MF117022

Unit 7871
DRR paid

Lease Type	Control	Basefile	County
RAL	07-109489	106922	REEVES

Survey	T & P Ry Co
Block	57
Block Name	
Township	3-S
Section/Tract	44
Land Part	
Acres	Net: 31.489000 Gross: 540.000000
Depth Below	Depth Above Depth Other
Name	BHP BILLITON PETROLEUM PROPERT...
Lease Date	7/25/2014
Primary Term	5 years
Bonus	$52,762.53
Lease Royalty	0.12500000
Paid Up	No

Leasing: ______

Maps: ______

GIS: MC

Scanlab: ______

STOP

CAUTION

Documents in this file have been placed in Table of Contents order and scanned. Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

Thank you for your assistance.

Archives and Records Staff

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Scanned sm	2/17/16
See #13 in M-113637 for the State Whiteacre 57-T3-44 Unit # 7871	
scanned PJ	9-13-16
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scanned PJ	7-1-2019
scanned PJ	7-15-2019
9. DeepRights payment & Form	7/6/21
10. Letter accepting DRR	7/6/21
scanned KW	10.20.2021
11. Recon Billing	12/28/2021
Scanned JR	1/11/2022

RAL REVIEW SHEET

Working File #: RAL146453

MF:

Lessor: YAKKA II, LLC

Lease Date: 06/09/2014

UI: Yes

Lessee: ~~The Bellomy Group,~~ LLC BHP

Gross Acres: 640.00

Net Acres: 8.12

LEASE DESCRIPTION

County	Control #	Base File No	Part	Sec	Block	Twp	Survey	Abst No
Reeves	07-109489	106922	all	44	57	3-S	T & P Ry Co	3036

TERMS OFFERED

Primary Term:	3 Years			
Bonus / Acre:	$3,000.00			
	2nd Yr	3rd Yr	4th Yr	5th Yr
Rental / Acre:	0.00	0.00		
Royalty	0.250000			

TERMS RECOMMENDED

Primary Term:	5 Years			
Bonus / Acre:	~~$3,000.00~~ $3,331.11			
	2nd Yr	3rd Yr	4th Yr	5th Yr
Rental / Acre:	0.00	0.00		
Royalty	0.250000			

COMPARISONS

Lease No	Lessee	Lease Date	Primary Term	Bonus/Acre	Rental/Acre			Royalty	Distance
Pending	Anadarko E&P Company	03/04/2014	3 yr	$2,500.00	$0.00	0.00		0.250000	2.000000 North

Comments: Paid Up *See Exhibit 'A' for Description* Tracts 1 thru 17 2 (lots)

Approved: Robert 7-18-14

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office — Jerry Patterson, Commissioner

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

FROM: Robert Hatter, Director of Mineral Leasing

Applicant:	The Bellomy Group, LLC	County:	Reeves
Prim. Term:	3 Years	Bonus/Acre:	$3,000.00
Royalty:	0.25000000		

Rental/Acre 2nd Yr: $0.00 3rd Yr: $0.00 4th Yr: $0.00 5th Yr: $0.00

Consideration

Recommended: RM Date: 7/25/14

Not Recommended:

Comments: Paid Up

Lease Form

Recommended: RM Date: 7/25/14

Not Recommended:

Comments:

Louis Renaud, Deputy Commissioner Date: 7.25.14

Recommended: CLR

Not Recommended:

Bill Warnick, General Counsel Date: 7/32/14

Recommended: WKW

Not Recommended:

Larry Laine, Chief Clerk Date: 7/29/14

Approved:

Not Approved:

Jerry Patterson, Commissioner Date: 7/30/14

Approved: Jerry E. Patterson

Not Approved:

1.

File No. MF117022
RAL Review sheet

Date Filed: 7-18-14
Jerry E. Patterson, Commissioner
By JK

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

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

[redacted]

15700601

14964

09/05/14

PAY TO THE ORDER OF General Land Office State of Texas $ 52,762.53

Fifty-two Thousand Seven Hundred Sixty-two and 53/100 DOLLARS

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

MEMO Section 44, Block 57, Township 3

AUTHORIZED SIGNATURE

⑈014964⑈ [redacted]

PETROHAWK ENERGY CORPORATION

14964

X 52762.53 15700601

121

PETROHAWK ENERGY CORPORATION

14964

MF117022

51N311/39287

2.

File No. MF 117022
Bonuses and Fees

Date Filed: 9-10-14
Jerry E. Patterson, Commissioner
By JF

EXPLORATION LAND SERVICES, LLC 6162

Texas General Land Office 10/15/2014

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
10/15/2014	Bill	Filing&ProcessingFee	150.00	150.00		150.00
					Check Amount	150.00

129570 2629

Iberia Bank Filing & Processing Fee 150.00

Re: Oil, Gas and Mineral Lease and Assignment
Reeves County, Texas

Dear Drew:

Enclosed herewith, please find one (1) certified copy of an Oil and Gas Lease and one (1) Assignment of Oil and Gas Lease taken in the name of the State of Texas, in favor of BHP Billiton Petroleum Properties (N.A.), LP, listed as follows:

Lease No.	**Date**	**Lessor**
ELS-0192	07/25/2014	Blake Oil & Gas Corporation
HK-0147	08/01/2014	Thunderhead Petroleum II, L.P.

Also enclosed, please find a check in the amount of $150.00. This amount covers the filing fees for the lease and assignment taken in the name of the State of Texas @ $25/per lease/assignment and one tract under ELS-0192 (Tract 17 on lease) @ $100/per tract. Be advised that the fees for tracts1-16 listed under ELS-0192 were previously paid by check number 3090, issued October 25, 2011. This should cover all required fees associated with the above listed leases.

Please sign and return the copy of the check to me in the enclosed prepaid envelope. I trust that you will not hesitate to call me with any questions that you may have concerning this matter.

Sincerely yours,

Natalie Holeman
encl.

File No. MF 117022

Transmittal Letter

Date Filed: 10-20-14

Jerry E. Patterson, Commissioner

By JF

3.

14-09574
FILED FOR RECORD
REEVES COUNTY, TEXAS
Oct 10, 2014 at 01:49:00 PM

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.

ELS-0192

640General Land Office
Relinquishment Act Lease Form
Revised, September 1997

The State of Texas

Austin, Texas

-MF.117022A

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 25th day of July, 2014, between the State of Texas, acting by and through its agent, BLAKE OIL & GAS CORPORATION, represented herein by Carol Jo Blake, President

whose mailing address is 400 NORTH MAIN STREET, MIDLAND, TEXAS 79701

said agent herein referred to as the owner of the soil (whether one or more), and BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP

whose mailing address is POST OFFICE BOX 22719, HOUSTON, TEXAS 77027-9998 hereinafter called Lessee.

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

540.0 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and **being more particularly described in Exhibit "A" attached hereto and made a part hereof**

Containing 540.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: FIFTY TWO THOUSAND SEVEN HUNDRED SIXTY TWO DOLLARS AND 53/100 Dollars ($52,762.53)

To the owner of the soil: FIFTY TWO THOUSAND SEVEN HUNDRED SIXTY TWO DOLLARS AND 53/100 Dollars ($52,762.53)

Total bonus consideration: ONE HUNDRED FIVE THOUSAND FIVE HUNDRED TWENTY FIVE DOLLARS AND 06/100 Dollars ($105,525.06)

The total bonus consideration paid represents a bonus of THREE THOUSAND THREE HUNDRED FIFTY ONE DOLLARS AND 11/100 Dollars ($3,351.11) per acre, on 31.48958333 net acres.

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

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the "THIS IS A PAID-UP LEASE; SEE PARAGRAPH 40" Bank, at __________, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: N/A; Paid-Up Lease; See Paragraph 40

Dollars ($N/A; Paid-Up Lease; See Paragraph 40)

To the State of Texas: N/A; Paid-Up Lease; See Paragraph 40

Dollars ($N/A; Paid-Up Lease; See Paragraph 40)

Total Delay Rental: N/A; Paid-Up Lease; See Paragraph 40

Dollars ($N/A; Paid-Up Lease; See Paragraph 40)

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

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

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

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

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

(D) OTHER PRODUCTS. Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be1/4part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

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

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

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

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

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

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

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

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

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

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

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

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

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than $1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar ($1.00) per acre. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for one more successive period of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

(B) HORIZONTAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled deepest perforation(hereinafter "deeper depths") in each well located on acreage retained in Paragraph 16 (A) above., unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. **LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (1) A VIOLATION OF THE FOREGOING PROHIBITION OR (2) THE PRESENCE, RELEASE, OR**

DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.

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

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

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

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2^{nd}) and third (3^{rd}) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4^{th}) and fifth (5^{th}) years of the primary term provided for herein by tendering a payment of Three Thousand Three Hundred Fifty One Dollars and 11/100 ($3,351.11) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to July 25, 2017, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

<u>ADDENDUM PROVISIONS - #41 - #50</u>

The printed lease form to which this addendum is attached contains printed Paragraphs 1 through 40. The provisions set forth below, including Paragraphs 41 through 50, are made a part of the printed lease form, as though originally contained therein. In the event of a conflict between any of the provisions of Paragraphs 1 through 40 and any of the provisions contained in this addendum, the conflicting provision of this addendum shall prevail. The term "this lease," whether appearing in the printed lease form or this addendum, shall mean the agreement contained in the printed lease form, as amended, supplemented and superseded by this addendum.

41. The term "Actual Drilling" will be defined as having a rig on location (and drilling operations underway) that is capable of drilling to the permitted total depth, which must be within a formation reasonably believed to contain commercially recoverable deposits of oil and/or gas.

42. After the expiration of the primary term and/ or the extended term, whichever is later, this Oil, Gas and Mineral Lease shall be construed to be a separate lease as to each separate production unit.

43. Lessee shall have use of water from the leased premises described herein, and purchased from Lessor at a mutually agreeable price prior to any water well drilled on the leased premises by Lessee. Furthermore, Lessee shall have free use of all water produced from any wellbore that has been drilled or is currently being drilled by Lessee for the exploration of oil, gas and other hydrocarbons lying under the leased premises.

44. Unless otherwise agreed by the owner of the soil, acting as agent on behalf of the State of Texas, in writing and in advance, Lessee shall be prohibited from disposing of salt water on the leased premises. Disposal of any such salt water or the removal of salt water from the leased premises shall be accomplished in strict compliance with the rules and regulations of the RRC and any other governmental agency having jurisdiction thereof.

