

MF117024

#8453

#9862

Lease Type  
RAL

Control

Basefile

County

07-103154

128244

REEVES

07-103163

107356

REEVES

07-106491

105262

REEVES

07-106507

091605

REEVES

Survey

Public School Land

Block

57, 71, C-8

Block Name

Township

Section/Tract

1, 10, 16, 2, 9

Land Part

all

Acres

Net: 2049.000000 Gross: 2049.000000

Depth Below

Depth Above Depth Other

Name

APACHE CORP, HOUSTON

Lease Date

8/29/2014

Primary Term

3 years

Bonus

\$3,585,750.00

Lease Royalty

0.12500000

Paid Up

Yes

Leasing: QMaps: AGIS: MC

Scanlab: \_\_\_\_\_

**CAUTION**

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

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

Thank you for your assistance.

*Archives and Records Staff*

F1096711



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|                                             |          |                                                      |    |                    |
|---------------------------------------------|----------|------------------------------------------------------|----|--------------------|
| 1. PAL Lease Review                         | 10/7/14  | scanned                                              | PT | 3-1-2018           |
| 2. Prop. Ltr. w/ Fees                       | 10/22/14 | 25. E-Mail From Apache                               |    | 3/6/18             |
| 3. Bonus                                    | 10/22/14 | 26. Recorded Am - Oak State Unit                     |    | 3/6/18             |
| 4. Lease                                    | 1/5/15   | scanned                                              | PT | 3-9-2018           |
| 5. Final Ltr.                               | 2/18/15  | 27. E-Mails with Apache on Oak State                 |    | 3/26/18            |
| scanned                                     | SM       | scanned                                              | PT | 3-27-2018          |
| 6. Email                                    | 05/12/16 | 28. Drilling Permit API 389-36938 Unit 8453          |    | 6/22/18            |
| 7. Ltr Agreement                            | 05/25/16 | 29. Commingling Approval                             |    | 6/28/2018          |
| 8. Add'l Bonus                              | 05/25/16 | scanned                                              | PT | 7-1-2018           |
| 9. Ltr. From Apache                         | 6/23/17  | <del>30. Amended Drilling Permit API 389-35867</del> |    | <del>9/10/18</del> |
| 10. Ltr. to Apache                          | 7/7/17   | <del>31. Drilling Permit API 389-35867</del>         |    | <del>9/10/18</del> |
| 11. Pooling Agrmt. Packet # 8453            | 7/7/17   | 30. Amended Drilling Permit API 389-35867            |    | 9/10/18            |
| Oak State Unit                              | 7/7/17   | 31. Division Order                                   |    | 9/12/18            |
| 12. Ltr. From Mitchell Land Services        | 8/15/17  | scanned                                              | PT | 10-2-2018          |
| 13. Recorded Pooling Agrmt.                 | 8/15/17  | 32. Division Order                                   |    | 10-24-18           |
| scanned                                     | PT       | scanned                                              | PT | 11-15-2018         |
| 14. E-Mail From Apache                      | 1/10/18  | 33. Commingling Amendment                            |    | 1/9/2019           |
| 15. E-Mail to Apache                        | 1/18/19  | 34. Drilling Permit API 389-37503 Unit 8453          |    | 1/10/19            |
| scanned                                     | PT       | 35. Drilling Permit API 389-37326 Unit 8453          |    | 1/10/19            |
| 16. Ltr. From Apache                        | 1/31/18  | scanned                                              | PT | 1-14-2019          |
| 17. Memo to Commissioner                    | 1/31/18  | See # 20 in M-116963 For the                         |    |                    |
| 18. Ltr. to Apache                          | 1/31/18  | Gilroy State Unit, # 9862                            |    |                    |
| 19. Am of Oak State Unit                    | 1/31/19  | scanned                                              | PT | 3-18-2019          |
| scanned                                     | PT       | 36. Division Order                                   |    | 3-19-19            |
| 20. Revised Unit Agrmt. Memo # 8453         | 2/1/18   | 37. Division Order                                   |    | 3-20-19            |
| scanned                                     | PT       | scanned                                              | PT | 4-3-2019           |
| 21. Drilling Permit API 389-35867 Unit 8453 | 2/13/18  | 38. Shut-in payment - no affidavit                   |    | 5/28/19            |
| scanned                                     | PT       | 39. Letter accepting shut-in                         |    | 5/28/19            |
| 22. Division Order                          | 2-20-18  | 40. Commingling Approval                             |    | 6/3/2019           |
| 23. E-Mail From Apache                      | 2/23/19  | scanned                                              | PT | 6-7-2019           |
| 24. Recorded Am of Oak State Desig.         | 2/23/19  | 41. Shut-in affidavit                                |    | 6/24/19            |

over



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42. Division Order 7/25/19

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43. Notification Letter 9/16/2019

scanned PJ 9-27-2019

44. Commingling Amendment 10/14/2019

Scanned sm 10/18/2019

45. Reconciliation Billing 11/15/19

Scanned sm 11/18/2019

see MF 116963 #28, 29 + 30

Surface Damage Pmt(s) 04/20/21

46. Memo of Cherokee Ac. Ret. Agree

SCANNED JP 6/17/2021

see MF 116963 #31 Surface Damage Pmt

Scanned KW 10-21-2021

see MF 116963 #32 Division Order

47. Division Order 11-16-2021

Scanned KW 12-2-2021

see MF 116963 #33 Division Order

scanned PJ 28feb2022

48. Division Order 9-6-2022

scanned PJ 15sept2022

49. Release- Depths 7/23/24

Scanned sm 08/02/2024

50. Memo 10/23/24

scanned PJ 10-25-2024



# RAL REVIEW SHEET

Working File #: RAL146866

MF:

