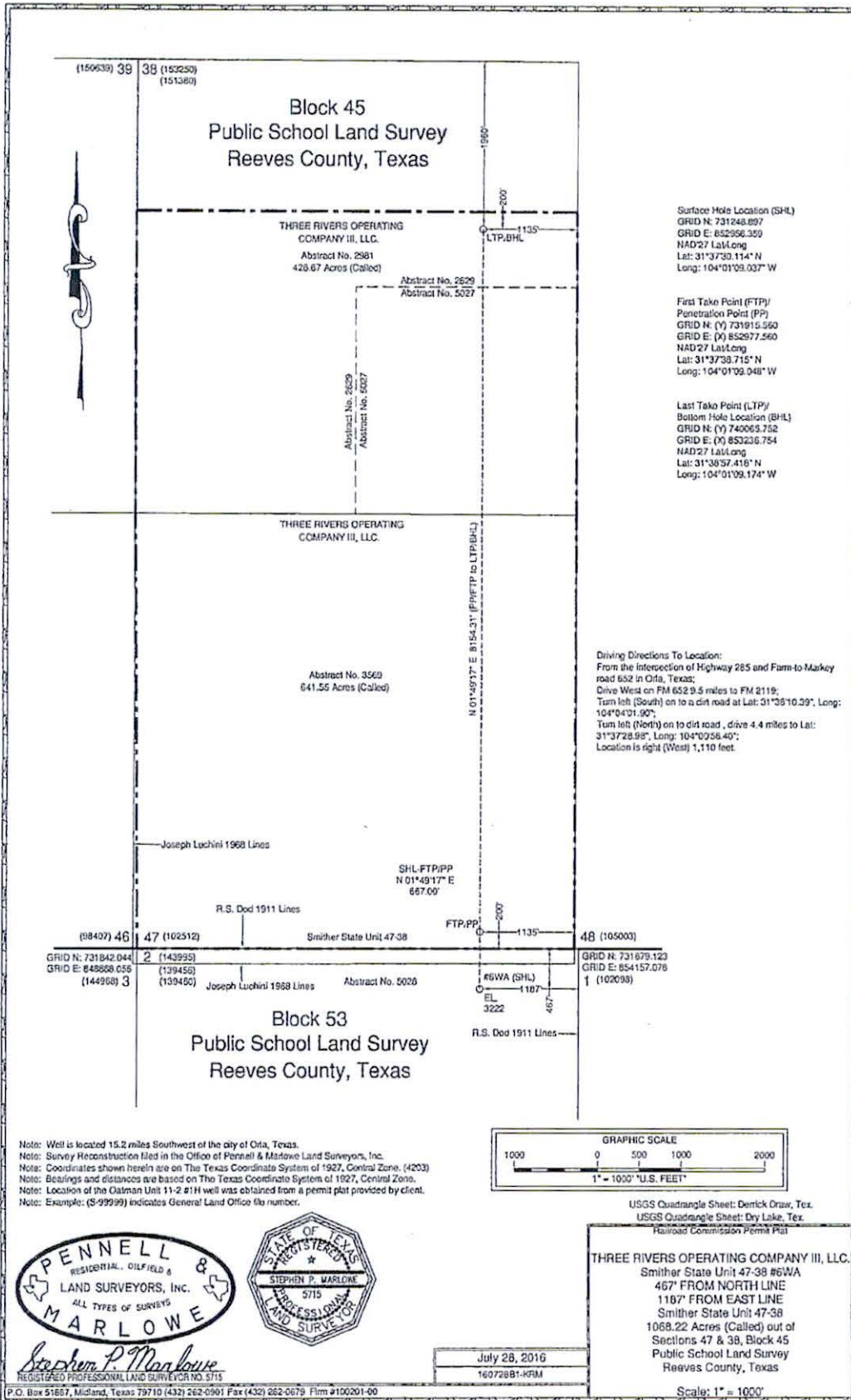


EXHIBIT "B"



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Page 3 of 4

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Inst No. 17-06391
DIANNE O. FLOREZ
COUNTY CLERK
2017 May 15 at 01:32 PM
REEVES COUNTY, TEXAS
By: ER E. RAYDS, DEPUTY

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document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 4 of 4

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File No. M-116822
Cert. Copy of Dec. 23/18
Ret of Smith State, Va.
Date Filed: 7/23/18
By: George P. Bush, Commissioner

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1417 PAGE 414 THRU 419.

I hereby certified on 3/26/18
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Romana Lopez DEPUTY



OIL AND GAS LEASE

This Oil and Gas Lease is made and entered into this **8th day of February, 2016**, between CG Interests, LLC whose mailing address is 1011 Dragon Street, Dallas, Texas 75207, herein called Lessor, and **Summit West Resources LP**, whose address is 550 W. Texas Ave, #700, Midland, Texas 79701, herein called Lessee:

WITNESSETH:

1. Lessor, in consideration of TEN AND NO 100 DOLLARS (\$10.00) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged, of the royalties herein provided, and of the covenants, agreements and obligations hereinafter contained on the part of Lessee to be kept and/or performed and upon the conditions and with the limitations hereinafter set forth and contained, hereby GRANTS, LEASES and LETS exclusively unto Lessee for the sole and only purpose of investigating, exploring, prospecting, drilling and operating for, developing and producing oil and gas (oil and gas, for all purposes of this lease, being defined to include oil, gas, casinghead gas, and the byproducts thereof, and such other hydrocarbons and sulphur as are necessarily produced with, and incidental, to the production of oil and/or gas from wells on the lands herein leased), laying pipelines, building roads, tanks, power stations and other structures thereon, to produce, save, take care of, treat, store, transport and own said products, all of the following described lands (the "said lands") located in Reeves County, Texas, to wit:

Section 38: South 426.67 acres, Block 45, Abstract 5702, PSL Survey;
Section 30: All, Block 57, Township 3, Abstract 5483, T&P Survey; and
Section 17: North 426.67 acres, Block C-21, Abstract 5746, PSL Survey

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of **Three Years (3)** from this date (herein called "primary term"), and as long thereafter as oil or gas is produced in commercial quantities from said lands by Lessee, or drilling or reworking operations are prosecuted thereon under the other provisions hereof.

3. Lessee covenants and agrees to pay to Lessor the following royalties which are hereby reserved and retained by Lessor:

- (a) On all oil and on all liquid hydrocarbons extracted from gas under the provisions hereof, **one-fourth (1/4th)** of the market value at the well of that produced and saved from the said lands, such value to be determined the price received by Lessee of the sale thereof in an arm's length, non-affiliated transaction.
- (b) On all gas produced from said lands, including casinghead gas and residue gas at the tailgate of any plant through which gas produced from said lands may be processed, **one-fourth (1/4th)** of the market value of the gas at the well or at Lessor's option, **one-fourth (1/4th)** of the gas, in kind, at the well or at the outlet side of the separator, or at the tailgate of any plant through which gas is processed, as the case may be. Market value is to be based on the market price at the well offered for gas of comparable quality where produced and when run, or the gross price paid to the producer, whichever is greater.
- (c) On condensate and all liquid hydrocarbon products separated, extracted or manufactured from gas produced from said lands by any extraction, absorption, pressuring or other plant belonging wholly or in part to Lessee or any subsidiary company, **one-fourth (1/4th)** of the market value at the plant of all such condensate and other products so separated, extracted or manufactured, or, at Lessor's option, **one-fourth (1/4th)** of such condensate and other products, in kind, shall be delivered to Lessor at the plant.
- (d) On condensate and all liquid hydrocarbon products separated, extracted or manufactured from gas produced from said lands by an extraction, absorption, pressuring or other plant belonging to a non-affiliated third party or parties, **one-fourth (1/4th)** of the amount received by Lessee from the sale of condensate and other products separated, extracted or manufactured by said plant and credited to Lessee under the terms of Lessee's contract with such plant.
- (e) This lease is intended to cover only oil and gas, but it is contemplated that some sulphur may be produced necessarily with, and incidental to, the production of oil and gas and, in such event, this lease shall also cover such sulphur so produced. On all sulphur so produced under and by virtue of the terms of this lease, Lessor shall have and be entitled to a royalty of **one-fourth (1/4th)** of all such sulphur produced and saved, same to be delivered to Lessor, free of all costs, or, at the option of Lessor, Lessee shall account to Lessor for **one-fourth (1/4th)** of the amount received by Lessee from the sale of such sulphur.
- (f) At any time, either before or after the expiration of the primary term of this lease, where gas from a well located on said lands and completed as a commercial producer of gas only, or gas and condensate or distillate only, is not sold, Lessee may pay or tender as royalty, by a valid check of Lessee, to Lessor or the parties entitled to receive royalties under this lease on or before ninety (90) days after the date on which (1) the first gas well is shut-in, or (2) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and annually thereafter, a shut-in gas well royalty payment in the amount hereinafter provided, and if such payment is properly and timely made, it will be considered that gas is being produced from said lands in

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accordance with the terms of this lease; provided, however, this lease may not be continued in force by the making of shut-in gas well royalty payments as herein provided for a period of longer than two (2) consecutive years after the end of the primary term. The annual payment following the date on which a well is shut-in shall be a sum of money equal to ten and no/100 Dollars (\$10.00) per acre for the acreage then held under this lease by the parties making such payment or tender. This provision as to the payment of shut-in gas royalty is a condition and not a covenant, and the failure to pay any shut-in gas royalty as herein provided shall effect an automatic termination of this lease.