45. Upon written request Lessee shall furnish the owner of the soil with copies of the following related to wells operated by Lessee on the Land or lands pooled therewith:

(A) Plats or maps showing the location of the well and all forms filed with the appropriate state governmental authority;
(B) Copies of monthly production reports

On or after July 25, 2014, in whole or in part, and upon written request by the owner of the soil, Lessee shall furnish the owner of the soil with copies of the following related to wells operated by Lessee on the Lands or lands pooled therewith:

(C) Daily drilling and completion reports, and mud log if a mud log is run in such well;
(D) The details of any drillstem tests taken in said well and the final results of any core analyses which are run on cores taken while drilling said well;
(E) Copies of all testing reports and logs run in such well.

46. All said information will be furnished in a timely manner to the Owner of the Soil at the above address or e-mail (jack.blake@navigatortx.com, racosta@navigatortx.com, bog@suddenlinkmail.com and rleader@navigatortx.com). Contact information is subject to change.

47. The owner of the soil makes no warranty of title to the leased premises, either express or implied.

48. As an additional cash bonus due and payable as and when drilling operations, construction, pipeline installation and other surface operations are conducted, any operations conducted on the surface of the premises,related to this lease, shall be subject to payment by Lessee for all of the types of operations and in the payment amounts and terms as set out in the then current University of Texas System Rate and Damage Schedule promulgated by University Lands Surface and Mineral Interests, and/or by the Board of Regents of the University of Texas System, applicable to oil and gas operations on lands owned by the State of Texas and subject to lease by the Board for Lease of University Lands. Such payments shall be made 1/2 directly to the owner of the soil and a like amount paid or tendered to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas.

49. The provisions of this lease shall inure to the benefit of and be binding upon the owner of the soil, the State of Texas, and Lessee, and their respective heirs, successors, assigns, representatives, directors, principals, agents, employees, contractors and subcontractors.

50. In the event this lease is perpetuated beyond the primary term by production or drilling or reworking operations, this lease shall remain in full force and effect as to all of the lands covered by this lease if on or before One Hundred Eighty (180) days after the primary term, lessee commences a continuous development drilling program on the leased premises or lands pooled therewith in accordance with the following, and thereafter diligently continues and prosecutes such continuous drilling operations on the leased premisesor lands pooled therewith with no cessation of more than One Hundred Eighty (180) days between the completion of any one well and the commencement of the actual drilling of the next succeeding oil and/or gas well. At and after the expiration of the primary term, failure to timely commence or prosecute the continuous development program provided hereinabove shall terminate this lease as to all of the above described premises, SAVE and EXCEPT as to each "production unit" as hereinafter defined. A production unit for a vertical well shall be (i) the maximum number of acres required by the Railroad Commission of Texas for a proration unit under then existing special field rules or (ii) if there are no special field rules 40 acres around each vertical oil well and 160 acres around each vertical gas well then producing or capable of producing oil and/or gas in paying quantities. In the event of a horizontal well, Lessee may allocate acreage to each production unit that amount of acreage as allowed by Rule 86 of the Railroad Commission of Texas. Notwithstanding the foregoing, the production unit for a vertical oil well shall not exceed 160 acres, for a vertical gas well shall not exceed 160 acres and for a horizontal oil or gas well shall not exceed 320 acres. Each production unit retained by Lessee shall be limited to those depths from the surface of the earth down to 100' below the base of the deepest perforations from which production of oil or gas in paying quantities is being maintained (or, in the case of a shut-in gas well, can be maintained) in the well on such production unit and all other deeper depths shall be released.

The term "completion," as used herein, shall mean the earlier of the date of completion shown on the Railroad Commission Initial Potential Form W-2 or 60 days from the date of release of the drilling rig. Upon termination of this lease as to any portion of the leased premises or lands pooled therewith, Lessee shall deliver to Owner of the soil a plat showing the designated production units around each well and a partial release complying with the requirements of this paragraph, suitable for recording.

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

LESSOR

STATE OF TEXAS
BLAKE OIL & GAS CORPORATION

Carol Jo Blake

BY: CAROL JO BLAKE
President and as Agent for the State of Texas

Date: August 7, 2014

LESSEE

BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
By: BHP Billiton Petroleum Properties (GP), LLC, Its General Partner

BY: STEPHEN L. MAHANAY, Attorney-in-Fact

Date: 9/22/14

(CORPORATION ACKNOWLEDGMENT)

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 7th day of August, 2014, by CAROL JO BLAKE, as PRESIDENT of BLAKE OIL & GAS CORPORATION, a Texas corporation, on behalf of said corporation.

Given under my hand and seal of office this the 7th day of August, 2014.

JAN R. DAVIS
Notary Public
STATE OF TEXAS
My Comm. Exp. Sep. 16, 2016

Jan R. Davis

Notary Public in and for the State of Texas

STATE OF TEXAS

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared STEPHEN L. MAHANAY known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-in-Fact of BHP Billiton Petroleum Properties (GP), LLC, general partner of BHP Billiton Petroleum Properties (N.A.), LP, a Texas limited partnership and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 22 day of September, 2014.

ESTELA NAVARRO
Notary Public, State of Texas
My Commission Expires
September 13, 2016

Estela Navarro

Notary Public in and for the State of Texas

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated July 25, 2014 from BLAKE OIL & GAS CORPORATION, agent for the State of Texas, as Owner of the Soil, in favor of BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP, as Lessee.

540.0 acres, more or less, situated in the Subdivision of Section 44, Block 57, Township 3, Abstract 3036, T. & P. Railroad Company Survey, Reeves County, Texas, as depicted on that certain plat dated May 8, 1915, recorded in Volume 1, Page 30, of the Map Records of Reeves County, Texas and being more particularly described below,

TRACT 1: 40.0 acres, more or less, being all of Lots 1-8, Block 1;
TRACT 2: 40.0 acres, more or less, being all of Lots 1-8, Block 2;
TRACT 3: 40.0 acres, more or less, being all of Lots 1-8, Block 3;
TRACT 4: 40.0 acres, more or less, being all of Lots 1-8, Block 4;
TRACT 5: 40.0 acres, more or less, being all of Lots 1-8, Block 5;
TRACT 6: 40.0 acres, more or less, being all of Lots 1-8, Block 6;
TRACT 7: 40.0 acres, more or less, being all of Lots 1-8, Block 7;
TRACT 8: 40.0 acres, more or less, being all of Lots 1-8, Block 8;
TRACT 9: 40.0 acres, more or less, being all of Lots 1 and 2, Block 9;
TRACT 10: 40.0 acres, more or less, being all of Lots 1 and 2, Block 10;
TRACT 11: 5.0 acres, more or less, being all of Lot 8, Block 11;
TRACT 12: 25.0 acres, more or less, being all of Lots 3, 4, 5, 6 and 7, Block 12;
TRACT 13: 25.0 acres, more or less, being all of Lots 2, 3, 4, 5 and 6, Block 13;
TRACT 14: 15.0 acres, more or less, being all of Lots 1, 2 and 3, Block 14;
TRACT 15: 40.0 acres, more or less, being all of Lots 1 and 2, Block 15;
TRACT 16: 20.0 acres, more or less, being all of Lot 1, Block 16
TRACT 17: 10.0 acres, more or less, being all of Lots 1 and 2, Block 12.

Inst No. 14-09574
DIANNE O. FLOREZ
COUNTY CLERK
2014 Oct 10 at 01:49 PM
REEVES COUNTY, TEXAS
By: VG DEPUTY

4.

File No. MF 117022

lease

Date Filed: 10-20-14

Jerry E. Patterson, Commissioner

By JK

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Oil & Gas Lease dated July 25, 2014. filed for record in my office this 10th day of October 2014 at 1:49p M, under Clerk's File No. 14-04514, to be recorded in the Official Public Records Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 10th day of October, 20 2014

By Vanessa Garcia Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

10-20-14

March 30, 2015

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

Re: **State Lease MF 117022A** RAL Lease dated July 25, 2014, recorded in 14-09574, Reeves Co, covering 540 ac., Sec. 44, Blk. 57, T-3, T&P Ry. Co. Survey, Blake Oil & Gas, agent for State of TX, Lessor

Dear Mr. Strother:

The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File numbers **MF-117022A. Please refer to this lease number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

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

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

Your remittance of **$52,762.53** has been applied to the State's portion of the cash bonus. In addition we are in receipt of the processing and filing fees.

Sincerely yours,

Deborah A. Cantu

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

5.