Lessor: Beckham Holdings, LP

Lease Date: 08/29/2014

UI: No

Lessee: APACHE CORP, HOUSTON

Gross Acres: 2,049.00

Net Acres: 2,049.00

## LEASE DESCRIPTION

| County | Control # | Base File No | Part | Sec | Block | Twp | Survey             | Abst No |
|--------|-----------|--------------|------|-----|-------|-----|--------------------|---------|
| Reeves | 07-103154 | 128244       | all  | 1   | C-8   |     | Public School Land | 4051    |
| Reeves | 07-106507 | 091605       | S/2  | 10  | 71    |     | Public School Land | 2110    |
| Reeves | 07-111163 | 099121       | all  | 16  | 57    | 7-S | T & P Ry Co        | 2699    |
| Reeves | 07-103163 | 107356       | E/2  | 2   | C-8   |     | Public School Land | 3104    |
| Reeves | 07-106491 | 105262       | N/2  | 9   | 71    |     | Public School Land | 2939    |

## TERMS OFFERED

|                |            |        |        |        |
|----------------|------------|--------|--------|--------|
| Primary Term:  | 3 Years    |        |        |        |
| Bonus / Acre:  | \$3,500.00 |        |        |        |
| Rental / Acre: | 2nd Yr     | 3rd Yr | 4th Yr | 5th Yr |
|                | 0.00       | 0.00   |        |        |
| Royalty        | 0.250000   |        |        |        |

## TERMS RECOMMENDED

|                |            |        |        |        |
|----------------|------------|--------|--------|--------|
| Primary Term:  | 3 Years    |        |        |        |
| Bonus / Acre:  | \$3,500.00 |        |        |        |
| Rental / Acre: | 2nd Yr     | 3rd Yr | 4th Yr | 5th Yr |
|                | 0.00       | 0.00   |        |        |
| Royalty        | 0.250000   |        |        |        |

## COMPARISONS

| Lease No | Lessee       | Lease Date | Primary Term | Bonus/Acre | Rental/Acre   | Royalty  | Distance      |
|----------|--------------|------------|--------------|------------|---------------|----------|---------------|
| Pending  | Wolcott, LLC | 09/11/2014 | 3 yr         | \$3,500.00 | \$25.00 25.00 | 0.250000 | 0.000000 West |

Comments:

paid up

Approved:

DR 10.7.14



# 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: APACHE CORP, HOUSTON

County: Reeves

Prim. Term: 3 Years

Bonus/Acre: \$3,500.00

Royalty: 0.25000000

Rental/Acre 2nd Yr: \$0.00

3rd Yr: \$0.00

4th Yr: \$0.00

5th Yr: \$0.00

## Consideration

Recommended: RMA

Date: 10/16/14

Not Recommended: \_\_\_\_\_

Comments: paid up

## ✓ Lease Form

Recommended: RMA

Date: 10/16/14

Not Recommended: \_\_\_\_\_

Comments: \_\_\_\_\_

## Louis Renaud, Deputy Commissioner

Recommended: CLR

Date: 10-22-14

Not Recommended: \_\_\_\_\_

## Bill Warnick, General Counsel

Recommended: WFW

Date: 10/24/14

Not Recommended: \_\_\_\_\_

## Larry Laine, Chief Clerk

Approved: LL

Date: 10/27/14

Not Approved: \_\_\_\_\_

## Jerry Patterson, Commissioner

Approved: Jerry E. Patterson

Date: 10/27/14

Not Approved: \_\_\_\_\_



File No. ME 117024

RAL Review Sheet

Date Filed: 10/7/14

Jerry E. Patterson, Commissioner

By







CTS CMES 1031 EXCHANGE SVCS NC  
CORPORATE TRUST SERVICES  
MAC D4001-040  
100 N MAIN ST, 4TH FLOOR  
WINSTON SALEM, NC 27101-0000  
888-693-5566 612-316-0869

WELLS FARGO BANK, N.A. CHECK NO: 29111805  
VOID 6 MONTHS AFTER ISSUE DATE

Date:  
October 20, 2014

Pay

☐ Thirty and 00/100 Dollars

Account Number:  
XXXXXXXX1500

Account Name:  
APACHE CORPORATION

15702792

Amount

\*\*\*\*\*\$30.00

To the Order Of:

THE STATE OF TEXAS  
MINERAL LEASING DIVISION  
1700 NORTH CONGRESS AVE., ROOM 600  
AUSTIN, TX 79701

APACHE 14-06102-A:CMC LEASES

*Richard Long*  
Authorized Signature



MP

⑈0029111805⑈

Please detach check along perforation

CHECK NO: 29111805

Account Number:

XXXXXXXX1500

Account Name:

APACHE CORPORATION

Date:

October 20, 2014

Paid To:

THE STATE OF TEXAS

15702792

For:

CHECK DISBURSEMENTS

APACHE 14-06102-A:CMC LEASES

Principal Amount:

\*\*\*\*\*\$30.00

JP 000525 000001 02078



CTS CMES 1031 EXCHANGE SVCS NC JP  
CORPORATE TRUST SERVICES  
MAC D4001-040  
100 N MAIN ST, 4TH FLOOR  
WINSTON SALEM, NC 27101-0000  
888-693-5566 612-316-0869

Check Number:

29111805

Account Number:

XXXXXXXX1500

THE STATE OF TEXAS  
MINERAL LEASING DIVISION  
1700 NORTH CONGRESS AVE., ROOM 600  
AUSTIN, TX 79701

✓

121

DOCUMENT IS PRINTED ON CHEMICALLY REACTIVE PAPER - THE BACK OF THIS DOCUMENT INCLUDES A TAMPER EVIDENT CHEMICAL WASH WARNING BOX

**WOLCOTT LLC**  
PH. 970-241-7146  
729 BOOKCLIFF AVE  
GRAND JCT, CO 81501-8107

US BANK 15701559 016887

9/26/2014

PAY TO THE  
ORDER OF

Texas General Land Office

~~\$~~ 200.00

Two Hundred and 00/100\*\*\*\*\*

DOLLARS

Texas General Land Office  
Attn: Drew Reid  
1700 N. Congress Ave., Suite 935  
Austin, TX 78701-1495