- (g) All royalties payable under Subparagraphs (a), (b), (c), (d) and (e) of this Paragraph 3 shall be without deduction for (1) any marketing fee charged by Lessee, or any purchaser affiliated with Lessee, or (2) the cost of producing, gathering, storing, separating at the well head, treating and/or transporting the oil and gas produced hereunder.
- (h) Notwithstanding anything contained in this Paragraph 3 or elsewhere in this lease to the contrary, Lessor may at any time and from time to time, on sixty (60) days prior notice in writing to Lessee, require that payment of all or any part of the royalties accruing to Lessor under this lease on oil, gas or any product, be made in kind, effective as of the first day of the calendar month next following the expiration of said sixty (60) day period, or if payment of any such royalties are then being made to Lessor in kind, require that such in kind payments cease and that payment of such royalties thereafter be made as provided in this Paragraph 3, with Lessor having the recurring right on a yearly basis to either take in kind, cease taking in kind, and resume taking in kind, all or any part of such royalties. Any additional expenditures resulting solely from Lessor's taking in kind or separately marketing Lessor's royalty gas (and which would not have been necessary otherwise) shall be borne and paid by Lessor. Any meter hook-up will be installed by Lessee or Assigns, and paid for by Lessor within thirty days of billing.
- (i) After payment of royalties is first begun on production from any well on said lands, all royalties that may become due thereafter shall be paid to Lessor on or before the twenty-fifth day of the second month following the month in which said oil and/or gas are produced. Further, the terms of this lease may not be amended or superseded by any division order.
- (j) Lessee shall have free use of oil and gas produced from said lands for all drilling and reworking operations conducted on said lands under the terms of this lease, and the royalties on oil and gas shall be computed after deducting any so used.
4. Lessee shall have free use of water from said lands, except water from the Lessor's wells, tanks, or any stream or river on or adjoining said lands, for drilling, reworking and ordinary lease operations.
5. (a) This is a "paid up" oil and gas lease, and no rental payments are due during the primary term hereof.
- (b) Lessee may at any time or times execute a release or releases covering any portion or portions of said lands, record the same and deliver to Lessor a copy of the same reflecting the recording data, and thereby surrender this lease as to such portion or portions, and be relieved of all obligations as to the acreage surrendered.
6. After the expiration of the primary term, if oil or gas has been produced from said lands, and if all production thereof in paying quantities should cease from any cause, this lease shall not terminate, provided Lessee, until production is again obtained, does not permit more than ninety (90) days to elapse between the cessation of production and the beginning of additional drilling or reworking operations in a bona fide attempt to obtain production, and if such operations result in the discovery of oil or gas, this lease shall not terminate as long as oil or gas is being produced by Lessee from said lands in paying quantities.
7. It is understood and agreed as follows:

If this lease is in full force and effect after the end of the primary term hereof, then within one hundred eighty (180) days after the expiration of the primary term Lessee shall commence actual drilling of a well on said lands and shall thereafter continuously develop said lands by drilling additional wells on the lands covered hereby with no more than one hundred eighty (180) days elapsing between the completion of one well and the commencement of the next succeeding well. For the purposes of interpretation of this provision, a well shall be determined to be completed thirty (30) days after Lessee releases the drilling rig used to drill such well or thirty (30) days after such rig is moved off the location, whichever day occurs first, and a well shall be determined to be commenced when such well is spudded with tools capable of drilling such well to its deepest objective depth. Each well properly commenced hereunder shall be completed by Lessee within one hundred eighty (180) days from the date of the cessation of drilling operations of such well.

Upon the cessation of such continuous drilling program by Lessee, or if such continuous development program is not commenced, this lease and all rights hereunder shall automatically terminate as to all lands covered hereby, save and except as to each well then capable of producing oil or gas in paying quantities together with the proration unit allocated thereto (as used herein the term "proration unit" means a tract as nearly in the form of a square as possible allocated by the appropriate governmental regulatory body to a well, said tract being the minimum number of acres required for the production of the full allowable from a well in the particular field and from the particular sand or formation involved as of the date of such termination) as of the date of such termination, and shall further terminate as to all depths in each such

proration unit below 100 feet below the deepest producing formation, in each such well capable of producing oil or gas in paying quantities. Upon Lessor's written request, Lessee within thirty (30) days of receipt of such request, shall execute and deliver to Lessor a recordable release of this lease as to all lands covered hereby save and except the lands and depths to be allocated to each producing proration unit in accordance with the terms set forth above.

Upon cessation of said continuous drilling program, any acreage so assigned to a producing proration unit shall be considered as covered by a separate lease, for purposes of lease preservation only, so that thereafter each separate unit, can be kept in force and effect only by actual production from, or operations upon, that particular tract without regard to production or drilling operations upon the other tracts retained by Lessee under the terms hereof. The creation of such proration unit shall not be deemed to create internal lease lines that could inhibit additional infill drilling at a higher density.

8. With respect to actual operations conducted by Lessee on said lands, it is agreed by and between Lessor and Lessee as follows:

(a) All operations conducted by Lessee on said lands shall be conducted in accordance with all applicable federal, state and local environmental laws and regulations.

(b) Lessee shall at all times defend, indemnify and save and hold harmless Lessor and Lessor's heirs, successors and assigns, from any and all claims, liabilities, demands, damages and causes of action in any manner due to or arising out of Lessee's ownership of rights pursuant to this lease or any and all operations of Lessee, its assigns, employees, agents and contractors on the said lands.

(d) So long as this lease continues in force and effect as to any portion of said lands and for the sole purpose of operation on and production from, said lands, Lessee shall be deemed to have a continuing non-exclusive easement and rights of ingress and egress, including but not limited to roads, tank batteries, pipelines and utility easements, for the operation of the leased premises on said lands even though this lease has been released or has otherwise terminated with respect to portions of said lands.

9. Within thirty (30) days of Lessor's request, Lessee shall furnish Lessor with copies of all reports filed by Lessee with the **Texas Railroad Commission** or other governmental authority having jurisdiction relating to the location, drilling, completion, and plugging and abandonment of each well drilled by Lessee hereunder, together with copies of any logs or tests run. Lessee shall also furnish Lessor with daily drilling reports, said information to be faxed or emailed to Lessor. Any information so furnished by Lessee shall be held confidential to and for the sole use of Lessor for and during the term of this Oil and Gas Lease.

10. Within thirty (30) days of Lessor's request, Lessee shall furnish Lessor with a copy of all title opinions obtained by Lessee, together with any curative pertaining to the interest of Lessor. Any information so furnished by Lessee shall be held confidential to and for the sole use of Lessor for and during the term of this Oil and Gas Lease.

11. Except as otherwise provided herein, Lessee shall have the right at any time during or within six (6) months after the expiration of this lease as to any portion of the said lands, to remove all property and fixtures placed by Lessee on any such portion of said lands, including the right to draw and remove all casing, then belonging to Lessee and not taken over by Lessor under some other provision of this lease. If Lessee fails to remove such property and fixtures within said six (6) months, such property and fixtures shall be owned by Lessor; provided, however, Lessee shall not be relieved of its liability to plug any well so abandoned.

12. All rights of either party hereunder may not be assigned in whole or in part, without the prior written consent of Lessor, which consent shall not be unreasonably withheld. The provisions hereof shall extend to the heirs, successors, executors, administrators and assigns of such party, but no change or division in ownership of said lands or of the rentals and royalties payable to Lessor hereunder shall operate to enlarge the obligations or diminish the rights of Lessee; and no such change or division in ownership shall be binding on Lessee until the person acquiring any interest has furnished Lessee with a copy of the instrument, reflecting the recording data, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of future, unaccrued obligations hereunder with respect to the interest assigned. Provided, however, that no assignment by Lessee to another party shall relieve Lessee of its obligation hereunder to properly plug and abandon any well drilled hereunder which is abandoned as a dry hole, in accordance with the rules, regulations and orders of the **Texas Railroad Commission** or other governmental authority having Jurisdiction, or Lessee's obligation, upon the termination of operations at any site on the said lands to remove all debris and restore the surface of such site as nearly as practicable to the condition existing prior to the commencement of such operations. Lessee shall give Lessor written notice of any assignment of this lease as to all or any portion of the said lands and such notice shall be accompanied by a true copy of the instrument effecting such assignment. All rights and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of each party.

13. Should Lessee be prevented from complying with any express or implied covenants of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of operation of force majeure, or by any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable in damages for failure to comply therewith; the time provided for compliance shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas from the said lands, and the time while Lessee is so prevented shall not be counted against Lessee. However, nothing herein shall excuse Lessee from paying, or

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extending the time for paying, any royalty, shut-in gas royalty or other payment payable in money hereunder, or permit Lessee to maintain this lease in force and effect by shut-in gas well royalty payment for any period longer than two (2) consecutive years after the end of the primary term.