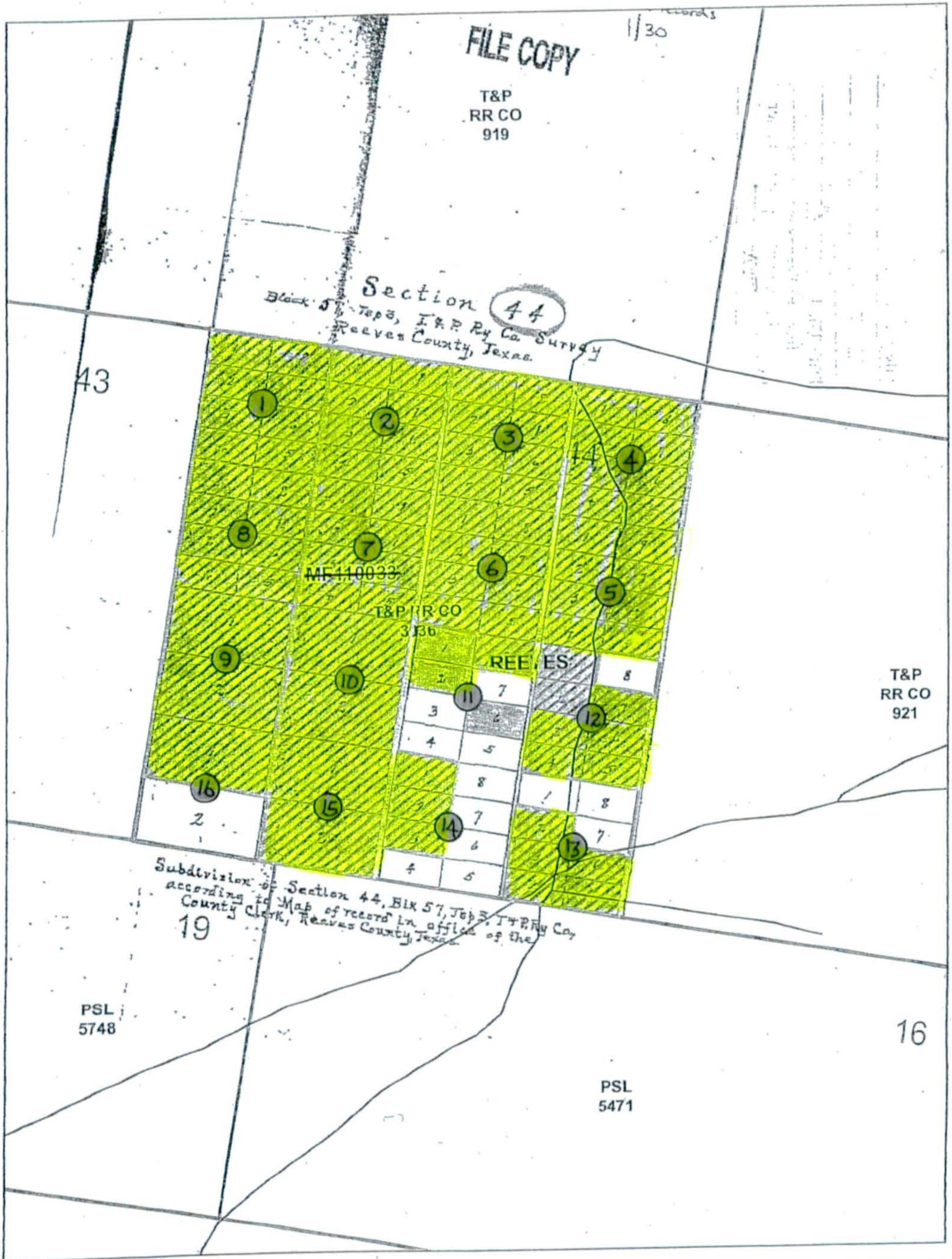
File No. MF 117022

FINAL LETTER County

Date Filed: 3-30-15

George P. Bush, Commissioner

By JK


FILE COPY
1/30
T&P
RR CO
919
Section 44
Reeves County, Texas.
43
~~ME110033~~
T&P
RR CO
921
Subdivision of Section 44, Blk 57, Tsp 3, T&P Ry Co
according to Map of record in office of the
County Clerk, Reeves County, Texas.
19
PSL
5748
16
PSL
5471

(6)

File No. M-117022

REEVES County

LEASE PLAT

Date Filed: 1/14/2016

George P. Bush, Commissioner

By [signature]

MF113637, 113638
MF113640
MF113642
MF113887
MF113888
MF116740
MF116989
MF117022
MF117473
MF117985
MF117986

DIVISION ORDER
MF118009

bhpbilliton
resourcing the future

Date: 10/31/2016

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

Issue Date: 10/31/2016
Property Name: STATE WHITEACRE 57-T3-44 1H
Property #: P1M599/00501 389-35158
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: T&P RR CO ABST/ID# 3036 Grantee J.S. OWENS Twsp T3 Blk 57 Sec 44 REEVES COUNTY/PARISH, TEXAS (642.77 ACRES)

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

Decimal	Type	Status	Reason	Start Date
0.00431361	RI	PAY		5/1/2016
0.00215680	RI	PAY		5/1/2016
0.00431361	RI	PAY		5/1/2016
0.00107840	RI	PAY		5/1/2016
0.00095059	RI	PAY		5/1/2016
0.00549985	RI	PAY		5/1/2016
0.00032352	RI	PAY		5/1/2016
0.00032352	RI	PAY		5/1/2016
0.00097624	RI	PAY		5/1/2016
0.00146437	RI	PAY		5/1/2016
0.00065083	RI	PAY		5/1/2016
0.03280145	RI	PAY		5/1/2016
0.00174841	RI	PAY		5/1/2016
0.00274992	RI	PAY		5/1/2016
0.00020220	RI	PAY		5/1/2016
0.00080880	RI	PAY		5/1/2016
0.00129408	RI	PAY		5/1/2016
0.00647041	RI	PAY		5/1/2016
0.00129408	RI	PAY		5/1/2016
0.00097581	RI	PAY		5/1/2016
0.00097581	RI	PAY		5/1/2016
0.00070511	RI	PAY		5/1/2016
0.00006809	RI	PAY		5/1/2016

0.00549985	RI	PAY	5/1/2016
0.00129408	RI	PAY	5/1/2016
0.00862721	RI	PAY	5/1/2016
0.00097581	RI	PAY	5/1/2016
0.00008298	RI	PAY	5/1/2016
0.00025627	RI	PAY	5/1/2016
0.00274992	RI	PAY	5/1/2016
0.00058280	RI	PAY	5/1/2016
0.00020220	RI	PAY	5/1/2016
0.00274992	RI	PAY	5/1/2016
0.00020220	RI	PAY	5/1/2016
0.00058280	RI	PAY	5/1/2016
0.00162664	RI	PAY	5/1/2016
0.00097581	RI	PAY	5/1/2016
0.00048812	RI	PAY	5/1/2016
0.00016176	RI	PAY	5/1/2016
0.00070511	RI	PAY	5/1/2016
0.00597269	RI	PAY	5/1/2016
0.00009959	RI	PAY	5/1/2016
0.01436071	RI	PAY	5/1/2016
0.00107840	RI	PAY	5/1/2016
0.00145584	RI	PAY	5/1/2016
0.00008298	RI	PAY	5/1/2016
0.00215680	RI	PAY	5/1/2016
0.00274992	RI	PAY	5/1/2016
0.00058280	RI	PAY	5/1/2016
0.00020220	RI	PAY	5/1/2016
0.00146372	RI	PAY	5/1/2016
0.00162664	RI	PAY	5/1/2016
0.00048812	RI	PAY	5/1/2016
0.00070511	RI	PAY	5/1/2016
0.00647041	RI	PAY	5/1/2016
0.00032352	RI	PAY	5/1/2016
0.00079782	RI	PAY	5/1/2016
0.00048812	RI	PAY	5/1/2016
0.00002904	RI	PAY	5/1/2016

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 12, 2016

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

Re: State Lease Nos. MF113637, MF113638, MF113640, MF113642, MF113887, MF113888, MF116740, MF116989, MF117022, MF117473, MF117985, MF117986 and MF118009 **STATE WHITEACRE 57-T3-44 1H**

Dear Mr. Brown:

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

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

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

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

Thank you,

Vivian Hernandez

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

7

File No. MF 117022

Division Order

Date Filed: 12-12-16

George P. Bush, Commissioner

By U.H.

7011 1150 0001 2420 1488

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

Postage	$	MF113637
Certified Fee		MF 113642
Return Receipt Fee (Endorsement Required)		Postmark Here
Restricted Delivery Fee (Endorsement Required)		MF116740 MF117022
Total Postage & Fees	$	MF117985

ATTN: Holly Dutton

Sent To BHP Billiton Petroleum Company

Street, Apt. No.; or PO Box No. 1360 Post Oak Blvd Ste 150

City, State, ZIP+4 Houston, TX 77056-3030

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BHP Billiton Petroleum Company
1360 Post Oak Blvd Ste 150
Houston, Tx 77056-3030

9590 9402 1749 6074 7754 69

2. Article Number *(Transfer from service label)*

7011 1150 0001 2420 1488

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X R Lindstrom

☐ Agent
☐ Addressee

B. Received by *(Printed Name)*

R Lindstrom

C. Date of Delivery

7/1/15

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

MF 117022

3. Service Type
- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ail
- ail Restricted Delivery
-)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

Texas General Land Office
Reconciliation Billing

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

George P. Bush, Commissioner

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

Billing Date: 6/26/2019
Billing Due Date: 7/26/2019
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00544	MF116740	$0.00	$5,756.93	$575.69	$418.13	$6,750.75
19I00545	MF117022	$0.00	$2,878.46	$287.85	$209.06	$3,375.37
19I00546	MF117985	$0.00	$1,049.44	$104.94	$76.22	$1,230.60
Total Due		$0.00	$9,684.83	$968.48	$703.41	**$11,356.72**

Penalty and interest have been calculated thru 6/30/2019. Payment remitted after 6/30/2019 will result in additional penalty and interest charges.

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

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 6/26/2019

Billing Due Date: 7/26/2019

Customer Number: C000046383

Remit Payment To:

Texas General Land Office
PO Box 12873
Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00544	MF116740	$0.00	$5,756.93	$575.69	$418.13	$6,750.75
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Total Due		$0.00	$9,684.83	$968.48	$703.41	**$11,356.72**
Amt. Paid						

Customer ID:	C000046383		Category	Oil
Invoice Number:	19I00545		Auditor/AE:	SGarcia
GLO Lease:	MF117022		Billing Date:	6/26/2019
GLO Review:	BHP BILLITON PET(TXLA OP) CO		P&I Calculation Date:	6/30/2019
Review Period:	September 2017 through August 2018		Royalty Rate:	12.50%

(1) Month / Year	(2) RRC Number	(3) Gas/Oil Volume	(4) Tract Particip	(5) Price	(6) BTU	(7) Gross Value	(8) Royalty Due	(9) Royalty Paid	(10) Additional Ro	(11) Number of Da	(12) Interest Rate For	(13) Penalty Rate Fron	(14) Interest Rate Fror	(15) Revenue Due
Nov-17	08-281881	480	1.00000000	$ 47.974399	1.000000	$23,027.71	$2,878.46	$0.00	$2,878.46	541	5.50%	$287.85	$209.06	$3,375.37
TOTALS		**480**				**$23,027.71**	**$2,878.46**	**$0.00**	**$2,878.46**			**$287.85**	**$209.06**	**$3,375.37**

ATTN: Holly Dutton

CERTIFIED MAIL: 7011 1150 0001 2420 1488

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

COLUMN (3)	VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID 08-281881
COLUMN (5)	PRICE - AVERAGE TAKEN FROM ROYALTY PRODUCTION REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
COLUMNS (12), (13), (14)	PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
	http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

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

8

File No. MF 117022

_____ County

Reconciliation Billing

Date Filed: 6/26/19

George P. Bush, Commissioner

By-

VD

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

DEEP RIGHTS RETENTION PAYMENT FORM

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

Mail or Deliver with Attention to: Energy Resources

STATE LEASE #	County	Gross Acres	Net Acres	Tract Part *(Ex. NW/4)*
MF 117022A	REEVES	540.00	31.48958333	540 AC. IN SEC. 44

Section:	Block:	Survey:	Township:	Abstract:
44	57	T&P RR CO.	T3	3036

Agent for State (Lessor)	Operator
BLAKE OIL AND GAS CORP.	BPX OPERATING COMPANY

FOR EACH WELL, PROVIDE THE FOLLOWING:

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

ALLIE HUIZENGA *Contact*	6/16/2021 *Date*
LAND NEGOTIATOR *Title*	BPX ENERGY INC. *Company*
(720) 682-0308 *Telephone Number*	1700 PLATTE STREET, SUITE 150 *Mailing Address*
ALLIE.HUIZENGA@BPX.COM *E-Mail Address*	DENVER, CO 80202 *City, State, Zip*

Deep Rights Retention Bonus Work-Up

Type of State Lease: *(RAL, Fee, Free Royalty)*	RAL
Total Eligible Acres:	31.48958333
Total Amount Due:	$26,381.27
Check #	8005001214

If there are undivided interests; there may be multiple checks

For General Land Office Use Only: Received: 6/17/21 Payment Register No.: ________

Amount: $________ Lease Type: RAL Unit No.: #7871 White Acre 57-T3-44

7/25/14 Sups.