*R. Wolcott*  
AUTHORIZED SIGNATURE



MEMO

Processing fee - CMC et al

016887





121

DOCUMENT IS PRINTED ON CHEMICALLY REACTIVE PAPER - THE BACK OF THIS DOCUMENT INCLUDES A TAMPER EVIDENT CHEMICAL WASH WARNING BOX

WOLCOTT LLC  
PH. 970-241-7146  
729 BOOKCLIFF AVE  
GRAND JCT, CO 81501-8107

US BANK 20 15702854

016959

10/22/2014

PAY TO THE  
ORDER OF

General Mineral Land Office

X \$ \*\*50.00

Fifty and 00/100\*\*\*\*\*

DOLLARS

General Mineral Land Office

MEMO

Filing Fees

*RC Wolcott*  
AUTHORIZED SIGNATURE



016959



Mineral Land Services since 1977

15702854

October 22, 2014

Mr. Drew Reid  
Mineral Leasing Division  
Texas General Land Office  
1700 North Congress Avenue, Room 600  
Austin, Texas 78701-1495

Re: Relinquishment Act Oil and Gas Lease  
Surface Owner: CMC Et al

Dear Mr. Reid:

Please find enclosed two (2) filing fees which total to \$50.00 with the name of surface owner, total gross acres.

CMC Et al – Gross Acres 2472.998  
CMC Et al – Gross Acres 2049.00

If you have any questions or need anything further please do not hesitate to contact us. My phone number is 970-241-7146, Ext. 302 and my e-mail address is [astidham@wolcottllc.net](mailto:astidham@wolcottllc.net)

Thank you for your time and consideration in this matter, it is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Angela Stidham".

Angela Stidham  
Lease Administration  
Wolcott LLC

729 Bookcliff Ave.  
Grand Junction, CO  
81501

Phone: (970) 241-7146

Fax: (970) 241-2039

[www.wolcottllc.net](http://www.wolcottllc.net)





729-B Bookcliff Avenue Grand Junction, CO 81501  
Phone: 970-241-7146 Fax: 970-241-3546

*New*  
September 26, 2014

Mr. Drew Reid  
Mineral Leasing Division  
Texas General Land Office  
1700 North Congress Ave, Room 600  
Austin, Texas 78701-1495

Re: Relinquishment Act Oil and Gas leases

Surface Owners: CMC/SC Beckham Holdings, LP, CMC/ Comanche Co., LP,  
CMC/Palo Pinto Family Holdings, LP, CMC/Rock House Partners, LP, CMC  
Spring/Gap Partners, LP and CMC/Tomaui, LP  
Reeves County, TX

Dear Drew:

CMC/SC Beckham Holdings, LP, CMC/ Comanche Co., LP, CMC/Palo Pinto Family Holdings, LP, CMC/Rock House Partners, LP, CMC Spring/Gap Partners, LP and CMC/Tomaui, LP, as surface owners and agents for the State of Texas, and Wolcott LLC, as Lessee, have come to an agreement regards the leasing of various RAL lands as outlined along with the terms on the attached Exhibit A.

Also enclosed are 2 sample leases covering the various lands which we purpose to lease including the agreed to terms.

Accordingly we are submitting the attached letter and the subject 2 leases to you for the State review and approval. We have enclosed a check for \$200.00 for the processing fee.

If you have any questions or need anything further please do not hesitate to contact us. My direct phone number is 970-241-7146 ext 302 and my email address is [astidham@wolcottllc.net](mailto:astidham@wolcottllc.net)

Thank you for your time and consideration in this matter, it is much appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Angela Stidham".

Angela Stidham  
Lease Administrator

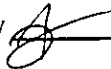
| Surface Owner                                                                                                                                                                 | Lease Lands                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Lease Acres | Total Bonus                              | State's Share of<br>Total Bonus         | Check Amount   | Check Number |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------|-----------------------------------------|----------------|--------------|
| *CMC/SC Beckham Holdings LP<br>*CMC/Comanche Co., LP<br>*CMC/Palo Pinto Family Holdings, LP<br>*CMC/Rock House Partners, LP<br>*CMC Spring/Gap Partners, LP<br>*CMC/Tomau, LP | Section 16, Blk 57, Twp 7, T&P Rrco. Survey, Reeves<br>County, Texas<br><br>N/2 Section 9 and S/2 Section 10, Blk 71, Public<br>School Land Survey, Reeves County, Texas<br><br>Section 1 and E/2 Section 2, Blk C-8, Public School<br>Land Survey, Reeves County, Texas                                                                                                                                                                                                           | 2,049.00    | \$7,171,500.00                           | \$3,585,750.00                          | \$3,585,750.00 |              |
| *CMC/SC Beckham Holdings LP<br>*CMC/Comanche Co., LP<br>*CMC/Palo Pinto Family Holdings, LP<br>*CMC/Rock House Partners, LP<br>*CMC Spring/Gap Partners, LP<br>*CMC/Tomau, LP | All of Section 24, save and except the S/2SW/4, Blk<br>71, Public School Land Survey, Reeves County, Texas<br><br>All of Section 25, save and except the 317.47 acres in<br>the N/2 contained in the Chesapeake/Caldwell State<br>71-5 Unit, Blk 71, Public School Land Survey, Reeves<br>County, Texas<br><br>Sections 34 and 35, Blk 71, Public School Land Survey,<br>Reeves County, Texas<br><br>E/2 of Section 4, Blk C-8, Public School Land Survey,<br>Reeves County, Texas | 2,473.00    | <u>\$8,655,493.00</u><br>\$15,826,993.00 | <u>\$4,327,746.50</u><br>\$7,913,496.50 | \$4,327,746.50 |              |
|                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |                                          |                                         |                |              |

[illegible]



File No. MF117024Prop. ltr. w/ feesDate Filed: 10/22/14

Jerry E. Patterson, Commissioner

By 



CTS CMES 1031 EXCHANGE SVCS NC  
CORPORATE TRUST SERVICES  
MAC D4001-040  
100 N MAIN ST, 4TH FLOOR  
WINSTON SALEM, NC 27101-0000  
888-693-5566 612-316-0869

WELLS FARGO BANK, N.A.