14. This lease is made by Lessor without warranty of any kind, either express or implied. Lessor hereby agrees that Lessee, at its option, shall have the right at any time to redeem for Lessor by payment any mortgage, tax or other lien upon said lands, in the event of default of payment by Lessor, and in the event Lessee does so, Lessee shall be subrogated to the rights of the holder thereof. If this lease covers an interest in said lands less than the entire oil and gas estate, then the royalties to be paid Lessor hereunder shall be reduced proportionately.
15. All notices permitted or required to be given hereunder shall be in writing and shall be deemed to have been given if sent by United States mail, postage prepaid, properly addressed, or delivered in person to the party to whom such notice is to be given at the following addresses:

LESSOR:

CG Interests LLC
1011 Dragon Street
Dallas, Texas 75207
Phone:
Fax:
Email:

LESSEE:

Summit West Resources LP
550 W. Texas Ave, #700
Midland, TX 79701
Phone: 432-682-9800
Fax: 432-682-9809
Email: jlang@summitpetroleumllc.com

16. By way of expansion, and not as a limitation of any other indemnity herein, Lessee shall defend, indemnify, save and hold harmless, Lessor, his employees, agents, successors and assigns, from and against any and all damages, losses, claims, suits, judgments, obligations and liabilities of any kind (strict, absolute or otherwise), including any reasonable attorneys' fees or consulting fees, arising out of Lessee's possession or ownership of said lands, or Lessee's operations on said lands, or contiguous lands, demanded or claimed pursuant to any federal, state or local law (including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act [CERCLA], as amended, the Resource Conservation and Recovery Act [RCRA], as amended, or the Federal Water Pollution Control Act [FWPCA], as amended, and their state or local counterparts), statute, regulation, ordinance, or determined in any adjudication, order, permit, directive or consent decree (whether judicial or administrative) in any action, suit or proceeding relating to the protection of human health, safety or the environment.
17. Subject to the limitations set forth in this paragraph, Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of any governmental authority, or when to do so would, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 160 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining the maximum allowable from any well to be drilled, or for obtaining additional allowable in excess of the maximum allowable needed for actual production from any well drilled, drilling or already drilled, units created may be modified to conform substantially in size with those so prescribed by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the official public records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to Lessor, his heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, after the pooling hereunder such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. Notwithstanding any provision herein to the contrary, the authority granted by this paragraph shall be limited such that any pooled unit created pursuant to such authority shall be comprised of at least one-third of its total acreage by lands covered by this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them

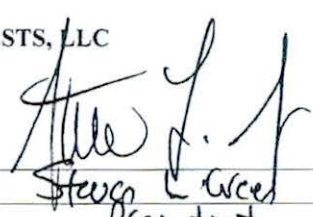
shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. Except as specifically provided herein, the formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in or production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no authorization for pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee, as to the royalty interest owned by Lessor, shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Notwithstanding any other provision herein contained to the contrary, the pooling authority granted to Lessee pursuant to this lease shall not extend to, or purport to extend to, any non-participating royalty interest in said lands, or any separate tract comprising part of said lands, nor shall such grant of authority be deemed as an offer to pool the royalties among the parties who comprise Lessor, and the owner of any non-participating royalty interest, and any royalty, shut in gas royalty or other payment in money hereunder shall be payable on the basis of ownership of the lands where any producing well is located, except as to the interest of the Lessor in a properly designated pooled unit. As to the ownership rights in royalty in all, or any portion of the lands covered by this lease, that are owned by parties other than the Lessor, this lease does not authorize pooling so as to affect such rights.

18. Lessee is hereby given the option to extend the primary term of this lease for an additional six (6) months from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying the sum of four hundred dollars (\$400.00) per net mineral acre direct to Lessor at the above address. This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. This payment may be made by the check of Lessee mailed or delivered to Lessor at any time during the original primary term hereof. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion

IN WITNESS WHEREOF, this instrument is executed as of the day, month and year first hereinabove written.

LESSOR:

CG INTERESTS, LLC

By: 

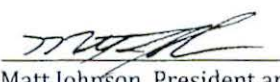
Name: Steven L. Wines

Title: President

LESSEE:

SUMMIT WEST RESOURCES LP

By: Summit West Management LLC, its General Partner

By: 

Matt Johnson, President and COO 

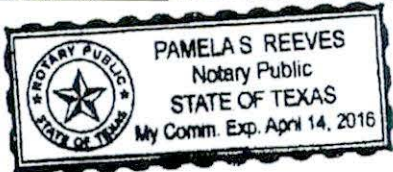
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ACKNOWLEDGMENTS

STATE OF TEXAS §
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COUNTY OF MIDLAND §

— This instrument was acknowledged before me on this 15th day of March, 2016, by Steven Green
as President of CG Interests, LLC, a Texas Limited Liability Company, on behalf of said company.

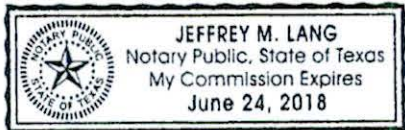


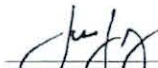


NOTARY PUBLIC, State of Texas
My Commission Expires: _____

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

— This instrument was acknowledged before me on this 10th day of March, 2016, by Matt R. Johnson,
President and COO of Summit West Management LLC, as General Partner of Summit West Resources LP, a Texas limited
partnership, on behalf of said partnership.





NOTARY PUBLIC, State of Texas
My Commission Expires: _____

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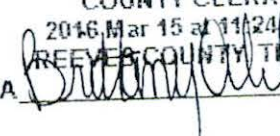
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Inst No. 16-03316
DIANNE O. FLOREZ
COUNTY CLERK
2016 Mar 15 at 11:24 AM
REEVES COUNTY TEXAS
By: BA  DEPUTY

OIL AND GAS LEASE

This Oil and Gas Lease is made and entered into this **8th day of February, 2016**, between Triangle Royalty L.P. and JK Royalty LP whose mailing address is P.O. Box 904, Midland, Texas 79702, herein called Lessor, and Summit West Resources LP, whose address is 550 W. Texas Ave, #700, Midland, Texas 79701, herein called Lessee:

WITNESSETH:

1. Lessor, in consideration of TEN AND NO 100 DOLLARS (\$10.00) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged, of the royalties herein provided, and of the covenants, agreements and obligations hereinafter contained on the part of Lessee to be kept and/or performed and upon the conditions and with the limitations hereinafter set forth and contained, hereby GRANTS, LEASES and LETS exclusively unto Lessee for the sole and only purpose of investigating, exploring, prospecting, drilling and operating for, developing and producing oil and gas (oil and gas, for all purposes of this lease, being defined to include oil, gas, casinghead gas, and the byproducts thereof, and such other hydrocarbons and sulphur as are necessarily produced with, and incidental, to the production of oil and/or gas from wells on the lands herein leased), laying pipelines, building roads, tanks, power stations and other structures thereon, to produce, save, take care of, treat, store, transport and own said products, all of the following described lands (the "said lands") located in Reeves County, Texas, to wit:

Section 38: South 426.67 acres, Block 45, Abstract 5702, PSL Survey;
Section 30: All, Block 57, Township 3, Abstract 5483, T&P Survey; and
Section 17: North 426.67 acres, Block C-21, Abstract 5746, PSL Survey

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of **Three Years (3)** from this date (herein called "primary term"), and as long thereafter as oil or gas is produced in commercial quantities from said lands by Lessee, or drilling or reworking operations are prosecuted thereon under the other provisions hereof.
3. Lessee covenants and agrees to pay to Lessor the following royalties which are hereby reserved and retained by Lessor:
- (a) On all oil and on all liquid hydrocarbons extracted from gas under the provisions hereof, **one-fourth (1/4th)** of the market value at the well of that produced and saved from the said lands, such value to be determined the price received by Lessee of the sale thereof in an arm's length, non-affiliated transaction,.
 - (b) On all gas produced from said lands, including casinghead gas and residue gas at the tailgate of any plant through which gas produced from said lands may be processed, **one-fourth (1/4th)** of the market value of the gas at the well or at Lessor's option, **one-fourth (1/4th)** of the gas, in kind, at the well or at the outlet side of the separator, or at the tailgate of any plant through which gas is processed, as the case may be. Market value is to be based on the market price at the well offered for gas of comparable quality where produced and when run, or the gross price paid to the producer, whichever is greater.
 - (c) On condensate and all liquid hydrocarbon products separated, extracted or manufactured from gas produced from said lands by any extraction, absorption, pressuring or other plant belonging wholly or in part to Lessee or any subsidiary company, **one-fourth (1/4th)** of the market value at the plant of all such condensate and other products so separated, extracted or manufactured, or, at Lessor's option, **one-fourth (1/4th)** of such condensate and other products; in kind, shall be delivered to Lessor at the plant.
 - (d) On condensate and all liquid hydrocarbon products separated, extracted or manufactured from gas produced from said lands by an extraction, absorption, pressuring or other plant belonging to a non-affiliated third party or parties, **one-fourth (1/4th)** of the amount received by Lessee from the sale of condensate and other products separated, extracted or manufactured by said plant and credited to Lessee under the terms of Lessee's contract with such plant.
 - (e) This lease is intended to cover only oil and gas, but it is contemplated that some sulphur may be produced necessarily with, and incidental to, the production of oil and gas and, in such event, this lease shall also cover such sulphur so produced. On all sulphur so produced under and by virtue of the terms of this lease, Lessor shall have and be entitled to a royalty of **one-fourth (1/4th)** of all such sulphur produced and saved, same to be delivered to Lessor, free of all costs, or, at the option of Lessor, Lessee shall account to Lessor for **one-fourth (1/4th)** of the amount received by Lessee from the sale of such sulphur.
 - (f) At any time, either before or after the expiration of the primary term of this lease, where gas from a well located on said lands and completed as a commercial producer of gas only, or gas and condensate or distillate only, is not sold, Lessee may pay or tender as royalty, by a valid check of Lessee, to Lessor or the parties entitled to receive royalties under this lease on or before ninety (90) days after the date on which (1) the first gas well is shut-in, or (2) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and annually thereafter, a shut-in gas well royalty payment in the amount hereinafter provided, and if such payment is properly and timely made, it will be considered that gas is being produced from said lands in accordance with the terms of this lease; provided, however, this lease may not be continued in force by the making of shut-in gas well royalty payments as herein provided for a period of longer than two (2) consecutive years after the end of the primary term. The annual payment following the date on which a well is shut-in shall be a sum of money equal to ten and no/100 Dollars (\$10.00) per acre for the acreage then held under this lease by the parties making such payment or tender. This provision as to the payment of shut-in gas royalty is a condition and not a

covenant, and the failure to pay any shut-in gas royalty as herein provided shall effect an automatic termination of this lease.