Revised 5/2016

AGENT FOR STATE (LESSOR) (if multiple undivided interests are included; list below)				
Lease MF# & Undivided Interest Alpha #	Name of Agent for State of Texas	Original Bonus to State in $	Bonus Amount Due One half (½) of Original (based on acres being retained)	Undivided Interest Net Acres
		Deep Rights Retention Bonus Due to State | TOTAL:		
		Undivided Interest Net Acres | TOTAL:		

Copy and Complete Additional Sheets as Necessary

WELL INFORMATION

Copy and Complete Additional Sheets as Necessary

WELL NAME & NO.	API	DISTRICT	RRC ID	SPUD DATE	COMPLETION DATE
STATE WHITEACRE 57-T3-44 1H	38935158	08	281881	3/31/2016	5/23/2016

WELL LOCATION: Land Part (Ex. NW/4): ALL SEC. 44
Section: 41 Block: 57 Township: T3S
Survey: T&P RR CO. Abstract: 919

OIL ☐ GAS ☒ VERTICAL ☐ HORIZONTAL ☒
FIELD NAME & NUMBER: PHANTOM (WOLFCAMP); 71052900

TOTAL ALLOWABLE WELL ACRES	NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES	NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES	TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE
160.710	160.710	0	9,825.54'

HORIZONTAL WELLS	TOTAL LENGTH OF LATERAL	LENGTH OF LATERAL ON STATE LAND	LENGTH OF LATERAL ON PRIVATE LAND
	4,718'	4,718'	0

3 MONTHS MOST RECENT PRODUCTION	MONTH/YEAR	VOLUME	MONTH/YEAR	VOLUME	MONTH/YEAR	VOLUME
	03/2021	6087 MCF, 446 BBL	02/2021	1011 MCF, 90 BBL	01/2021	476 MCF, 17 BBL

WELL NAME & NO.	API	DISTRICT	RRC ID	SPUD DATE	COMPLETION DATE
STATE WHITEACRE 57-T3-44 W107H	38938273	08	289015	7/03/2019	10/30/2019

WELL LOCATION: Land Part (Ex. NW/4): ALL
Section: 44 Block: 57 Township: T3S
Survey: T&P RR CO. Abstract: 3036

OIL ☐ GAS ☒ VERTICAL ☐ HORIZONTAL ☒
FIELD NAME & NUMBER: PHANTOM (WOLFCAMP); 71052900

TOTAL ALLOWABLE WELL ACRES	NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES	NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES	TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE
160.710	160.710	0	9,909.54'

HORIZONTAL WELLS	TOTAL LENGTH OF LATERAL	LENGTH OF LATERAL ON STATE LAND	LENGTH OF LATERAL ON PRIVATE LAND
	3,944'	3,944'	0

3 MONTHS MOST RECENT PRODUCTION	MONTH/YEAR	VOLUME	MONTH/YEAR	VOLUME	MONTH/YEAR	VOLUME
	03/2021	23589 MCF, 309 BBL	02/2021	9621 MCF, 56 BBL	01/2021	5614 MCF, 213 BBL

WELL NAME & NO.	API	DISTRICT	RRC ID	SPUD DATE	COMPLETION DATE
STATE WHITEACRE 57-T3-44 W108H	38938275	08	289016	7/5/2019	10/30/2019

WELL LOCATION: Land Part (Ex. NW/4): ALL Section: 44 Block: 57 Township: T3 Survey: T&P RR CO. Abstract: 3036	OIL ☐ VERTICAL ☐ GAS ☐ HORIZONTAL ☐ FIELD NAME & NUMBER: PHANTOM (WOLFCAMP); 71052900

TOTAL ALLOWABLE WELL ACRES	NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES	NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES	TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE
160.710	160.710	0	9,9924.56'

HORIZONTAL WELLS	TOTAL LENGTH OF LATERAL	LENGTH OF LATERAL ON STATE LAND	LENGTH OF LATERAL ON PRIVATE LAND
	4,123'	4,123'	0

3 MONTHS MOST RECENT PRODUCTION	MONTH/YEAR	VOLUME	MONTH/YEAR	VOLUME	MONTH/YEAR	VOLUME
	03/2021	42362 MCF, 71 BBL	02/2021	12278 MCF, 67 BBL	01/20217	7346 MCF, 342 BBL

WELL NAME & NO.	API	DISTRICT	RRC ID	SPUD DATE	COMPLETION DATE
STATE WHITEACRE 57-T3-46 W109H	38938274	08	289014	6/28/2019	10/30/2019

WELL LOCATION: Land Part (Ex. NW/4): ALL Section: 44 Block: 57 Township: T3 Survey: T&P RR CO. Abstract: 3035	OIL ☐ VERTICAL ☐ GAS ☒ HORIZONTAL ☒ FIELD NAME & NUMBER: PHANTOM (WOLFCAMP); 71052900

TOTAL ALLOWABLE WELL ACRES	NUMBER OF STATE ACRES RETAINED AS PART OF ALLOWABLE WELL ACRES	NUMBER OF PRIVATE ACRES OF ALLOWABLE WELL ACRES	TRUE VERTICAL DEPTH (TVD) ON RETAINED ACREAGE
160.710	160.710	0	9,762.62'

HORIZONTAL WELLS	TOTAL LENGTH OF LATERAL	LENGTH OF LATERAL ON STATE LAND	LENGTH OF LATERAL ON PRIVATE LAND
	4,123'	4,123'	0

3 MONTHS MOST RECENT PRODUCTION	MONTH/YEAR	VOLUME	MONTH/YEAR	VOLUME	MONTH/YEAR	VOLUME
	03/2021	0 MCF, 0 BBL	02/2021	0 MCF, 0 BBL	01/2021	0 MCF, 0 BBL

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: BHP BILLITON PET (TXLA OP) CO	**Operator P-5 No.:** 068596
Operator Address: 1360 POST OAK BLVD HOUSTON, TX 77056	

SECTION II. WELL INFORMATION

District No.: 08	**County:** REEVES	**Purpose of Filing:**
Well No.: 1H	**API No.:** 389-35172	☒ Drilling Permit Application (Form W-1)
Total Lease Acres: 637.75	**Drilling Permit No.:** 813505	☐ Completion Report (Form G-1/W-2)
Lease Name: STATE WHITE ACRE 57-T3-44	**Lease No.:** 281881	
Field Name: PHANTOM (WOLFCAMP)	**Field No.:** 71052900	

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

RRC ID No. or Lease No.	Well No.	H-Horizontal D-Directional V-Vertical	Lease Name	API No.	Acres Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing operator)
2818881	1H	H	STATE WHITEACRE 57-T3-44	389-35150	637.75		

RECEIVED
RRC OF TEXAS
JUN 13 2017
OIL & GAS WELL COMPLIANCE
AUSTIN, TX

Total Well Count > 1	637.75	< A. Total Assigned Horiz. Acreage	
	0	< Total Remaining Horiz. Acreage	
	0	< B. Total Assigned Vert./Dir. Acreage	
	0	< Total Remaining Vert./Dir. Acreage	
	637.75	< C. Total Assigned Acreage	
	0	< Total Remaining 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.

Signature	Name and title (type or print)	Email (include email address *only* if you affirmatively consent to its public release)
Vail, Nicole (Digitally signed by Vail, Nicole Date: 2017.06.13 13:32:34 -05'00')	NICOLE VAIL	NICOLE.VAIL@BHP.COM

Address	City,	State,	Zip Code	Tel: Area Code Number	Date: mo. day yr.
1500 POST OAK BLVD	HOUSTON	TX	77056	7134995391	06/13/17

12-219

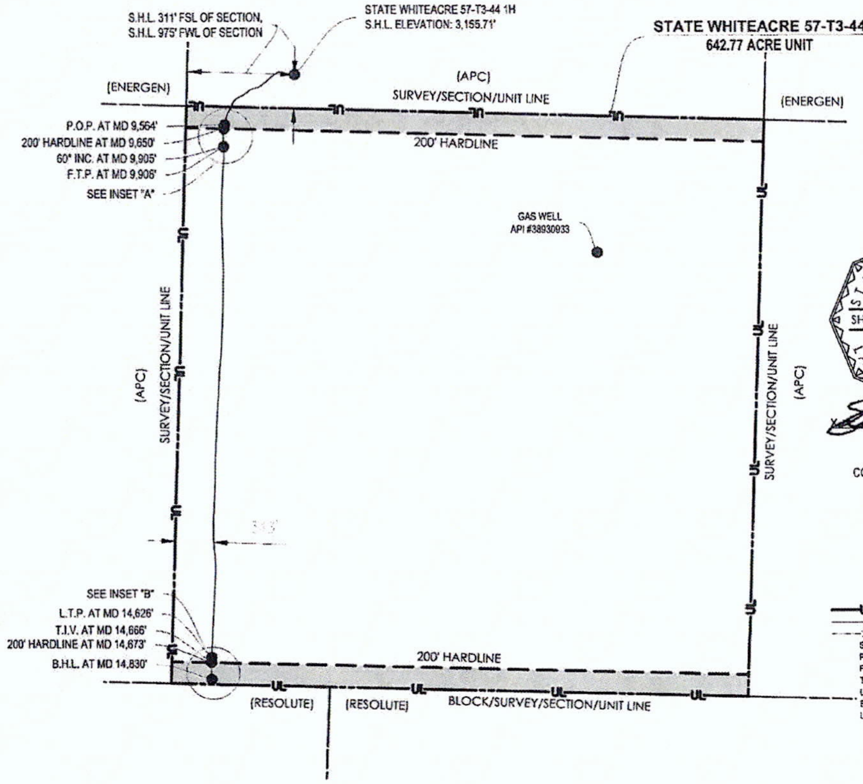
1000 Ledgelawn Dr.
Conway, Arkansas 72034

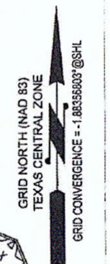
Crafton Tull
surveying

501.328.3316 t 501.328.3325 f
www.craftontull.com

REEVES COUNTY, TEXAS

NOTE: S.H.L. APPROXIMATE LOCATION IS S 23°24'00" W, 12.01 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE T. & P. R.R. CO. SURVEY, A - 919.
B.H.L. LOCATED IN THE J.S. OWENS SURVEY, A - 3036.