CHECK NO: 29108349

VOID 6 MONTHS AFTER ISSUE DATE

Pay

Account Number:  
XXXXXXXX1500

Account Name:  
APACHE CORPORATION

15702791

Date:  
October 17, 2014

Three Million Five Hundred Eighty Five Thousand Seven Hundred Twenty and 00/100 Dollars

Amount

\*\*\*\*\*\$3,585,720.00

To the Order Of:

THE STATE OF TEXAS  
MINERAL LEASING DIVISION  
1700 NORTH CONGRESS AVE, ROOM 600  
AUSTIN, TX 78701-1495

DIBURSEMENT FOR RECIPIENT

*Richard Long*  
Authorized Signature



⑈0029108349⑈

Please detach check along perforation

CHECK NO: 29108349

Account Number:

XXXXXXXX1500

Account Name:

APACHE CORPORATION

Date:

October 17, 2014

Paid To:

THE STATE OF TEXAS

15702791

For:

CHECK DISBURSEMENTS

DIBURSEMENT FOR RECIPIENT

Principal Amount:

\*\*\*\*\*\$3,585,720.00

JP 000442 000001 02078



CTS CMES 1031 EXCHANGE SVCS NC JP  
CORPORATE TRUST SERVICES  
MAC D4001-040  
100 N MAIN ST, 4TH FLOOR  
WINSTON SALEM, NC 27101-0000  
888-693-5566 612-316-0869

Check Number:

29108349

Account Number:

XXXXXXXX1500

THE STATE OF TEXAS  
MINERAL LEASING DIVISION  
1700 NORTH CONGRESS AVE, ROOM 600  
AUSTIN, TX 78701-1495

419901

File No. ME117024BonusDate Filed: 10/22/14

Jerry E. Patterson, Commissioner

By 



General Land Office  
Relinquishment Act Lease Form  
Revised, September 1997

OIL AND GAS LEASE

MF-117024

THIS AGREEMENT is made and entered into this 29th of August, 2014 between the State of Texas, acting by and through its agents, CMC/SC BECKHAM HOLDINGS, LP, of 310 Pitchfork Lane, Canyon, TX 79015, CMC/COMANCHE CO., LP, of 2225 South Danville Suite 3, Abilene, TX 79605, CMC/PALO PINTO FAMILY HOLDINGS, LP, of P.O. Box 2650 Albany, TX 76430, CMC/ROCK HOUSE PARTNERS, LP, of P.O. Box 2650, Albany, TX 76430, CMC SPRING/GAP PARTNERS, LP, of P.O. Box 87, Abilene, TX 79604, CMC/TOMAU, LP, of 1118 Berkley Dr., Cleburne, TX 76033, said agents herein referred to as the owner of the soils (whether one or more), and APACHE CORPORATION, whose address is 2000 Post Oak Blvd., Suite 100, Houston, Texas 77056-4400, 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:

Section 16, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas

N/2 of Section 9 and S/2 of Section 10, Block 71, Public School Land Survey, Reeves County, Texas

Section 1 and E/2 of Section 2, Block C-8, Public School Land Survey, Reeves County, Texas

Containing 2,049 acres, more or less. The bonus consideration paid for this lease is as follows:

|                            |                                                                                              |
|----------------------------|----------------------------------------------------------------------------------------------|
| To the State of Texas:     | Three-million five-hundred eighty-five thousand seven-hundred fifty dollars (\$3,585,750.00) |
| To the owner of the soil:  | Three-million five-hundred eighty-five thousand seven-hundred fifty dollars (\$3,585,750.00) |
| Total bonus consideration: | Seven-million one-hundred seventy-one thousand five-hundred dollars (\$7,171,500.00)         |

The total bonus consideration paid represents a bonus of three-thousand five-hundred dollars and no/100ths (\$3,500.00) per acre on 2,049 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Three (3) Years from this date (herein called primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past. See Paragraph 16 of the Addendum, attached hereto, for the amended Delay Rental Provision.

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 \_\_\_\_\_ 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: see Paragraph 16 of the attached Addendum for amended Delay Rental Provision

To the State of Texas: see Paragraph 16 of the attached Addendum for amended Delay Rental Provision

Total Rental: see Paragraph 16 of the attached Addendum for amended Delay Rental Provision





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

(D) OTHER PRODUCTS. Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be casinghead, "dry," or any other gas, by fractionating, burning or any other processing shall be One-Fourth (1/4th) part 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<sup>1</sup>/<sub>2</sub>% per year; such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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 well 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

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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 four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. 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 52.151-52.153, 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 right-of-ways 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. (See Paragraphs 2 and 3 of the Addendum, attached hereto.)

(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 (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. (See Paragraphs 2 and 3 of the Addendum, attached hereto.)





(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. (See Paragraphs 2 and 3 of the Addendum, attached hereto.)

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.~~ See Paragraph 1 of the Addendum, attached hereto. 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. (See Paragraph 13 of the Addendum, attached hereto.)~~

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;



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- (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 Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title I, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

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34. POOLING. Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.153. 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. (See Paragraph 5 of the Addendum, attached hereto.)

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



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

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

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

LESSEE:

APACHE CORPORATION

By: Timothy R. Custer  
Timothy R. Custer  
Vice President, Land - North America

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me this 23<sup>rd</sup> day of September, 2014, by Timothy R. Custer, as Vice President, Land - North America, of APACHE CORPORATION, on behalf of said corporation.