- (g) All royalties payable under Subparagraphs (a), (b), (c), (d) and (e) of this Paragraph 3 shall be without deduction for (1) any marketing fee charged by Lessee, or any purchaser affiliated with Lessee, or (2) the cost of producing, gathering, storing, separating at the well head, treating and/or transporting the oil and gas produced hereunder.
- (h) Notwithstanding anything contained in this Paragraph 3 or elsewhere in this lease to the contrary, Lessor may at any time and from time to time, on sixty (60) days prior notice in writing to Lessee, require that payment of all or any part of the royalties accruing to Lessor under this lease on oil, gas or any product, be made in kind, effective as of the first day of the calendar month next following the expiration of said sixty (60) day period, or if payment of any such royalties are then being made to Lessor in kind, require that such in kind payments cease and that payment of such royalties thereafter be made as provided in this Paragraph 3, with Lessor having the recurring right on a yearly basis to either take in kind, cease taking in kind, and resume taking in kind, all or any part of such royalties. Any additional expenditures resulting solely from Lessor's taking in kind or separately marketing Lessor's royalty gas (and which would not have been necessary otherwise) shall be borne and paid by Lessor. Any meter hook-up will be installed by Lessee or Assigns, and paid for by Lessor within thirty days of billing.
- (i) After payment of royalties is first begun on production from any well on said lands, all royalties that may become due thereafter shall be paid to Lessor on or before the twenty-fifth day of the second month following the month in which said oil and/or gas are produced. Further, the terms of this lease may not be amended or superseded by any division order.
- (j) Lessee shall have free use of oil and gas produced from said lands for all drilling and reworking operations conducted on said lands under the terms of this lease, and the royalties on oil and gas shall be computed after deducting any so used.
4. Lessee shall have free use of water from said lands, except water from the Lessor's wells, tanks, or any stream or river on or adjoining said lands, for drilling, reworking and ordinary lease operations.
5. (a) This is a "paid up" oil and gas lease, and no rental payments are due during the primary term hereof.
- (b) Lessee may at any time or times execute a release or releases covering any portion or portions of said lands, record the same and deliver to Lessor a copy of the same reflecting the recording data, and thereby surrender this lease as to such portion or portions, and be relieved of all obligations as to the acreage surrendered.
6. After the expiration of the primary term, if oil or gas has been produced from said lands, and if all production thereof in paying quantities should cease from any cause, this lease shall not terminate, provided Lessee, until production is again obtained, does not permit more than ninety (90) days to elapse between the cessation of production and the beginning of additional drilling or reworking operations in a bona fide attempt to obtain production, and if such operations result in the discovery of oil or gas, this lease shall not terminate as long as oil or gas is being produced by Lessee from said lands in paying quantities.
7. It is understood and agreed as follows:
- If this lease is in full force and effect after the end of the primary term hereof, then within one hundred eighty (180) days after the expiration of the primary term Lessee shall commence actual drilling of a well on said lands and shall thereafter continuously develop said lands by drilling additional wells on the lands covered hereby with no more than one hundred eighty (180) days elapsing between the completion of one well and the commencement of the next succeeding well. For the purposes of interpretation of this provision, a well shall be determined to be completed thirty (30) days after Lessee releases the drilling rig used to drill such well or thirty (30) days after such rig is moved off the location, whichever day occurs first, and a well shall be determined to be commenced when such well is spudded with tools capable of drilling such well to its deepest objective depth. Each well properly commenced hereunder shall be completed by Lessee within one hundred eighty (180) days from the date of the cessation of drilling operations of such well.

Upon the cessation of such continuous drilling program by Lessee, or if such continuous development program is not commenced, this lease and all rights hereunder shall automatically terminate as to all lands covered hereby, save and except as to each well then capable of producing oil or gas in paying quantities together with the proration unit allocated thereto (as used herein the term "proration unit" means a tract as nearly in the form of a square as possible allocated by the appropriate governmental regulatory body to a well, said tract being the minimum number of acres required for the production of the full allowable from a well in the particular field and from the particular sand or formation involved as of the date of such termination) as of the date of such termination, and shall further terminate as to all depths in each such proration unit below 100 feet below the deepest producing formation, in each such well capable of producing oil or gas in paying quantities. Upon Lessor's written request, Lessee within thirty (30) days of receipt of such request, shall execute and deliver to Lessor a recordable release of this lease as to all lands covered hereby save and except the lands and depths to be allocated to each producing proration unit in accordance with the terms set forth above.

— Upon cessation of said continuous drilling program, any acreage so assigned to a producing proration unit shall be considered as covered by a separate lease, for purposes of lease preservation only, so that thereafter each separate unit, can be kept in force and effect only by actual production from, or operations upon, that particular tract without regard to production or drilling operations upon the other tracts retained by Lessee under the terms hereof.

The creation of such proration unit shall not be deemed to create internal lease lines that could inhibit additional infill drilling at a higher density.

8. With respect to actual operations conducted by Lessee on said lands, it is agreed by and between Lessor and Lessee as follows:
 - (a) All operations conducted by Lessee on said lands shall be conducted in accordance with all applicable federal, state and local environmental laws and regulations.
 - (b) Lessee shall at all times defend, indemnify and save and hold harmless Lessor and Lessor's heirs, successors and assigns, from any and all claims, liabilities, demands, damages and causes of action in any manner due to or arising out of Lessee's ownership of rights pursuant to this lease or any and all operations of Lessee, its assigns, employees, agents and contractors on the said lands.
 - (d) So long as this lease continues in force and effect as to any portion of said lands and for the sole purpose of operation on and production from, said lands, Lessee shall be deemed to have a continuing non-exclusive easement and rights of ingress and egress, including but not limited to roads, tank batteries, pipelines and utility easements, for the operation of the leased premises on said lands even though this lease has been released or has otherwise terminated with respect to portions of said lands.
9. Within thirty (30) days of Lessor's request, Lessee shall furnish Lessor with copies of all reports filed by Lessee with the **Texas Railroad Commission** or other governmental authority having jurisdiction relating to the location, drilling, completion, and plugging and abandonment of each well drilled by Lessee hereunder, together with copies of any logs or tests run. Lessee shall also furnish Lessor with daily drilling reports, said information to be faxed or emailed to Lessor. Any information so furnished by Lessee shall be held confidential to and for the sole use of Lessor for and during the term of this Oil and Gas Lease.
10. Within thirty (30) days of Lessor's request, Lessee shall furnish Lessor with a copy of all title opinions obtained by Lessee, together with any curative pertaining to the interest of Lessor. Any information so furnished by Lessee shall be held confidential to and for the sole use of Lessor for and during the term of this Oil and Gas Lease.
11. Except as otherwise provided herein, Lessee shall have the right at any time during or within six (6) months after the expiration of this lease as to any portion of the said lands, to remove all property and fixtures placed by Lessee on any such portion of said lands, including the right to draw and remove all casing, then belonging to Lessee and not taken over by Lessor under some other provision of this lease. If Lessee fails to remove such property and fixtures within said six (6) months, such property and fixtures shall be owned by Lessor; provided, however, Lessee shall not be relieved of its liability to plug any well so abandoned.
12. All rights of either party hereunder may not be assigned in whole or in part, without the prior written consent of Lessor, which consent shall not be unreasonably withheld. The provisions hereof shall extend to the heirs, successors, executors, administrators and assigns of such party, but no change or division in ownership of said lands or of the rentals and royalties payable to Lessor hereunder shall operate to enlarge the obligations or diminish the rights of Lessee; and no such change or division in ownership shall be binding on Lessee until the person acquiring any interest has furnished Lessee with a copy of the instrument, reflecting the recording data, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of future, unaccrued obligations hereunder with respect to the interest assigned. Provided, however, that no assignment by Lessee to another party shall relieve Lessee of its obligation hereunder to properly plug and abandon any well drilled hereunder which is abandoned as a dry hole, in accordance with the rules, regulations and orders of the **Texas Railroad Commission** or other governmental authority having Jurisdiction, or Lessee's obligation, upon the termination of operations at any site on the said lands to remove all debris and restore the surface of such site as nearly as practicable to the condition existing prior to the commencement of such operations. Lessee shall give Lessor written notice of any assignment of this lease as to all or any portion of the said lands and such notice shall be accompanied by a true copy of the instrument effecting such assignment. All rights and obligations of each party hereunder shall extend to and be binding upon the heirs, successors and assigns of each party.
13. Should Lessee be prevented from complying with any express or implied covenants of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of operation of force majeure, or by any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable in damages for failure to comply therewith; the time provided for compliance shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas from the said lands, and the time while Lessee is so prevented shall not be counted against Lessee. However, nothing herein shall excuse Lessee from paying, or extending the time for paying, any royalty, shut-in gas royalty or other payment payable in money hereunder, or permit Lessee to maintain this lease in force and effect by shut-in gas well royalty payment for any period longer than two (2) consecutive years after the end of the primary term.
14. This lease is made by Lessor without warranty of any kind, either express or implied. Lessor hereby agrees that Lessee, at its option, shall have the right at any time to redeem for Lessor by payment any mortgage, tax or other lien upon said lands, in the event of default of payment by Lessor, and in the event Lessee does so, Lessee shall be subrogated to the rights of the holder thereof. If this lease covers an interest in said lands less than the entire oil and gas estate, then the royalties to be paid Lessor hereunder shall be reduced proportionately.
15. All notices permitted or required to be given hereunder shall be in writing and shall be deemed to have been given if sent by United States mail, postage prepaid, properly addressed, or delivered in person to the party to whom such notice is to be given at the following addresses:

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LESSOR:

Triangle Royalty LP/JK Royalty LP
P.O. Box 904
Midland, Texas 79702
Phone: 432-682-1118
Fax: 432-682-1160
Email: john@jaseminerals.com

LESSEE:

Summit West Resources LP
550 W. Texas Ave, #700
Midland, TX 79701
Phone: 432-682-9800
Fax: 432-682-9809
Email: jlang@summitpetroleumllc.com

16. By way of expansion, and not as a limitation of any other indemnity herein, Lessee shall defend, indemnify, save and hold harmless, Lessor, his employees, agents, successors and assigns, from and against any and all damages, losses, claims, suits, judgments, obligations and liabilities of any kind (strict, absolute or otherwise), including any reasonable attorneys' fees or consulting fees, arising out of Lessee's possession or ownership of said lands, or Lessee's operations on said lands, or contiguous lands, demanded or claimed pursuant to any federal, state or local law (including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act [CERCLA], as amended, the Resource Conservation and Recovery Act [RCRA], as amended, or the Federal Water Pollution Control Act [FWPCA], as amended, and their state or local counterparts), statute, regulation, ordinance, or determined in any adjudication, order, permit, directive or consent decree (whether judicial or administrative) in any action, suit or proceeding relating to the protection of human health, safety or the environment.
17. Subject to the limitations set forth in this paragraph, Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of any governmental authority, or when to do so would, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 160 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining the maximum allowable from any well to be drilled, or for obtaining additional allowable in excess of the maximum allowable needed for actual production from any well drilled, drilling or already drilled, units created may be modified to conform substantially in size with those so prescribed by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the official public records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to Lessor, his heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, after the pooling hereunder such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. Notwithstanding any provision herein to the contrary, the authority granted by this paragraph shall be limited such that any pooled unit created pursuant to such authority shall be comprised of at least one-third of its total acreage by lands covered by this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. Except as specifically provided herein, the formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in or production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no authorization for pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee, as to the royalty interest owned by Lessor, shall nevertheless have the right to pool as provided above with consequent allocation of

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production as above provided. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Notwithstanding any other provision herein contained to the contrary, the pooling authority granted to Lessee pursuant to this lease shall not extend to, or purport to extend to, any non-participating royalty interest in said lands, or any separate tract comprising part of said lands, nor shall such grant of authority be deemed as an offer to pool the royalties among the parties who comprise Lessor, and the owner of any non-participating royalty interest, and any royalty, shut in gas royalty or other payment in money hereunder shall be payable on the basis of ownership of the lands where any producing well is located, except as to the interest of the Lessor in a properly designated pooled unit. As to the ownership rights in royalty in all, or any portion of the lands covered by this lease, that are owned by parties other than the Lessor, this lease does not authorize pooling so as to affect such rights.

18. Lessee is hereby given the option to extend the primary term of this lease for an additional six (6) months from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying the sum of four hundred dollars (\$400.00) per net mineral acre direct to Lessor at the above address. This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. This payment may be made by the check of Lessee mailed or delivered to Lessor at any time during the original primary term hereof. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion

IN WITNESS WHEREOF, this instrument is executed as of the day, month and year first hereinabove written.

LESSOR:

Triangle Royalty, L.P.

By: SJW Royalty LLC, its general partner

By: [Signature]

John H. Webb, Managing Member

JK Royalty LP

By: JK Royalty & Holdings, Inc., its general partner

By: [Signature]

John H. Webb, President

LESSEE:

SUMMIT WEST RESOURCES LP

By: Summit West Management LLC, its General Partner

By: [Signature]

Matt Johnson, President and COO

ACKNOWLEDGMENTS

STATE OF TEXAS

§

COUNTY OF MIDLAND

§

This instrument was acknowledged before me on this 24th day of February, 2016, by John H. Webb, as Managing Member of SJW Royalty, LLC, General Partner of Triangle Royalty, L.P.



[Signature]
NOTARY PUBLIC, State of Texas

My Commission Expires: 9/22/18

Copy of a

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me this 24th day of February, 2016, by John H. Webb, as President of JK Royalty & Holdings Inc., General Partner of JK Royalty, LP.



Traci Leigh Goodnight

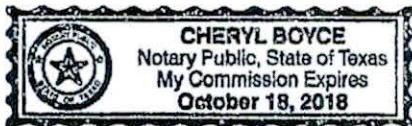
NOTARY PUBLIC, State of Texas

My Commission Expires: 9/22/18

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on this 4th day of MARCH, 2016, by Matt R. Johnson, President and COO of Summit West Management LLC, as General Partner of Summit West Resources LP, a Texas limited partnership, on behalf of said partnership.



Cheryl Boyce

NOTARY PUBLIC, State of Texas

My Commission Expires: _____

Copy of a
County Clerk

Inst No. 16-03531
DIANNE O. FLOREZ
COUNTY CLERK
2016 Mar 23 at 09:53 AM
REEVES COUNTY, TEXAS
By: *Elizabeth* DEPUTY

File No. 116822

County

Leases

Date Filed: 11/27/18

George P. Bush, Commissioner

By 

Unit 10205
 MF116822 MF116842 MF117511
DIVISION ORDER MF120070

To: **APR Operating, LLC**
 400 W. Illinois, Suite 970
 Midland, TX 79701
 Attn: D.O. Analyst

Date: December 5, 2019

Property Number: 3420130
 Property Name: SMITHER STATE UNIT 47-38 28WB
 Operator: APR Operating LLC
 County and State: Reeves, Texas
 Property Description: PSL, BLK: 45, SEC: 38, 47

Effective Date: Date of First Production

Production: X Oil X Gas X Other: all products

Owner Name and Address: See 'Exhibit A' attached hereto and made a part hereof	OWNER NUMBER: Type of Interest: Decimal Interest:
--	---

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

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

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

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

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

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

Special Clauses: *(None or See Attached Exhibit)*

WITNESSES:

Owner(s) Signature(s): _____

Owner(s) Tax I.D. Number(s): _____

Owner Daytime Telephone: _____

Owner E-mail Address: _____

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

Exhibit A

3420130 - SMITHER STATE UNIT 47-38 28WB

Owner No.	Credit To	Type	Interest
1190	COMMISSIONER OF THE TEXAS GEN LAND OFFICE	NPRI	0.03121212 << Your Interest
1190	COMMISSIONER OF THE TEXAS GEN LAND OFFICE	GLORI	0.06257576 << Your Interest





December 4, 2019

Re: Division Order for Execution
Smither State Unit 47-38 28WB

INSTRUCTIONS TO ALL INTEREST OWNERS

Dear Interest Owner,

APR Operating LLC has enclosed a Division Order for your execution. The attached document should not be altered in any way except to correct spelling errors, unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

1. Sign your name as shown on the Division Order and provide two (2) witness signatures.
2. If your name has changed due to marriage or divorce, execute the Division Order using your present name and furnish a copy of the marriage certificate or divorce decree.
3. If signing for a corporation, signature must be attested, corporate seal fix and title of signatory reflected.
4. If signed by agent, attorney-in-fact, guardian or any party other than the named interest owner, a certified copy of the power of attorney or other evidence of such party's right to sign must be furnished.
5. Your correct mailing address should be noted in the space provided to ensure prompt receipt of production.
6. The top copy or the "Original" of the Division Order should be returned in the enclosed self-addressed envelope to:

Admiral Permian Resources, LLC
Attn: Division Orders
400 W. Illinois Ave., Suite 970
Midland, TX 79701

7. Should you have any further questions regarding the enclosed Division Order, please contact Anneliese Price at aprice@admiralpermian.com or (512) 488-9650.
8. Please DO NOT DETACH the exhibit from the Division Order or Transfer Order if one is included.
9. Please fill out and sign the enclosed W-9 and return it with your division order.