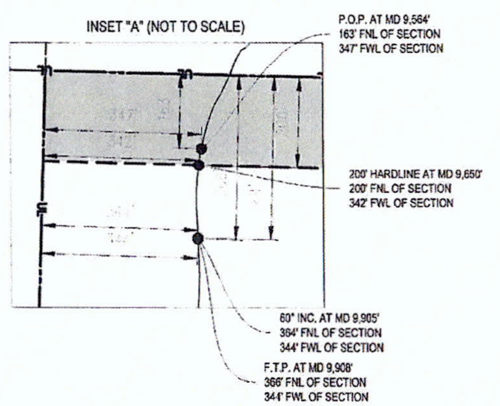


CONTACT INFORMATION:
Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034

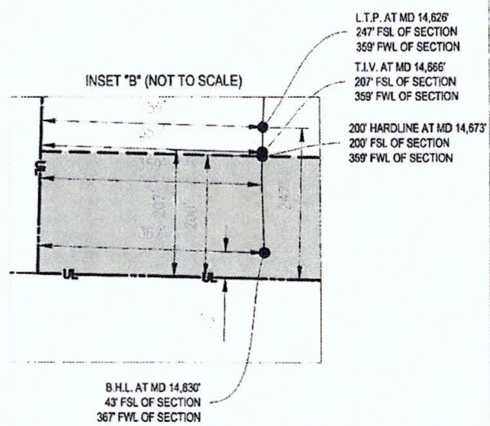
LEGEND

UL	UNIT LINE
	AS-DRILLED WELL PATH
SL	SURVEY LINE
S.H.L.	SURFACE HOLE LOCATION
P.O.P.	POINT OF PENETRATION
F.T.P.	FIRST TAKE POINT
T.P.	TURNING POINT
L.T.P.	LAST TAKE POINT
B.H.L.	BOTTOM HOLE LOCATION
L.L.	LEASE LINE

INSET "A" (NOT TO SCALE)



INSET "B" (NOT TO SCALE)



REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.66536331° N	-103.99032888° W	10588147.515	1159020.537	31.66525621° N	-103.98985570° W	31° 39' 54.922" N	-103° 59' 23.481" W	745571.512	862558.798
P.O.P.	31.66406671° N	-103.99234650° W	10587689.481	1158377.400	31.66393961° N	-103.99187327° W	31° 39' 50.183" N	-103° 59' 30.744" W	745113.490	861915.669
F.T.P.	31.66350968° N	-103.99235320° W	10587487.031	1158368.653	31.66338257° N	-103.99187997° W	31° 39' 48.177" N	-103° 59' 30.768" W	744911.044	861906.921
L.T.P.	31.65058545° N	-103.99229219° W	10582787.603	1158233.018	31.65045814° N	-103.99181910° W	31° 39' 01.649" N	-103° 59' 30.549" W	740211.701	861771.263
B.H.L.	31.65002530° N	-103.99226629° W	10582583.690	1158234.370	31.64989799° N	-103.99179321° W	31° 38' 59.633" N	-103° 59' 30.456" W	740007.791	861772.614

GRAPHIC SCALE IN FEET

1000' 500' 0 1000'

GENERAL NOTES
1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD'83, U.S. FEET AS DETERMINED BY GPS OBSERVATION. CAF = 0.99979780"@SHL

REVISION	
1	PRELIMINARY PLAT 04/20/16
2	FINAL PLAT 09/19/16

bhpbilliton BHP BILLITON PET (TXLA OP) CO

STATE WHITEACRE 57 - T3 - 44 1H (MWN 833830)
STATE WHITEACRE 57-T3-44, 642.77 ACRE UNIT
S.H.L. IN T. & P. R.R. CO., A - 919 & B.H.L. IN J.S. OWENS, A- 3036
REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 1000' | CHECKED BY: DUNAWAY | APPROVED BY: BRIDGEMAN
PLOT DATE: 09/19/2016 | DRAWN BY: NGUYEN | SHEET NO.: 1 OF 1

G:\852-7 (WELL PADS)\85275V0514_STATE_WHITEACRE_57-T3-44_1H\STATE WHITEACRE AS-DRILL_PLATS.DWG 9/19/2016 11:09:10 AM MN1377

4/23/2020

RAILROAD COMMISSION OF TEXAS

Form P-16

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

Page 1
Rev. 09/2019

Acreage Designation

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 I. OPERATOR INFORMATION			
Operator Name:	BPX Operating Company	**Operator P-5 No.:**	085408
Operator Address:	1700 Platte St Denver, CO 80202		

SECTION II. WELL INFORMATION				
District No.:	08	**API No.:**	42-389-38273	**Purpose of Filing:**
Well No.:	W107H	**Drilling Permit No.:**	852043	
Lease Name:	STATE WHITEACRE 57-T3-44	**RRC ID or Lease No.:**		☐ Drilling Permit Application (Form W-1)
Total Lease Acres:	642.840	**Field Name:**	Phantom (Wolfcamp)	
Proration Acres:	160.710	**Field No.:**	71052900	☑ Completion Report (Form G-1/W-2)
Wellbore Profile	Horizontal Well	**Is this a UFT field?**	Yes	
SL Record (Parent) Well Drilling Permit No.:		**County:**	Reeves	

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

RRC ID No. or Lease No.	Well No.	Profile	Lease Name	API No.	Acres Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing operator)
281881	1H	Horiz.	STATE WHITEACRE 57-T3-44	389-35158	160.710	N	
	W107H	Horiz.	STATE WHITEACRE 57-T3-44	389-38273	160.710	N	
	W108H	Horiz.	STATE WHITEACRE 57-T3-44	389-38275	160.710	N	
	W109H	Horiz.	STATE WHITEACRE 57-T3-44	389-38274	160.710	N	

A. Total Assigned Horiz. Acreage	=	642.840	**C. Total Assigned Acreage**	=	
Total Remaining Horiz. Acreage	=	0.000	**Total Remaining Acreage**	=	
B. Total Assigned Vert./Dir. Acreage	=	0.000			
Total Remaining Vert./Dir. Acreage	=	642.840			

SECTION IV. REMARKS - REQUIRED FOR PSA AND CO-DEVELOPMENT *(refer to instructions)*

The W107H, W108H and W109H were successfully completed and acerage is being allocated evenly across the producing wells in the unit.

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.

Tayler.Paredes (Digitally signed by Tayler.Paredes)	Tayler Paredes, Regulatory Analyst	tayler.paredes@bpx.com
Signature	**Name and title (type or print)**	**Email** (include email address *only* if you affirmatively consent to its public release)

1700 Platte St	Denver	CO	80202		720-689-9864		04/21/20
Address	**City,**	**State,**	**Zip Code**	**Tel:**	**Area Code Number**	**Date:**	**mo. day yr.**

12-2-19

1000 Ledgelawn Dr.
Conway, Arkansas 72034

Crafton Tull
surveying

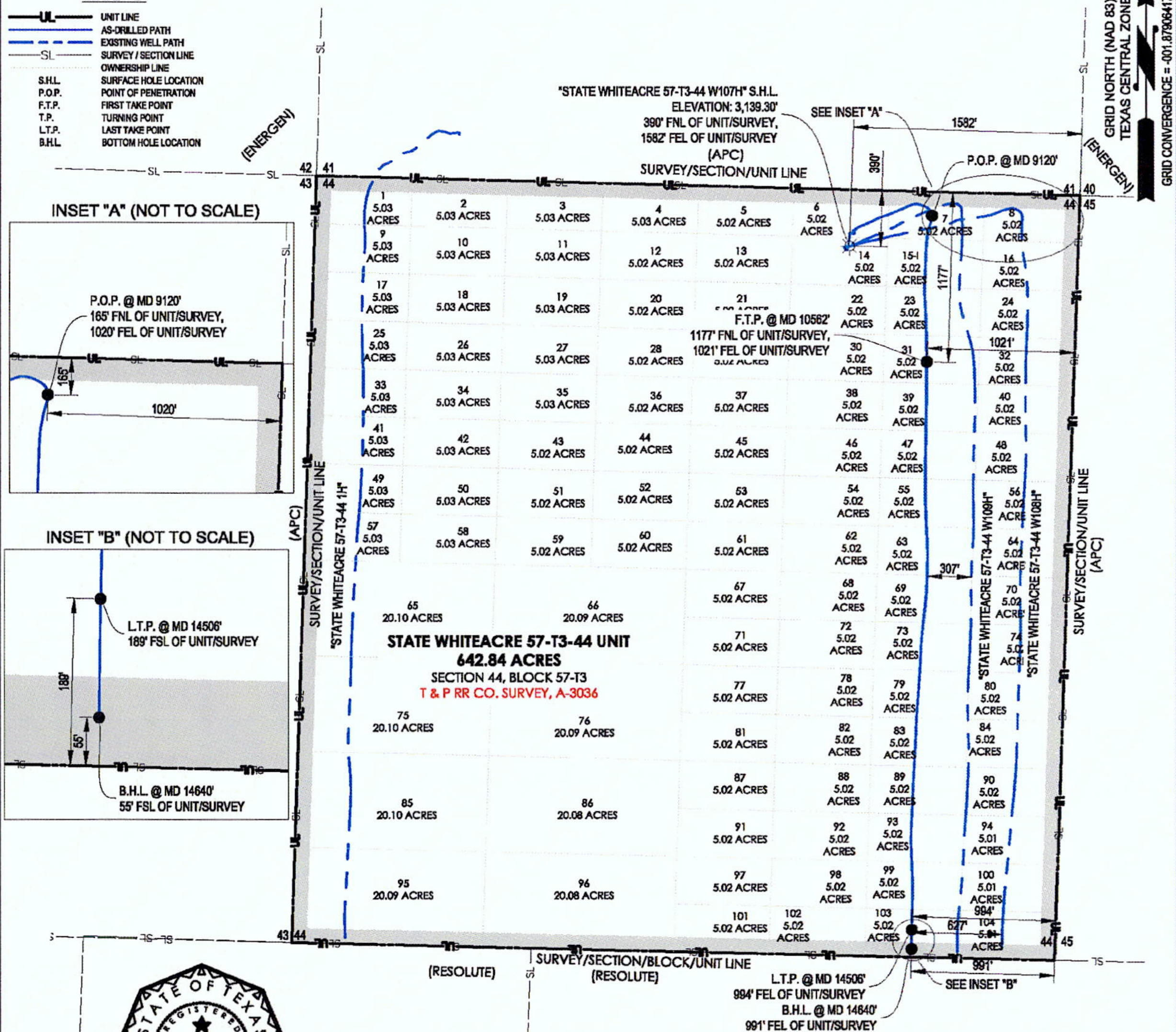
501.328.3316 t 501.328.3325 f
www.craftontull.com

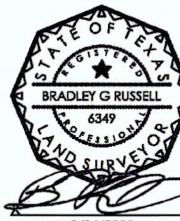
REEVES COUNTY, TEXAS

S.H.L. ELEVATION

WELL NAME	ELEVATION
"STATE WHITEACRE 57-T3-44 W107H"	3,139.30'

NOTE: S.H.L. APPROXIMATE LOCATION IS S 22°51'36" W, 11.94 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 3036.