Sarah Hardin  
Notary Public, State of Texas

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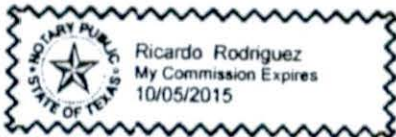
LESSOR:

STATE OF TEXAS

Clifton M. Caldwell  
By: CLIFTON M. CALDWELL, Member/Manager of Concho  
Pearl Co., LLC, as General Partner of CMC/Comanche Co.,  
LP, for such partnership, and as Agent for the State of Texas

STATE OF TEXAS       §  
                                 §  
COUNTY OF STERLING   §

BEFORE ME, the undersigned authority, on this day personally appeared CLIFTON M. CALDWELL, Member/Manager of Concho Pearl Co., LLC, as General Partner of **CMC COMANCHE CO., LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 27 day of August, 2014.



Ricardo Rodriguez  
Notary, State of Texas

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LESSOR:

STATE OF TEXAS

By: GEOFFREY L. CLINE, Sole Manager of Orange Street Partners, LLC, as General Partner of CMC/Palo Pinto Family Holdings, LP, for such partnership, and as Agent for the State of Texas

STATE OF NEBRASKA §  
COUNTY OF LANCASTER §

BEFORE ME, the undersigned authority, on this day personally appeared GEOFFREY L. CLINE, Sole Manager of Orange Street Partners, LLC, as General Partner of **CMC/PALO PINTO FAMILY HOLDINGS, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 26th day of August, 2014.



Roxane J Hicks  
Notary, State of Nebraska

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LESSOR:

STATE OF TEXAS

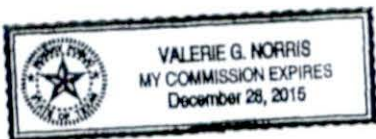
*Guy Wade Caldwell*

By: GUY WADE CALDWELL, Sole Manager of Madrone Partners, L.L.C., as General Partner of CMC/Rock House Partners, LP, for such partnership, and as Agent for the State of Texas

STATE OF TEXAS

COUNTY OF BEXAR

BEFORE ME, the undersigned authority, on this day personally appeared GUY WADE CALDWELL, Sole Manager of Madrone Partners, L.L.C., as General Partner of CMC/ROCK HOUSE PARTNERS, LP, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 20<sup>th</sup> day of August, 2014.



*Valerie G. Norris*

Notary, State of Texas

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LESSOR:

STATE OF TEXAS

  
By: STEVEN CALDWELL BECKHAM, Sole Manager of SCB Management, LLC, General Partner of CMC/SC Beckham Holdings, LP, for such partnership, and as Agent for the State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF RANDALL   §

BEFORE ME, the undersigned authority, on this day personally appeared STEVEN CALDWELL BECKHAM, Sole Manager of SCB Management, LLC, as General Partner of CMC/SC BECKHAM HOLDINGS, LP, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 26 day August, 2014.



  
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Notary, State of Texas

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LESSOR:

STATE OF TEXAS

  
By: JOHN L. BECKHAM, President of Spring Gap, Inc., as  
General Partner of CMC/Spring Gap Partners, LP, for such  
partnership, and as Agent for the State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF TAYLOR   §

BEFORE ME, the undersigned authority, on this day personally appeared JOHN L. BECKHAM, President of Spring Gap, Inc., as General Partner of CMC/SPRING GAP PARTNERS, LP, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 28th day of August, 2014.



  
Notary, State of Texas

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LESSOR:

STATE OF TEXAS

Stephen M. Spence  
By: STEPHEN M. SPENCE, Sole Manager of KonaKoa GP, LLC, as General Partner of CMC/Tomaui, LP, for such partnership, and as Agent for the State of Texas

STATE OF TEXAS §  
COUNTY OF JOHNSON §

BEFORE ME, the undersigned authority, on this day personally appeared STEPHEN M. SPENCE, Sole Manager of KonaKoa GP, LLC, as General Partner of CMC/TOMAUI, LP, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 26<sup>th</sup> day of August, 2014.



Shirley Williams  
Notary, State of Texas

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**ADDENDUM**  
**TO OIL AND GAS LEASE DATED AUGUST 29, 2014, BY AND BETWEEN**  
**THE STATE OF TEXAS, ACTING BY AND THROUGH ITS AGENTS,**  
**CMC/SC BECKHAM HOLDINGS, LP, ET AL., AND APACHE CORPORATION**

1. The owner of the soil does warrant the title or quiet possession of said land, or any part thereof, to Lessee against the claim of any person or persons claiming, or attempting to claim the same, or any part thereof, by, through or under the owner of the soil, but not otherwise.

2. Subject to Paragraph 3 of this Addendum, after the expiration of the primary term or the continuous development program set forth in said Paragraph 3 of this Addendum, whichever is latter, this lease shall terminate as to all parts of the land covered by this lease which are not then included in a Producing Unit (as hereinafter defined), and shall be permanently released from the provisions of this lease. A "Producing Unit" shall mean the following:

(a) Producing Unit for a Vertical Well. The Producing Unit shall for each vertical well then producing oil or gas consist of not more than the number of surface acres of contiguous land around each such well as set forth below:

- i. Forty (40) acres for a vertical well producing from a depth between the surface and down to and including 7,500 feet below the surface;
- ii. Eighty (80) acres for a vertical well producing from below a subsurface depth of 7,500 feet;

Producing Units are to be as nearly as practical in the form of a square or rectangle, with the wellbore being as close to the center as possible.

(b) The Producing Unit for a Horizontal Well. The Producing Unit for a well having a horizontal lateral leg ("Horizontal Well") shall contain only the minimum additional acreage allowed for horizontal drain holes, as set forth in Rule 86 of the Texas Railroad Commission utilizing the Additional Acreage Assignment Table of Rule 86 for fields with a density rule of forty (40) acres or less, as set forth in Section 3.86, Chapter 3, Part 1, Title 16, of the Texas Administrative Code, as such Rule 86 is in effect on the effective date of this lease. For example, a Producing Unit for a Horizontal Well with a horizontal lateral length of 5,000 feet would consist of 160 acres, and a Producing Unit for a Horizontal Well with a horizontal lateral length of 7,500 feet would consist of 240 acres.