Sincerely,

Anneliese Price

Anneliese Price
Admiral Permian Resources, LLC
Lease and Division Order Analyst



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 20, 2020

Anneliese Price
Lease and Division Order Analyst
Admiral Permian Resources, LLC
400 W. Illinois, Suite 970
Midland, TX 79701

Re: State Lease Nos. MF116822, MF116842, MF117511 and MF120070 Smithers State Unit
47-38 28WB Unit 10205

Dear Mrs. Price:

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

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

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

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

Thank you,

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

File No. MF116822Reeves CountyDIVISION ORDERDate Filed: 2-24-2020

George P. Bush, Commissioner

By VB

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA190212

Unit Number 10205
Operator Name APR Operating LLC
Customer ID C000090389
Unit Name Smither State Unit 47-38
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Permanent
State Net Revenue Interest Oil 0.09378780
State Part in Unit 1.00000000
Unit Depth Allow All Depths
From Depth
To Depth
Well
Formation
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 08/13/2019
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF116822		426.670000	1,281.550000	0.33293278	O/G	0.06250000	0.02080830	No
MF116842		160.390000	1,281.550000	0.12515313	O/G	0.12500000	0.01564414	
MF117511		481.160000	1,281.550000	0.37545160	O/G	0.12500000	0.04693145	
MF120070		213.330000	1,281.550000	0.16646249	O/G	0.06250000	0.01040391	No

API Number

4238937742

Remarks:

This unit is amending Unit 8115 to increase the unit size. Unit 8115 will remain active and the existing unit wells will remain in that unit at the original NRI.

Prepared By:



Prepared Date:

08/29/2019

GLO Base Updated By:



GLO Base Date:

08/29/2019

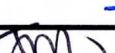
RAM Approval By:



RAM Approval Date:

9/5/2019

GIS By:



GIS Date:

05/23/2023

Well Inventory By:



WI Date:

08/29/2019

Pooling Committee Report

To: School Land Board

UPA190212

Date of Board Meeting: 08/13/2019

Unit Number: 10205

Effective Date: 08/13/2019

Unit Expiration Date:

Applicant: APR Operating LLC

Attorney Rep:

Operator: APR Operating, LLC,,

Unit Name: Smither State Unit 47-38

Field Name: FORD, WEST (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF116822	0.06250000		3 years	426.670000	426.670000	0.02080830
FR	MF120070	0.06250000		3 years	213.330000	213.330000	0.01040391
RAL	MF116842	0.12500000	06/13/2017	3 years	160.000000	160.390000	0.01564414
RAL	MF117511	0.12500000	05/24/2017	25 months	481.000000	481.160000	0.04693145

Private Acres:	0.000000
State Acres:	1281.550000
Total Unit Acres:	1281.550000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	9.38%

<u>Unit Type:</u>	<u>Unitized for:</u>
Permanent	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,820 acres for a 10,000 foot lateral (FTP to LTP).

Working File Number: UPA190212

REMARKS:

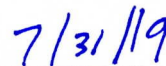
- APR Operating LLC is requesting to amend the Smither State Unit 47-38 which was approved by the School Land Board on September 6, 2016.
- The applicant is requesting to amend the total unit acreage from 1068.22 acres to 1281.55 acres. The addition of acreage will allow previously stranded acreage to be developed by allowing the operator to drill 10,000 foot laterals.
- With Board approval of the amended unit the State's unit royalty participation will decrease from 10.00% to 9.38%. The decreased royalty participation will only apply to wells that have 10,000 foot laterals.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the amended Smither State Unit 47-38 under the above-stated provisions.



Mark Steinbach - Office of the Attorney General



Date



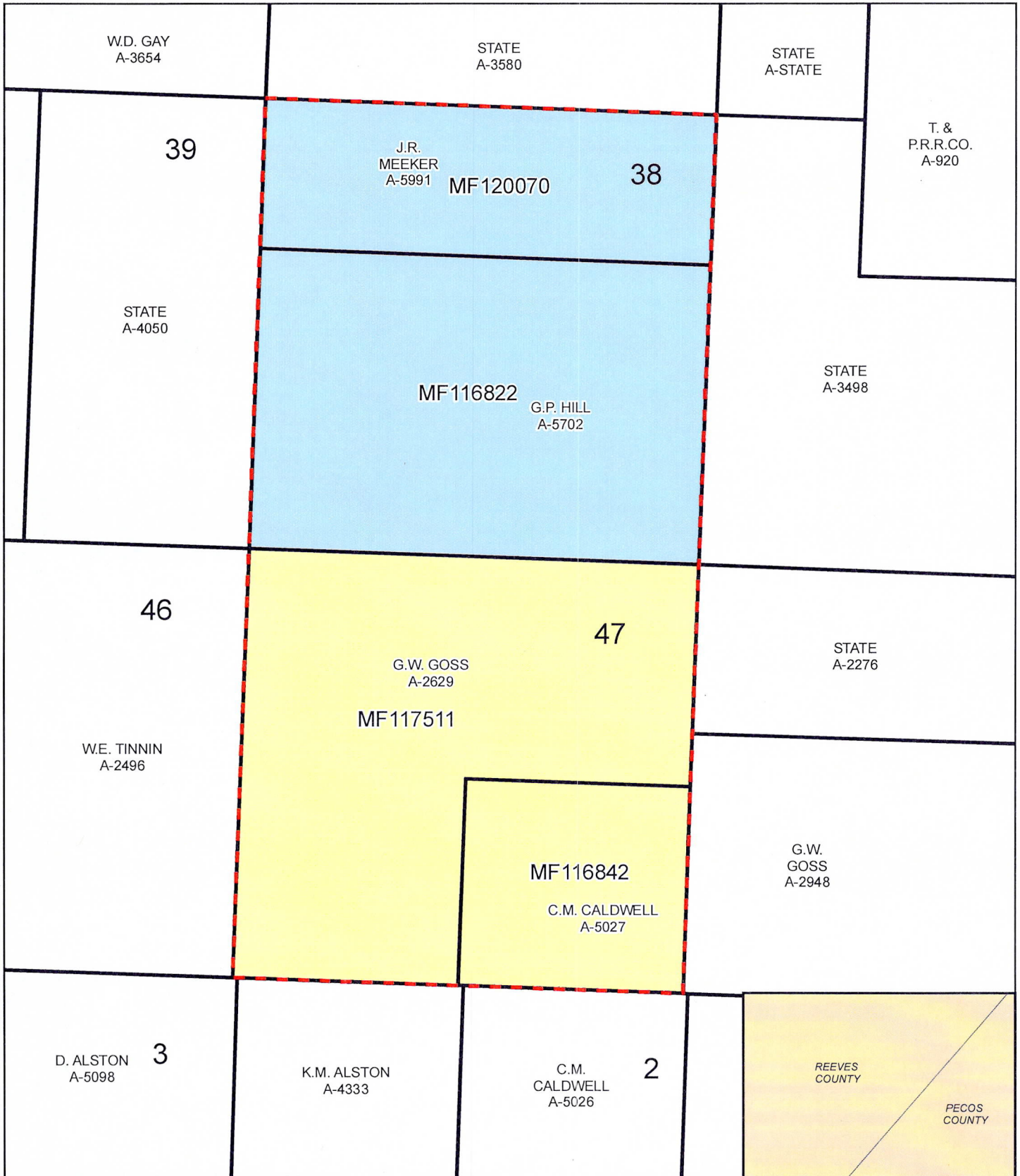
Robert Hatter - General Land Office



Date

Stacie Bennett - Office of the Governor

Date



Unit # 10205
APR Operating LLC
Smither State Unit 47-38
Ford, West (Wolfcamp) Field
Reeves County, Texas

1,500 750 0 1,500 Feet



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



Map Generated by:
Mark Conway
Enterprise Technology Solutions/GIS
August 2019

**AMENDMENT OF POOLING AGREEMENT
THREE RIVERS OPERATING COMPANY III LLC
SMITHER STATE UNIT 47-38
GLO UNIT NO. 10205
REEVES COUNTY, TEXAS**

WHEREAS, on September 6, 2016, the application for the Smither State Unit, (GLO Unit No. 8115) was presented to and approved by the School Land Board of the State of Texas pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Three Rivers Operating Company III LLC and the Commissioner of the General Land Office of the State of Texas entered into that certain Pooling Agreement ("Agreement") to pool certain State lands into the Unit, which covers 1,068.22 acres in Reeves County, Texas, as more particularly described in said Agreement on file in the Archives and Records of the Texas General Land Office, Austin, Texas, in Mineral File No. M-116822; and

WHEREAS, APR Operating LLC made application and at its regular meeting on August 29, 2019, the School Land Board approved its application to increase the size of the Unit from 1,068.22 acres to 1,281.55 acres and to amend the pooled interval to the depths from the Surface to 9,886 feet true vertical depth; and

WHEREAS, PETRO-HUNT PERMIAN, LLC is the successor in interest to APR Operating LLC and the current operator of the Smither State Unit; and

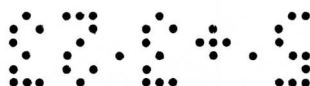
WHEREAS, the Commissioner of the General Land Office finds that amending said Agreement as approved by the School Land Board is in the best interest of the State of Texas:

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained in the Agreement, it is agreed that the Unit is amended by deleting the Exhibits to the Agreement in their entirety and substituting the attached Exhibit "A" as a list of the oil and gas leases included in the amended Unit, Exhibit "B" as a description of the lands included in the amended Unit, Exhibit "C" as a plat of the 1,281.55-acre amended Unit. Due to the change in net revenue interest, the unit has been assigned a new unit number being GLO Unit No. 10205.