2/26/2020

CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034

SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NE CORNER 57-T3-44	CALCULATED CORNER	N = 10587722.29 E = 1163311.33	LAT: 31.66460194° N LONG:103.97650011° W	N = 745146.27 E = 866849.52	LAT: 31.66447471° N LONG:103.97602748° W
SE CORNER 57-T3-44	CALCULATED CORNER	N = 40582421.98 E = 1163135.71	LAT: 31.65002313° N LONG:103.97650646° W	N = 739846.05 E = 866673.87	LAT: 31.64989568° N LONG:103.97603399° W
SW CORNER 57-T3-44	CALCULATED CORNER	N = 10582549.75 E = 1157866.40	LAT: 31.64989879° N LONG:103.99344460° W	N = 739973.86 E = 861404.65	LAT: 31.64977148° N LONG:103.99297148° W
NW CORNER 57-T3-44	5/8" REBAR W/ CAP	N = 10587862.06 E = 1158036.22	LAT: 31.66451002° N LONG:103.99346076° W	N = 745286.07 E = 861574.49	LAT: 31.66438294° N LONG:103.99298748° W

WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	(Y) NORTHING (NAD 27)	(X) EASTING (NAD 27)
S.H.L.	31.66350271° N	103.98158450° W	10587374.48	1161717.20	31.66337550° N	103.98111169° W	744798.47	865255.41
P.O.P.	31.66413012° N	103.97977760° W	10587584.15	1162286.55	31.66400281° N	103.97930484° W	745008.14	865824.76
F.T.P.	31.66134875° N	103.97978171° W	10586572.98	1162252.11	31.66122149° N	103.97930899° W	743996.98	865790.31
L.T.P.	31.65051811° N	103.97970130° W	10582634.50	1162148.00	31.65039069° N	103.97922871° W	740058.57	865686.18
B.H.L.	31.65014982° N	103.97969236° W	10582500.51	1162146.39	31.65002240° N	103.97921977° W	739924.59	865684.57

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	UNIT LINE CALLS (±)
S.H.L.	390' FNL, 1582' FEL	390' FNL, 1582' FEL
P.O.P.	165' FNL, 1020' FEL	165' FNL, 1020' FEL
F.T.P.	1177' FNL, 1021' FEL	1177' FNL, 1021' FEL
L.T.P.	189' FSL, 994' FEL	189' FSL, 994' FEL
B.H.L.	55' FSL, 991' FEL	55' FSL, 991' FEL

GRAPHIC SCALE IN FEET
800' 400' 0 800'

GENERAL NOTES
1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD'83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.999798207 @ S.H.L.

REVISION	
1	FINAL PLAT 2/26/20

BPX OPERATING COMPANY
STATE WHITEACRE 57-T3-44 W107H (MWN 837822)
S.H.L. & B.H.L. IN T & P RR CO. SURVEY, A - 3036
REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" =	800'	CHECKED BY:	ALP	APPROVED BY:	MN
PLOT DATE:	02/26/2020	DRAWN BY:	CDM	SHEET NO.:	1 OF 1

G:\852-7 (WELL PADS)\8527SV0638_STATE_WHITEACRE_57-T3-44_PAD_B\STATE WHITEACRE 57-T3-44 PAD B_WPPS.DWG 2/26/2020 2:23:36 PM CT1215

4/23/2020

RAILROAD COMMISSION OF TEXAS

Form P-16

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

Page 1
Rev. 09/2019

Acreage Designation

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 I. OPERATOR INFORMATION			
Operator Name:	BPX Operating Company	**Operator P-5 No.:**	085408
Operator Address:	1700 Platte St Denver, CO 80202		

SECTION II. WELL INFORMATION				
District No.:	08	**API No.:**	42-389-38275	**Purpose of Filing:**
Well No.:	W108H	**Drilling Permit No.:**	852047	
Lease Name:	STATE WHITEACRE 57-T3-44	**RRC ID or Lease No.:**		☐ **Drilling Permit Application (Form W-1)**
Total Lease Acres:	642.840	**Field Name:**	Phantom (Wolfcamp)	
Proration Acres:	160.710	**Field No.:**	71052900	☑ **Completion Report (Form G-1/W-2)**
Wellbore Profile	Horizontal Well	**Is this a UFT field?**	Yes	
SL Record (Parent) Well Drilling Permit No.:		**County:**	Reeves	

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

RRC ID No. or Lease No.	Well No.	Profile	Lease Name	API No.	Acres Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing operator)
281881	1H	Horiz.	STATE WHITEACRE 57-T3-44	389-35158	160.710	N	
	W107H	Horiz.	STATE WHITEACRE 57-T3-44	389-38273	160.710	N	
	W108H	Horiz.	STATE WHITEACRE 57-T3-44	389-38275	160.710	N	
	W109H	Horiz.	STATE WHITEACRE 57-T3-44	389-38274	160.710	N	

A. Total Assigned Horiz. Acreage =	642.840		**C. Total Assigned Acreage** =	
Total Remaining Horiz. Acreage =	0.000		**Total Remaining Acreage** =	
B. Total Assigned Vert./Dir. Acreage =	0.000			
Total Remaining Vert./Dir. Acreage =	642.840			

SECTION IV. REMARKS - REQUIRED FOR PSA AND CO-DEVELOPMENT *(refer to instructions)*

The W107H, W108H and W109H were successfully completed and acerage is being allocated evenly across the producing wells in the unit.

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.

Tayler.Paredes Digitally signed by Tayler.Paredes

Tayler.Paredes	Tayler Paredes, Regulatory Analyst	tayler.paredes@bpx.com
Signature	**Name and title (type or print)**	**Email** (include email address *only* if you affirmatively consent to its public release)

1700 Platte St	Denver	CO	80202		720-689-9864		04/21/20
Address	**City,**	**State,**	**Zip Code**	**Tel:**	**Area Code Number**	**Date:**	**mo. day yr.**

12-219

1000 Ledgelawn Dr.
Conway, Arkansas 72034

Crafton Tull surveying

501.328.3316 t 501.328.3325 f
www.craftontull.com

REEVES COUNTY, TEXAS

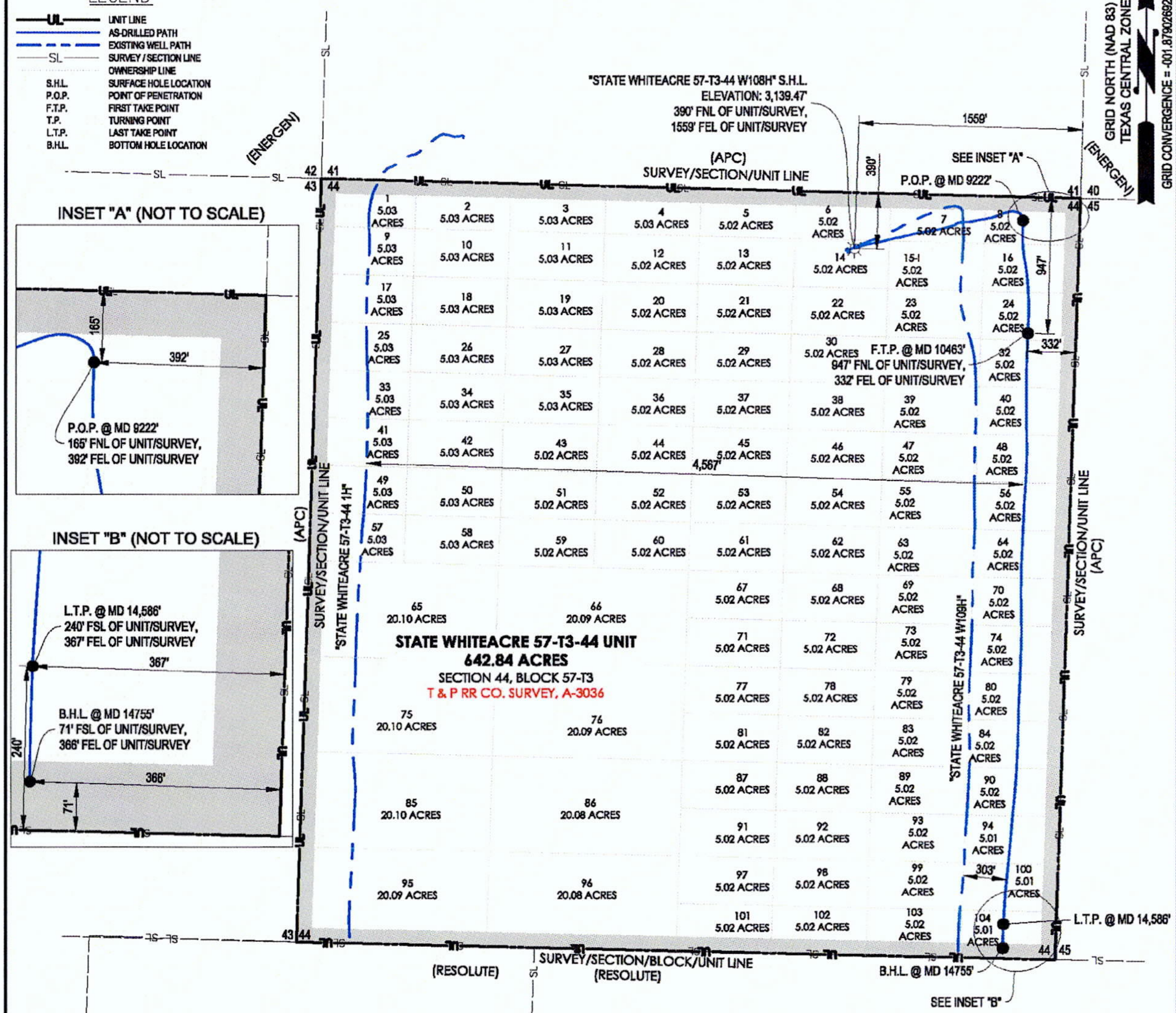
S.H.L. ELEVATION

WELL NAME	ELEVATION
"STATE WHITEACRE 57-T3-44 W108H"	3,139.47'

S.H.L. **NOTE:** APPROXIMATE LOCATION IS S 22°51'36" W, 11.94 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 3036.