Notwithstanding the above, in the event Lessee has a vertical well or horizontal well that would be curtailed as a result of its assigned allowable as compared to the well's demonstrated sustainable producing capacity, due to insufficient acreage being included in the Producing Unit for such well, and Lessee is unable to produce such well at the optimum sustainable production rate for which such well is capable, then the Producing Unit for such well shall be enlarged to include adequate additional acreage so that such well is produced at its maximum desired sustainable rate, in Lessee's reasonable judgment.

A Producing Unit for either a vertical well or a Horizontal Well shall be limited to those depths from the surface down to the base of the deepest producing formation in such Producing Unit, or to 300 feet below the deepest producing perforation in such Producing Unit, whichever is deeper. However, two (2) years after the expiration of the primary term (or extended primary term) or the continuous development program set forth in paragraph 3 of this Addendum, whichever is latter, a Producing Unit shall be limited solely to those depths from the surface down to 300 feet below the deepest producing perforation in such Producing Unit, and Lessee shall release all depths below 300 feet below the deepest producing perforation in such Producing Unit. In the event Lessee requests the pooling of a portion of the Lands and the owner of the soil consents to such pooling, as required in Paragraph 5 of this Addendum, such pooled unit shall conform to the shape, depth, size and boundary limitations of a Producing Unit as set forth in this Paragraph 2.

Within sixty (60) days after the expiration of the primary term of this lease, or the end of the continuous development program set forth in Paragraph 3 of this Addendum, which ever is the latter, Lessee must file with the County Clerk in the County where the land is located, an instrument in writing which releases the lease as to all lands and depths except for the lands and depths included in a Producing Unit, as set forth above. Likewise, two (2) years after the expiration of the primary term or the





continuous development program, whichever is later, Lessee must file with the County Clerk in the County where the land is located, an instrument in writing which releases the depths below 300' below the deepest producing perforations in each Producing Unit located on the leased premises, unless such depths have previously been released for such Producing Unit. Lessee shall furnish the owner of the soil with a copy of said instrument(s), no later than thirty (30) days after recordation.

3. Subject to paragraph 17 of this Addendum, rights granted under this lease shall be extended beyond the primary term provided herein, if, and only if, (a), Lessee has obtained production in commercial paying quantities, prior to the expiration of said primary term, or (b), if Lessee is then engaged in actual drilling operations on the leased premises or lands pooled or unitized therewith, at the end of the primary term in which case Lessee, his successors and assigns may complete any such well, as a producer or a dry hole, or (c), if Lessee has completed a well as a producer or as a dry hole within ninety (90) days prior to the expiration of the primary term.

The continued validity of such rights as to undrilled acreage shall be extended beyond the primary term if Lessee undertakes a continuous drilling program and shall be expressly conditioned upon the timely commencement of operations for drilling at least one additional well upon the acreage not then included within a Producing Unit, within 180 days commencing at the end of the primary term provided herein and allowing not more than 180 days to elapse between the Completion (as hereinafter defined) of one well and the Commencement of Operations (as hereinafter defined) of the succeeding well. For purposes of this lease, "Commencement of Operations" is defined as a rig capable of drilling to the permitted depth actually positioned on the location, drill bit in the ground and turning to the right. For purposes of this lease, "Completion" is defined as 60 days after release of the drilling rig from the well location. Effective at the end of the first such 180-day period during which no Commencement of Operations for an additional well shall have been commenced and completed (either for production or as a dry hole) at a depth not shallower than a depth necessary to test potential commercial producing zones on the leased premises, all rights granted to Lessee hereunder shall cease and terminate except as to each well then producing which had previously been drilled hereunder by Lessee, its successors or assigns and the Producing Unit allocated to each such well, in accordance with provisions contained in Paragraph 2 above. After a partial termination of this lease as herein provided, each Producing Unit retained under the provisions hereof shall be deemed to be covered by a separate lease having the terms and provisions hereof (except as to the land description) to the end that this lease shall be continued in force as to each Producing Unit only so long as there is production in commercial paying quantities or drilling or reworking operations are prosecuted thereon as provided elsewhere herein. Nevertheless, Lessee shall have the right to exercise the easements above granted across the lands described in Paragraph 1 of the lease for the benefit of any said Producing Unit, and this right shall survive the partial termination of this lease as to any area covered hereby in order that such easements may be used for the benefit of any Producing Unit, as to which this lease remains in force.

4. Upon written request by the owner of the soil, Lessee agrees to furnish the owner of the soil, at no cost or expense to the owner of the soil, the following material promptly as it is prepared for or by Lessee or as it becomes available to Lessee, relating only to the land covered by this lease:

- a. Copies of any title opinions and survey information relating to the land covered by this lease;
- b. Copies of all forms, reports, and applications filed with the Railroad Commission of the State of Texas, or any other governmental agency, in connection with operations under this lease;
- c. All drilling (including daily drilling reports), testing, logging, completing and plugging data and information;
- d. Owner of the soil or its representative(s) may review in the office of Lessee or its assigns all seismic data including but not limited to any enhanced data and interpretations thereof, cross sections, backline prints, and seismic tapes, but owner of the soil shall not be entitled to make or take any copies of any such data.

Lessee shall also furnish, without the need for a request from owner of the soil, notice of intent to commence drilling operations at least seven (7) days prior to commencement, and thirty (30) days after completion and testing of a well, the production results from such well. Any reliance placed by the owner of the soil on any such information furnished by Lessee in good faith shall be entirely at the owner of the soil's risk. Furthermore, any of the foregoing material that is confidential to Lessee, and is so marked when delivered to the owner of the soil, shall be kept confidential by the owner of the soil and not disclosed except to the owner of the soil's professional and/or technical advisors or consultants during the primary term of this Lease to which such confidential material pertains. However, any and all information or data which is available at the Texas Railroad Commission, geological log libraries, or other agencies or businesses shall not be considered confidential and proprietary property of Lessee even if it is so marked by Lessee.