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

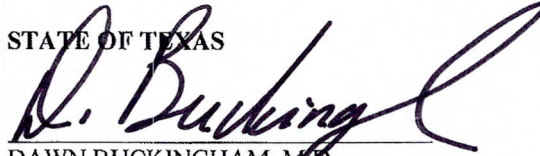
This Amendment of Pooling Agreement may be executed in counterparts and, if so executed, shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Amendment of Pooling Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Amendment of Pooling Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment of Pooling Agreement upon the respective dates indicated below but effective as of August 29, 2019.



Date Executed 5/11/2023

STATE OF TEXAS



DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Approved:

leas. DS DBO

cont. DS MB

legal DS MO

exec. DS MT

CERTIFICATE

I, Linda Olson, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on June 5th, 2018, the foregoing instrument was approved by said Board under the provisions of Chapter 32 and 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 11 day of May, 2023


Secretary of the School Land Board

Date Executed May 2, 2023

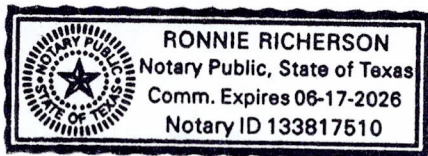
PETRO-HUNT PERMIAN, LLC

By: RM Donohue, Jr
Robert M. Donohue, Jr
Its: Vice President - Land

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on May 2nd, 2023, by ROBERT M. DONOHUE, JR. on behalf of PETRO-HUNT PERMIAN, LLC.



Ronnie Richerson
Notary Public in and for the State of Texas

00245

File No. MF116822

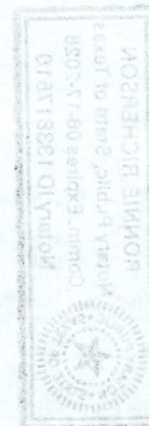
Reeves County

Pooling Agreement #10205 Smither State Unit 47-38

Date Filed: 05/17/2023

Commissioner Dawn Buckingham, M.D.

By: M&B



2023

**AMENDMENT OF POOLING AGREEMENT
THREE RIVERS OPERATING COMPANY III LLC
SMITHER STATE UNIT 47-38
GLO UNIT NO. 10205
REEVES COUNTY, TEXAS**

WHEREAS, on September 6, 2016, the application for the Smither State Unit, (GLO Unit No. 8115) was presented to and approved by the School Land Board of the State of Texas pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Three Rivers Operating Company III LLC and the Commissioner of the General Land Office of the State of Texas entered into that certain Pooling Agreement ("Agreement") to pool certain State lands into the Unit, which covers 1,068.22 acres in Reeves County, Texas, as more particularly described in said Agreement on file in the Archives and Records of the Texas General Land Office, Austin, Texas, in Mineral File No. M-116822; and

WHEREAS, APR Operating LLC made application and at its regular meeting on August 29, 2019, the School Land Board approved its application to increase the size of the Unit from 1,068.22 acres to 1,281.55 acres and to amend the pooled interval to the depths from the Surface to 9,886 feet true vertical depth; and

WHEREAS, PETRO-HUNT PERMIAN, LLC is the successor in interest to APR Operating LLC and the current operator of the Smither State Unit; and

WHEREAS, the Commissioner of the General Land Office finds that amending said Agreement as approved by the School Land Board is in the best interest of the State of Texas:

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained in the Agreement, it is agreed that the Unit is amended by deleting the Exhibits to the Agreement in their entirety and substituting the attached Exhibit "A" as a list of the oil and gas leases included in the amended Unit, Exhibit "B" as a description of the lands included in the amended Unit, Exhibit "C" as a plat of the 1,281.55-acre amended Unit. Due to the change in net revenue interest, the unit has been assigned a new unit number being GLO Unit No. 10205.

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

This Amendment of Pooling Agreement may be executed in counterparts and, if so executed, shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Amendment of Pooling Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Amendment of Pooling Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment of Pooling Agreement upon the respective dates indicated below but effective as of August 29, 2019.

Date Executed 5/11/2023

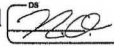
STATE OF TEXAS

DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Approved:

leas. 

conf. 

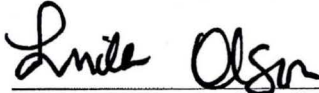
legal 

exec. 

CERTIFICATE

I, Linda Olson, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on June 5th, 2018, the foregoing instrument was approved by said Board under the provisions of Chapter 32 and 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 11 day of May, 2023


Secretary of the School Land Board

Date Executed May 2, 2023

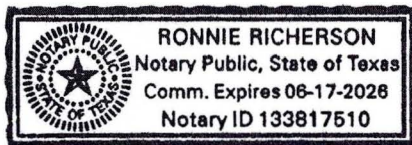
PETRO-HUNT PERMIAN, LLC

By: RMD
Robert M. Donohue, Jr
Its: Vice President-Land

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on May 2nd, 2023, by ROBERT M. DONOHUE, JR. on behalf of PETRO-HUNT PERMIAN, LLC.



Ronnie Richerson
Notary Public in and for the State of Texas

EXHIBIT "A"

LEASES:

1. Lessor: Sage Green Company, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: April 23, 2015
Recorded: Volume 1197, Page 637, Official Public Records, Reeves County, Texas
2. Lessor: Pleasant Street Limited, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: April 23, 2015
Recorded: Volume 1197, Page 627, Official Public Records, Reeves County, Texas
3. Lessor: Clyde Michael Williams III Trust, by Clyde Michael Williams, III, Trustee, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1198, Page 1, Official Public Records, Reeves County, Texas
4. Lessor: John Thomas Smither Williams Trust, by John Thomas Smither Williams, Trustee, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1198, Page 21, Official Public Records, Reeves County, Texas
5. Lessor: Edith Gibbs Williams Trust, by Edith Gibbs Williams, Trustee, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1198, Page 11, Official Public Records, Reeves County, Texas
6. Lessor: Clyde Michael Williams, III, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 717, Official Public Records, Reeves County, Texas
7. Lessor: John Thomas Smither Williams, by Clyde Williams, III, Attorney-in-Fact, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 737, Official Public Records, Reeves County, Texas

8. Lessor: Kathleen Smither Williams, by Clyde Michael Williams, III,
Attorney-in-Fact, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 747, Official Public Records, Reeves County, Texas
9. Lessor: Edith Gibbs Williams Trust, by Clyde Michael Williams, III,
Attorney-in-Fact, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 727, Official Public Records, Reeves County, Texas
10. Lessor: Mary Lee Nichols, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 767, Official Public Records, Reeves County, Texas
11. Lessor: Mark B. Woodward, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 757, Official Public Records, Reeves County, Texas
12. Lessor: Frances R. Snipes, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 707, Official Public Records, Reeves County, Texas
13. Lessor: Crimson Properties, Ltd., c/o Ralph J. Lawson, as surface owner and
agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 657, Official Public Records, Reeves County, Texas
14. Lessor: Mary Sue Coffman, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 16, 2015
Recorded: Volume 1197, Page 667, Official Public Records, Reeves County, Texas
15. Lessor: Florine Klussmann, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 697, Official Public Records, Reeves County, Texas
16. Lessor: Walter Woodward, Jr., as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 777, Official Public Records, Reeves County, Texas

17. Lessor: William Robinson Woodward, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 787, Official Public Records, Reeves County, Texas
18. Lessor: Smither Asset Management LLC, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 687, Official Public Records, Reeves County, Texas
19. Lessor: Gertrude J. Smither, by John Jackson Smither, Attorney- in-Fact, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 677, Official Public Records, Reeves County, Texas
20. Lessor: Kathleen Smither Williams Trust, by Kathleen Smither Williams, Trustee, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 23, 2015
Recorded: Volume 1197, Page 617, Official Public Records, Reeves County, Texas
21. Lessor: Sarah Hawley Dunning and John Richard Hawley, co- Trustees of the Eva Smither Hawley Family Trust, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 25, 2015
Recorded: Volume 1197, Page 647, Official Public Records, Reeves County, Texas
22. Lessor: E. M. Smither Company, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 25, 2015
Recorded: Volume 1197, Page 603, Official Public Records, Reeves County, Texas
23. Lessor: Wilbur Lawrence Smither III Estate, by Martha Mossman Smither, Executor, as surface owner and agent for the State of Texas
Lessee: ConocoPhillips Company
Lease Date: May 16, 2015
Recorded: Volume 1233, Page 718, Official Public Records, Reeves County, Texas
24. Lessor: State of Texas, acting by and through its agents, CMC/Spring Gap Partners, LP, et al
Lessee: ConocoPhillips Company
Lease Date: June 13, 2014
Recorded: Volume 1091, Page 304, Official Public Records, Reeves County, Texas