LEGEND

—UL—	UNIT LINE
———	AS-DRILLED PATH
– – –	EXISTING WELL PATH
—SL—	SURVEY / SECTION LINE
······	OWNERSHIP LINE
S.H.L.	SURFACE HOLE LOCATION
P.O.P.	POINT OF PENETRATION
F.T.P.	FIRST TAKE POINT
T.P.	TURNING POINT
L.T.P.	LAST TAKE POINT
B.H.L.	BOTTOM HOLE LOCATION

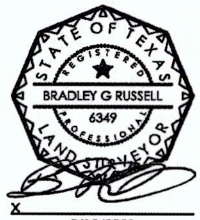


SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NE CORNER 57-T3-44	CALCULATED CORNER	N = 10587722.29 E = 1163311.33	LAT: 31.66460194° N LONG: 103.97650011° W	N = 745146.27 E = 866849.52	LAT: 31.66447471° N LONG: 103.97602748° W
SE CORNER 57-T3-44	CALCULATED CORNER	N = 10582421.98 E = 1163135.71	LAT: 31.65002313° N LONG: 103.97650646° W	N = 739846.05 E = 866673.87	LAT: 31.64989568° N LONG: 103.97603399° W
SW CORNER 57-T3-44	CALCULATED CORNER	N = 10582549.75 E = 1157866.40	LAT: 31.64989879° N LONG: 103.99344460° W	N = 739973.86 E = 861404.65	LAT: 31.64977148° N LONG: 103.99297148° W
NW CORNER 57-T3-44	5/8" REBAR W/ CAP	N = 10587862.06 E = 1158036.22	LAT: 31.66451002° N LONG: 103.99346076° W	N = 745286.07 E = 861574.49	LAT: 31.66438294° N LONG: 103.99298748° W

WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27) (Y)	EASTING (NAD 27) (X)
S.H.L.	31.66350282° N	103.98151219° W	10587373.78	1161739.69	31.66337562° N	103.98103938° W	744797.77	865277.90
P.O.P.	31.66414150° N	103.97776136° W	10587567.74	1162913.65	31.66401427° N	103.97728868° W	744991.72	866451.85
F.T.P.	31.66199299° N	103.97756799° W	10586784.64	1162948.18	31.66186572° N	103.97709535° W	744208.63	866486.37
L.T.P.	31.65067325° N	103.97768568° W	10582670.35	1162776.71	31.65054581° N	103.97721316° W	740094.42	866314.88
B.H.L.	31.65020885° N	103.97768104° W	10582501.47	1162772.62	31.65008141° N	103.97720853° W	739925.54	866310.79



X
3/10/2020

CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	UNIT LINE CALLS (±)
S.H.L.	390' FNL, 1559' FEL	390' FNL, 1559' FEL
P.O.P.	165' FNL, 392' FEL	165' FNL, 392' FEL
F.T.P.	947' FNL, 332' FEL	947' FNL, 332' FEL
L.T.P.	240' FSL, 367' FEL	240' FSL, 367' FEL
B.H.L.	71' FSL, 366' FEL	71' FSL, 366' FEL

GRAPHIC SCALE IN FEET

800' 400' 0 800'

GENERAL NOTES
1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD'83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.999796185 @ S.H.L.

REVISION	
1	FINAL PLAT 3/10/20

BPX OPERATING COMPANY

STATE WHITEACRE 57-T3-44 W108H (MWN 837823)
S.H.L. & B.H.L. IN T & P RR CO. SURVEY, A - 3036
REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" =	800'	CHECKED BY:	ALP	APPROVED BY:	L. Dow
PLOT DATE:	03/10/2020	DRAWN BY:	CDM	SHEET NO.:	1 OF 1

G:\852-7 (WELL PADS)\8527SV0638_STATE_WHITEACRE_57-T3-44_PAD_B\STATE WHITEACRE 57-T3-44 PAD B_WPPS.DWG 3/10/2020 12:44:52 PM MN1377

4/23/2020

RAILROAD COMMISSION OF TEXAS

Form P-16

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

Page 1
Rev. 09/2019

Acreage Designation

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 I. OPERATOR INFORMATION			
Operator Name:	BPX Operating Company	**Operator P-5 No.:**	085408
Operator Address:	1700 Platte St Denver, CO 80202		

SECTION II. WELL INFORMATION				
District No.:	08	**API No.:**	42-389-38274	**Purpose of Filing:**
Well No.:	W109H	**Drilling Permit No.:**	852036	
Lease Name:	STATE WHITEACRE 57-T3-44	**RRC ID or Lease No.:**		☐ **Drilling Permit Application (Form W-1)**
Total Lease Acres:	642.840	**Field Name:**	Phantom (Wolfcamp)	
Proration Acres:	160.710	**Field No.:**	71052900	☑ **Completion Report (Form G-1/W-2)**
Wellbore Profile	Horizontal Well	**Is this a UFT field?**	Yes	
SL Record (Parent) Well Drilling Permit No.:		**County:**	Reeves	

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

RRC ID No. or Lease No.	Well No.	Profile	Lease Name	API No.	Acres Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing operator)
281881	1H	Horiz.	STATE WHITEACRE 57-T3-44	389-35158	160.710	N	
	W107H	Horiz.	STATE WHITEACRE 57-T3-44	389-38273	160.710	N	
	W108H	Horiz.	STATE WHITEACRE 57-T3-44	389-38275	160.710	N	
	W109H	Horiz.	STATE WHITEACRE 57-T3-44	389-38274	160.710	N	

A. Total Assigned Horiz. Acreage =	642.840		**C. Total Assigned Acreage** =	
Total Remaining Horiz. Acreage =	0.000		**Total Remaining Acreage** =	
B. Total Assigned Vert./Dir. Acreage =	0.000			
Total Remaining Vert./Dir. Acreage =	642.840			

SECTION IV. REMARKS - REQUIRED FOR PSA AND CO-DEVELOPMENT ***(refer to instructions)***

The W107H, W108H and W109H were successfully completed and acerage is being allocated evenly across the producing wells in the unit.

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.

Tayler.Paredes
Signature

Tayler Paredes, Regulatory Analyst
Name and title (type or print)

tayler.paredes@bpx.com
Email
(include email address *only* if you affirmatively consent to its public release)

1700 Platte St	Denver	CO	80202		720-689-9864		04/21/20	
Address	**City,**	**State,**	**Zip Code**	**Tel:**	**Area Code**	**Number**	**Date:**	**mo. day yr.**

1000 Ledgelawn Dr.
Conway, Arkansas 72034

Crafton Tull surveying

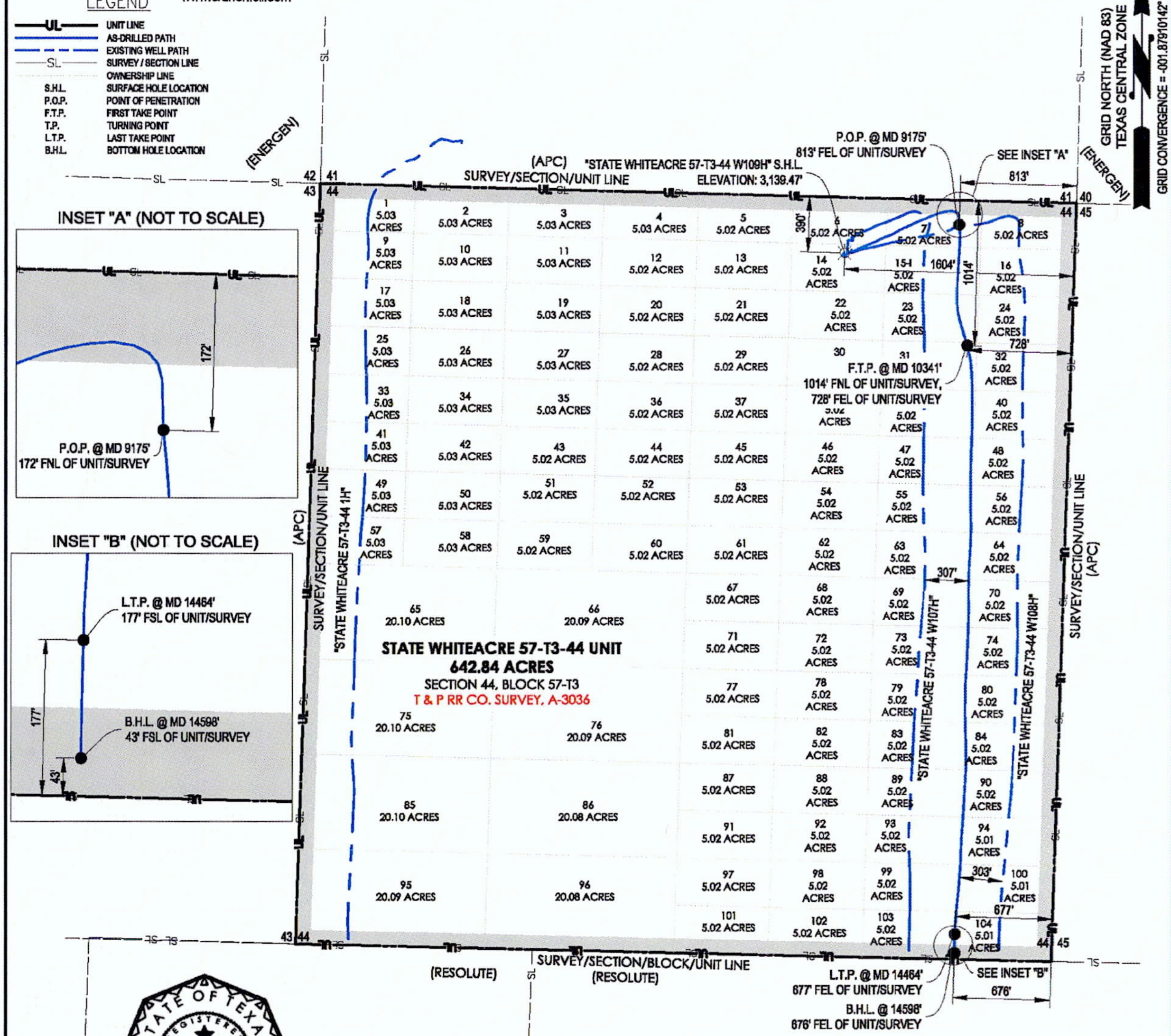
501.328.3316 t 501.328.3325 f
www.craftontull.com