5. Lessee shall have no right to pool or unitize the interest of the owner of the soil in the premises covered by this lease, or any portion thereof, without the prior written consent of the owner of the soil, which consent shall not be unreasonably withheld. Lessee must substantiate a just cause to pool or unitize the premises covered by this lease, or any portion thereof, in order to develop or operate said premises in a prudent and diligent manner. When and if such consent is granted by the owner of the soil, the unit formed by such pooling for an oil well shall not exceed the size of a Producing Unit as established in Paragraph 2 of this Addendum, unless otherwise approved by the School Land Board.

If this Lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result from the inclusion of such separate tracts within this Lease. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

6. Upon expiration or termination of this lease for any reason as to all or any portion of the land herein described, Lessee shall be obligated at its expense promptly to prepare, execute and file in the public records in the county in which such land or portion thereof is located an appropriate release instrument covering all or such portion of said land, and to forward a copy of same as so recorded to the owner of the soil within sixty (60) days of the expiration or partial expiration of this lease.

7. Unless specified otherwise herein, any information to be furnished hereunder, any notice required or permitted hereunder shall be made to the parties at the addresses given below:

To the owner of the soil -

JOHN L. BECKHAM  
P. O. Box 87  
Abilene, Texas 79604  
E-Mail: JLBekham@sbcglobal.net  
Tel: (325) 673-1393  
Fax: (325) 673-3504

G. WADE CALDWELL  
One Riverwalk Place  
700 N. St. Mary's St., Ste. 1825  
San Antonio, Texas 78205  
E-mail: gcaldwell@beclaw.com  
Tel: (210) 228-3617 (direct)  
Fax: (210) 225-8999

To Lessee:

APACHE CORPORATION  
2000 Post Oak Blvd., Suite 100  
Houston, Texas 77056-4400  
ATTN: Timothy R. Custer  
Phone: (713) 296-7228  
Email address: tim.custer@apachecorp.com

Any party may change its address by notifying the other party or parties in writing. Furthermore, the undersigned owners of the soil do hereby appoint John Beckham and/or G. Wade Caldwell as their agents and attorneys-in-fact for the purpose of making any elections or giving consents hereunder, including, but not limited to the authority to consent or not consent to any request to pool or unitize any lands covered hereby.

8. Upon abandonment of any well, Lessee agrees to return the well site to as near its original condition as is reasonably practicable and remove all debris, rubbish, and equipment. The owner of the soil may, at its option, and upon written notice to Lessee, elect to take over any electrical service installed by Lessee, and Lessee will execute a Bill of Sale to the owner of the soil for such improvements, at no cost to the owner of the soil.

9. As a part of the consideration for the execution of this lease, the Lessee herein agrees for itself, its successors, assigns and legal representatives, that it will, at its sole cost and expense, and at no cost to the owner of the soil, during the term of this lease and as long thereafter as any operations or production is accomplished by Lessee or its successors, assigns or legal





representatives, on any part of the ranch owned by the owner of the soil (of which the land covered by this lease is a part) to (1) improve and maintain, as all-weather roads, any presently existing roads on such property used by Lessee, and (2) where necessary, construct and maintain good all-weather roads over which automobiles may travel with ease, leading from the entrance to such properties to the location of any producing well. Upon request of the owner of the soil, Lessee agrees to install heavy duty cattle guards on any roads utilized by Lessee where such roads intersect the owner of the soil's fences or gates.

10. Lessee agrees to pay the following to compensate for damage to the surface of the leased premises:

a. Well Location Damages:

- i. Six-thousand dollars (\$6,000.00) for less than 4,000 feet permit depth (up to 1.5 acre pad) (up to a 256' x 256' pad or equivalent);

To the State of Texas: \$3,000.00  
To the owner of the soil: \$3,000.00

- ii. Eleven-thousand dollars (\$11,000.00) for 4,000 feet to 7,999 feet permit depth (up to 2.0 acre pad) (up to a 295' x 295' pad or equivalent);

To the State of Texas: \$5,500.00  
To the owner of the soil: \$5,500.00

- iii. Seventeen-thousand dollars (\$17,000.00) for 8,000 feet to 13,000 feet permit depth (up to 3.0 acre pad) (up to a 361' x 361' pad or equivalent);

To the State of Texas: \$8,500.00  
To the owner of the soil: \$8,500.00

- iv. Twenty-two thousand dollars (\$22,000.00) for greater than 13,000 feet permit depth (up to 3.5 acre pad) (up to a 390' x 390' pad or equivalent).

To the State of Texas: \$11,000.00  
To the owner of the soil: \$11,000.00

The above-described Well Location Damages reflect the current University Lands - West Texas Operations Rate and Damage Schedule that are in effect as of the effective date of this lease. The Well Location Damages set forth above shall be revised periodically as and when the University Lands - West Texas Operations Rate and Damage Schedule for well locations is revised and published by the University of Texas system.

- b. Two-thousand dollars (\$2,000.00) for each tank battery location not located on a drill site location;

To the State of Texas: \$1,000.00  
To the owner of the soil: \$1,000.00

- c. Twenty-five dollars (\$25.00) per rod for new roads constructed by Lessee on the leased premises;

To the State of Texas: \$12.50 per rod  
To the owner of the soil: \$12.50 per rod

- d. Twenty-five dollars (\$25.00) per rod for new pipelines laid or buried on the land;

To the State of Texas: \$12.50 per rod  
To the owner of the soil: \$12.50 per rod

- e. Damage to, or loss of use of, crops, trees, turf, livestock, water wells, fences, roads, buildings or other improvements, or other personal property damaged as a result of operations of Lessee under this lease shall be paid to Lessor or its tenants at the replacement cost of said loss or damage. Lessee shall pay the owner

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of the soil and the State of Texas the surface damages listed in sub-paragraphs (a) – (d) above prior to the start of construction. Lessee shall pay the surface damages set forth in this sub-paragraph (e) within 60 days after written notice by Lessor of the accrual of such damages;

f. Should Lessee, in the course of its operations, remove or destroy any oak, pecan, walnut, cedar elm, or Madrone tree growing on the leased premises with a diameter of ten (10) inches or greater when measured twenty-four (24) inches above ground level, Lessee shall pay to Lessor as liquidated damages, in addition to any other damage payments provided herein, the sum of \$1,000.00 per tree and the sum of \$2,000.00 per tree for any trees with a diameter of twenty-four (24) inches or greater when measured twenty-four (24) inches above ground level.