25. Lessor: Charles R. Meeker Trust
Lessee: Corbin Development Group, LLC
Lease Date: October 7, 2016
Recorded: Volume 1327, Page 200, Official Public Records, Reeves County, Texas
26. Lessor: KMF Land, LLC
Lessee: APR Operating LLC
Lease Date: December 10, 2018
Recorded: Instrument Number 2019-012618, Official Public Records, Reeves County, Texas
27. Lessor: JWM Minerals, LLC
Lessee: Corbin Development Group, LLC
Lease Date: September 14, 2016
Recorded: Volume 1325, Page 98, Official Public Records, Reeves County, Texas
28. Lessor: AWP 1983 Trust
Lessee: Corbin Development Group, LLC
Lease Date: September 14, 2016
Recorded: Volume 1325, Page 100, Official Public Records, Reeves County, Texas
29. Lessor: Callaghan 320 Trust
Lessee: Corbin Development Group, LLC
Lease Date: September 14, 2016
Recorded: Volume 1325, Page 96, Official Public Records, Reeves County, Texas
30. Lessor: Meeker Investments, Inc.
Lessee: Corbin Development Group, LLC
Lease Date: September 14, 2016
Recorded: Volume 1325, Page 102, Official Public Records, Reeves County, Texas
31. Lessor: James Robert Hill, et al
Lessee: Energen Resources Corporation
Lease Date: December 1, 2010
Recorded: Volume 863, Page 335, Official Public Records, Reeves County, Texas
32. Lessor: Fred W. Shield and Company
Lessee: Three Rivers Acquisition III LLC
Lease Date: April 19, 2016
Recorded: Volume 1287, Page 355, Official Public Records, Reeves County, Texas
33. Lessor: De Compiegne Property Company No 20 Ltd
Lessee: Three Rivers Acquisition III LLC
Lease Date: April 19, 2016
Recorded: Volume 1279, Page 184, Official Public Records, Reeves County, Texas
34. Lessor: Oak Valley Mineral and Land LP
Lessee: Three Rivers Acquisition III LLC
Lease Date: April 19, 2016
Recorded: Volume 1287, Page 372, Official Public Records, Reeves County, Texas

35. Lessor: Kennedy Minerals Ltd
Lessee: Three Rivers Acquisition III LLC
Lease Date: April 19, 2016
Recorded: Volume 1287, Page 357, Official Public Records, Reeves County, Texas
36. Lessor: Bruno and Marshall Investments
Lessee: Three Rivers Acquisition III LLC
Lease Date: May 18, 2016
Recorded: Volume 1293, Page 371, Official Public Records, Reeves County, Texas
37. Lessor: MBR Oil & Gas #1 Ltd
Lessee: Three Rivers Acquisition III LLC
Lease Date: August 17, 2016
Recorded: Volume 1310, Page 615, Official Public Records, Reeves County, Texas
38. Lessor: Midtex Royalty II LP
Lessee: Three Rivers Acquisition III LLC
Lease Date: August 25, 2016
Recorded: Volume 1319, Page 637, Official Public Records, Reeves County, Texas
39. Lessor: CG Interests, LLC
Lessee: Summit West Resources LLC
Lease Date: February 8, 2016
Recorded: Volume 1250, Page 503, Official Public Records, Reeves County, Texas
40. Lessor: Triangle Royalty LP and JK Royalty LP
Lessee: Summit West Resources LLC
Lease Date: February 8, 2016
Recorded: Volume 1253, Page 14, Official Public Records, Reeves County, Texas
41. Lessor: E. M. Smither Company, as surface owner and agent for the State of Texas
Lessee: Petro-Hunt Permian, LLC
Lease Date: June 1, 2023
Recorded: Instrument # 2023004578, Official Records of Reeves County, Texas
42. Lessor: Smither Holdings LLC, as surface owner and agent for the State of Texas
Lessee: Petro-Hunt Permian, LLC
Lease Date: June 1, 2023
Recorded: Instrument # 2023004579, Official Records of Reeves County, Texas
43. Lessor: Pleasant Street Ltd, as surface owner and agent for the State of Texas
Lessee: Petro-Hunt Permian, LLC
Lease Date: June 1, 2023
Recorded: Instrument # 2023004580, Official Records of Reeves County, Texas

44. Lessor: Sage Green Company, as surface owner and agent for the State of Texas
Lessee: Petro-Hunt Permian, LLC
Lease Date: June 1, 2023
Recorded: Instrument # 2023004581, Official Records of Reeves County, Texas
45. Lessor: Sitio Permian, LLC
Lessee: Petro-Hunt Permian, LLC
Lease Date: June 22, 2023
Recorded: Instrument # 2023005019, Official Records of Reeves County, Texas

Together with all Amendments, Ratifications, Corrections, Affirmations, and/or Modifications of the Oil, Gas and Mineral Lease described herein.

END OF EXHIBIT "A"

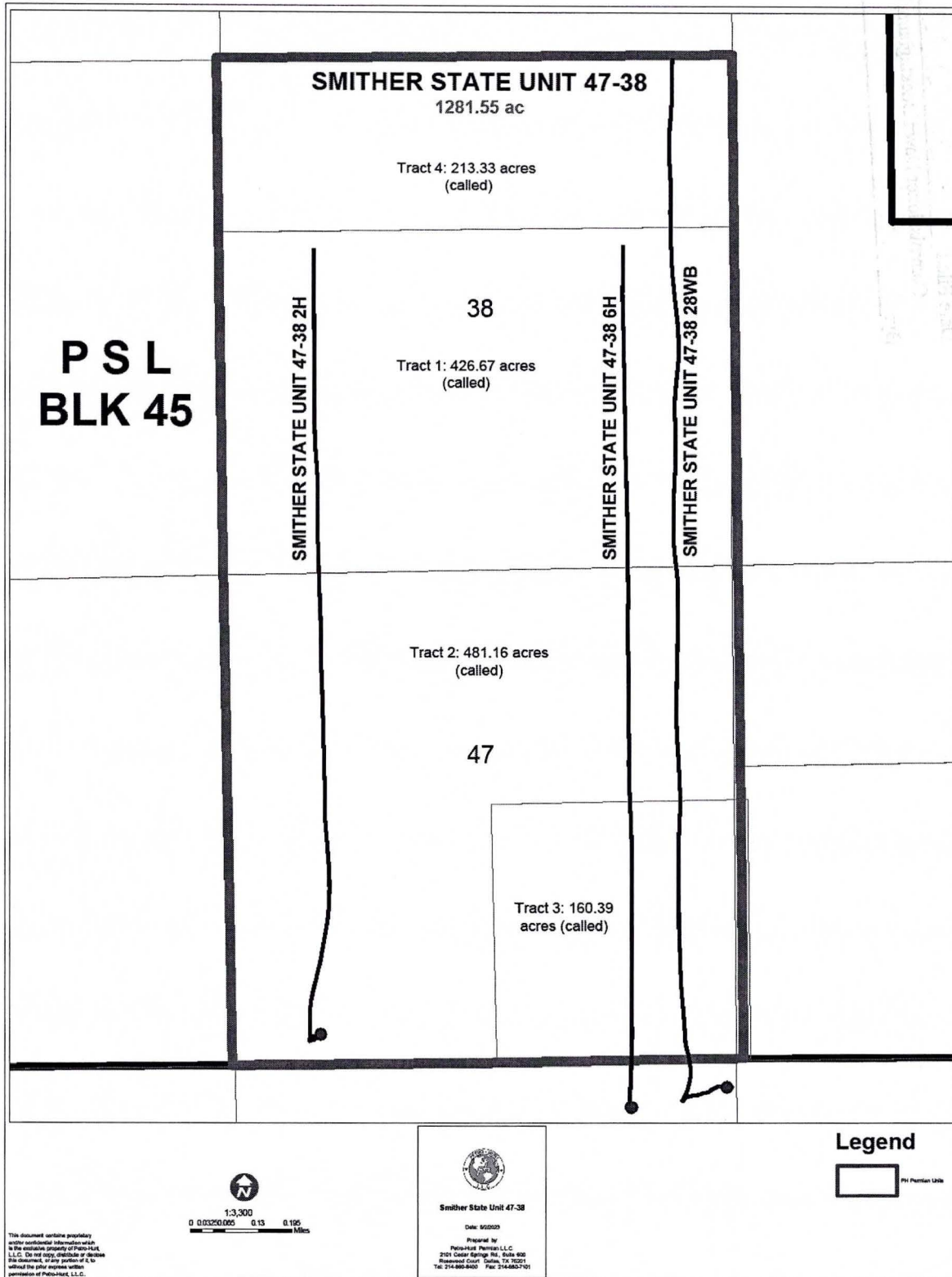
EXHIBIT "B"

LEGAL DESCRIPTION:

- Tract 1: South 426.67 acres located in Section 38, Block 45, Public School Land Survey, A-5702, Reeves County, Texas.
- Tract 2: 481.16 acres, being the W/2 and NE/4 of Section 47, Block 45, Public School Land Survey, A-2629, Reeves County, Texas.
- Tract 3: 160.39 acres, being the SE/4 of Section 47, Block 45, Public School Land Survey, A-5027, Reeves County, Texas.
- Tract 4: North 213.33 acres located in Section 38, Block 45, Public School Land Survey, A-5991, Reeves County, Texas.

END OF EXHIBIT "B"

EXHIBIT "C"



21.
File No. MF116822

Reeves

County

Packing Agreement #10205 with Exhibits

Date Filed: 09/26/2023

Commissioner Dawn Buckingham, M.D.

By: MJB