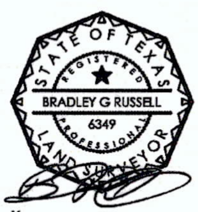
REEVES COUNTY, TEXAS

S.H.L. ELEVATION

WELL NAME	ELEVATION
"STATE WHITEACRE 57-T3-44 W109H"	3,139.47'

NOTE: S.H.L. APPROXIMATE LOCATION IS S 22°51'36" W, 11.94 MILES FROM ORLA, TEXAS.
S.H.L. AND B.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 3036.





X

2/26/2020

CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034

SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
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WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	(Y) NORTHING (NAD 27)	(X) EASTING (NAD 27)
S.H.L.	31.66350260° N	103.98165682° W	10587375.17	1161694.71	31.66337539° N	103.98118400° W	744799.17	865232.92
P.O.P.	31.66411534° N	103.97911322° W	10587572.01	1162492.97	31.66398812° N	103.97864049° W	744995.99	866031.17
F.T.P.	31.66180075° N	103.97883987° W	10586727.71	1162550.38	31.66167350° N	103.97836718° W	744151.71	866088.58
L.T.P.	31.65049321° N	103.97868304° W	10582615.06	1162464.38	31.65036578° N	103.97821049° W	740039.14	866002.56
B.H.L.	31.65012522° N	103.97867804° W	10582481.22	1162461.56	31.64999779° N	103.97820548° W	739905.30	865999.73

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	UNIT LINE CALLS (±)
S.H.L.	390' FNL, 1604' FEL	390' FNL, 1604' FEL
P.O.P.	172' FNL, 813' FEL	172' FNL, 813' FEL
F.T.P.	1014' FNL, 728' FEL	1014' FNL, 728' FEL
L.T.P.	177' FSL, 677' FEL	177' FSL, 677' FEL
B.H.L.	43' FSL, 676' FEL	43' FSL, 676' FEL

GRAPHIC SCALE IN FEET

800' 400' 0 800'

GENERAL NOTES
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2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD'83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.999798199 @ S.H.L.

REVISION	
1	FINAL PLAT 2/26/20

BPX OPERATING COMPANY

STATE WHITEACRE 57-T3-44 W109H
S.H.L. & B.H.L. IN T & P RR CO. SURVEY, A - 3036
REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 800'	CHECKED BY: ALP	APPROVED BY: MN
PLOT DATE: 02/26/2020	DRAWN BY: CDM	SHEET NO.: 1 OF 1

G:\852-7 (WELL PADS)\8527SV0638_STATE_WHITEACRE_57-T3-44_PAD_B\STATE WHITEACRE 57-T3-44_PAD B_WPPS.DWG 2/26/2020 2:26:28 PM CT1215 bpx energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenville Road, Building 605, 3rd
Floor
Naperville, IL 60563

06/08/21

X01LH

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701 US

VENDOR NUMBER: 0069000250

TRACE NUMBER: 2000027817

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900093981	**06/06/21**	**164**	**26,381.27**		**26,381.27**
MF117022A QLS 2006951000 16B D					
MF117022A QLS 2006951000 16B DEPTH EXTENSION PAY					
		TOTALS	26,381.27		26,381.27

21709371

JU

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO OUR OFFICE, PLEASE CALL
(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000250

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005001214 ATTACHED BELOW

bpx energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury Payments
150 West Warrenville Road, Building 605, 3rd Floor
Naperville, IL 60563

06/08/21

X01LH

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701 US

VENDOR NUMBER: 0069000250

TRACE NUMBER: 2000027817

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900093981	**06/06/21**	**164**	**26,381.27**		**26,381.27**
MF117022A QLS 2006951000 16B D					
MF117022A QLS 2006951000 16B DEPTH EXTENSION PAY					
		TOTALS	26,381.27		26,381.27

21709371

ML

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE DIRECTED TO OUR OFFICE, PLEASE CALL (800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000250

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005001214 ATTACHED BELOW

bpx energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury Payments
150 West Warrenville Road, Building 605, 3rd Floor
Naperville, IL 60563

62-20/311

CHECK NO. **8005001214**

21709371

06/08/21

PAY TO THE ORDER OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701 US

*********$26,381.27**

NOT VALID AFTER 6 MONTHS

Twenty six thousand three hundred eighty one and 27/100 Dollars

TRACE NUMBER: 2000027817

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

Luana H. Aleck
Authorized Signature

⑈8005001214⑈ [redacted] [redacted]

9.

File No. MF 117022

DeepRights payment County

+ Form

Date Filed: 7/6/21

George P. Bush, Commissioner

By SSD

July 6, 2021

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

RE: State Lease MF117022 – Relinquishment Act Lease – Deep Rights Retention
540 gross/31.48958333 net acres out of Section 44, Block 57, Township 3, T&P RR Co. Survey, A-3036, Reeves County, Texas
Wells: State Whiteacre 57-T3-44 1H, API 42-389-35158, RRC 08-281881
State Whiteacre 57-T3-44 W107H, API 42-389-38273, RRC 08-289015
State Whiteacre 57-T3-44 W108H, API 42-389-38275, RRC 08-289016
State Whiteacre 57-T3-44 W109H, API 42-389-38274, RRC 08-289014
Unit: State Whiteacre 57-T3-44, State Unit #7871

Dear Ms. Huizenga:

The Deep Rights Retention form and payment in the total amount of $26,381.27 for mineral file MF117022A has been accepted and will retain the deep rights as described in the State Whiteacre 57-T3-44-unit agreement.

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

Best regards,

Susan S. Draughn

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

10.

File No. MF 117022

Letter accepting DRR County

Date Filed: 7/6/21

George P. Bush, Commissioner

By SSD

Texas General Land Office
Reconciliation Billing

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

George P. Bush, Commissioner

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

Billing Date: 9/8/2021
Billing Due Date: 10/8/2021
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
22I00019	MF117022	$2,992.07	$0.00	$376.53	$252.40	$3,621.00
Total Due		$2,992.07	$0.00	$376.53	$252.40	**$3,621.00**

Penalty and interest have been calculated thru 9/30/2021. Payment remitted after 9/30/2021 will result in additional penalty and interest charges.

Charlton,Andrea M (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

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

Detach and return with payment

Reconciliation Billing
BPX Operating Company
Billing Date: 9/8/2021
Billing Due Date: 10/8/2021
Customer Number: C000046383

Remit Payment To:
Texas General Land Office
PO Box 12873
Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
22I00019	MF117022	$2,992.07	$0.00	$376.53	$252.40	$3,621.00
Total Due		$2,992.07	$0.00	$376.53	$252.40	**$3,621.00**
Amt. Paid						

Customer ID: C000046383
Invoice Number:
GLO Lease: MF117022
GLO Review: BPX OPERATING COMPANY
Review Period: 201909-202008

Category Gas
Auditor/AE: Acharlto
Billing Date: 9/1/2021
P&I Calculation Date: 9/30/2021
Royalty Rate: 12.50%

(1) Month / Year	(2) RRC Number	(3) Gas/Oil Volume	(4) Tract Participa	(5) Price	(6) BTU	(7) Gross Value	(8) Royalty Due	(9) Royalty Paid	(10) Additional Roy	(11) Number of Day	(12) Interest Rate For A	(13) Penalty Rate From	(14) Interest Rate From	(15) Revenue Due
Sep-19	08-281881	(84)	1.00000000	1.094679	1.256990	($115.58)	($14.45)	$0.00	($14.45)	685	6.50%	$0.00	$0.00	($14.45)
Nov-19	08-281881	12,585	1.00000000	0.720000	1.000000	$9,061.20	$1,132.65	$0.00	$1,132.65	624	5.75%	$113.27	$100.81	$1,346.73
Dec-19	08-281881	10,915	1.00000000	0.815100	1.243202	$11,060.54	$1,382.57	$0.00	$1,382.57	593	5.75%	$138.26	$116.31	$1,637.14
Jan-20	08-281881	2,579	1.00000000	0.290650	1.238616	$928.45	$116.06	$0.00	$116.06	564	5.75%	$25.00	$9.23	$150.29
Feb-20	08-281881	3,335	1.00000000	0.321859	1.242781	$1,334.00	$166.75	$0.00	$166.75	533	5.75%	$25.00	$12.45	$204.20
Mar-20	08-281881	4,437	1.00000000	0.224275	1.248468	$1,242.36	$155.30	$0.00	$155.30	503	5.75%	$25.00	$10.86	$191.16
Apr-20	08-281881	1,552	1.00000000	0.064030	1.249407	$124.16	$15.52	$0.00	$15.52	472	5.75%	$25.00	$1.01	$41.53
Aug-20	08-281881	186	1.00000000	1.288500	1.257276	$301.32	$37.67	$0.00	$37.67	350	5.75%	$25.00	$1.73	$64.40
TOTALS		35,505				$23,936.45	$2,992.07	$0.00	$2,992.07			$376.53	$252.40	$3,621.00

ATTN: Patty Burg
E-MAIL: Patty.Burg@bpx.com

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

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-281881 08-289014 08-289015 08-289016

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (6) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

NOTE 1 : PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, SEND AN EMAIL TO account.services@glo.texas.gov NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER, REMITTANCE DATE AND AMOUNT OF PAYMENT.

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File No. MF117022

County

Recon Billing

Date Filed: 12/28/2021

George P. Bush, Commissioner

By VD