11. Lessee shall bury any portion or portions of all pipelines and flow lines in cultivatable lands, when requested to do so by the owner of the soil in advance of the pipeline placement. Notwithstanding the above, all pipelines and flow lines shall be buried to a safe depth or safely covered at all road crossings. Furthermore, Lessee shall, as soon as reasonably practical after construction is completed, remediate and restore the surface on and around all trenches, ditches, or excavations for pipelines, flow lines, or electric lines as nearly as reasonably practicable to the pre-construction condition of such lands.

12. Lessee agrees to consult with owner of the soil regarding the placement of all well sites, roads, pipelines, power lines, telephone lines and tank batteries and to locate all such items and other structures which it has a right to locate upon said land under the provision of this lease at such as to reduce the interference with the surface use of said lands for farming and for ranching purposes insofar as it is reasonably practical to do so and in such a manner as to reduce the risk of soil erosion insofar as it is reasonably practical. No hunting or fishing shall be allowed on the leased premises, nor shall any firearms be brought onto the leased premises by the Lessee or its assigns, employees, agents, contractors, or representatives.

13. In connection with Lessee's exploration, drilling and development operations, including the drilling, completion and fracing operations on any well drilled hereunder, Lessee shall not utilize any water from the owner of the soil's tanks, ponds or water wells without a prior written agreement with the owner of the soil for such use. However, Lessee may utilize water produced from water wells drilled and operated by Lessee upon the leased premises for operations on the leased premises. Lessee shall compensate the State of Texas and owner of the soil, in equal shares, for water utilized in connection with its operations on the leased premises as follows:

- a. Ten-thousand dollars (\$10,000.00) for each oil or gas well drilled by Lessee to compensate Lessor for all water used in connection with the drilling and completion of such well (excluding fracing operations); plus,
- b. Fifty cents (50¢) per barrel (42 gallon) for all other water utilized by Lessee in connection with its exploration and development operations, including fracing operations.

Compensation rates for water set forth above shall be adjusted by mutual agreement between owner of the soil and Lessee every three (3) years following the expiration of the primary term. If owner of the soil and Lessee cannot agree on an adjusted rate, the rate shall be increased to the market rate for such water, as determined by the average price charged by water sellers within a twenty (20) mile radius of the leased premises. It is provided, however, that any damages paid for water under Paragraph 13, excluding water produced from a well drilled by Lessee, shall be paid entirely to the owner of the soil.

Lessee agrees after cessation of its use of any water well drilled by Lessee on said lands, and prior to plugging or removing the casing therefrom, to tender such water well or wells to the owner of the soil, and if the owner of the soil shall elect to accept same, such water well shall be and become the property of the owner of the soil; provided, however, that Lessee shall have the right to use such well or wells at any time during the continuance of this lease in connection with any of Lessee's operations on said lands, and provided further, that the owner of the soil will thenceforth assume all risks and obligations attendant to the owner of the soil's ownership and use of said water well or wells. Upon written request, Lessee shall provide to the owner of the soil copies of all logs and other information available on said water well or wells.

14. For the convenience and ease of Lessee, any payments to the owner of the soil, pursuant to Paragraphs 10 and 13 of this Addendum, may be made to either John Beckham or G. Wade Caldwell for the credit of all the owners of the soil. The owners of the soil do hereby designate John Beckham and/or G. Wade Caldwell as agents to receive any such payments.

15. If all or any part of this Lease is assigned by Lessee, Lessee shall furnish to the owner of the soil a copy of the recorded Assignment within thirty (30) days after such Assignment has been recorded. No assignment by Lessee of this Lease or any



portion thereof or interest therein shall be effective until Lessee has furnished the owner of the soil with a copy of the Assignment, as recorded in Reeves County, Texas.

16. The consideration given for this Lease, totaling \$7,171,500.00 (which equates to \$3,500 per acre for each of the 2,049 acres covered by this Lease), consists of a bonus payment in the total amount of \$7,167,402.00 and prepaid delay rentals in the total amount of \$4,098.00 (which equates to \$1.00 per acre for each of the 2,049 acres covered by this Lease) for each of the one-year periods commencing on the 1<sup>st</sup> and 2<sup>nd</sup> anniversary dates of this Lease, respectively. This Lease shall therefore be deemed "paid-up" for the first three (3) years of the primary term.

17. Notwithstanding anything to the contrary contained in this Lease or Addendum, if Lessee establishes production from the leased premises during the first three years of the primary term hereof, this lease shall nevertheless terminate on the third anniversary date of the lease as to all lands not included in a Producing Unit unless on or before the third anniversary date of this lease, Lessee covenants to commence the continuous drilling obligations set forth in paragraph 3 of this addendum on the same schedule as if the primary term had ended on the third anniversary date of this lease. If Lessee elects to covenant to commence the continuous drilling obligations, said election shall be made by delivering written notice thereof to the owner of the soil and to the State of Texas, and the first well under said continuous drilling obligation shall be commenced within 180 days after the third anniversary date of this lease.

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Inst No. 14-10010  
DIANNE O. FLOREZ  
COUNTY CLERK  
2014 Oct 24 at 01:41 PM  
REEVES COUNTY, TEXAS  
By: ER *Elizabeth Ray* DEPUTY



File No. ME 117024

Lease \_\_\_\_\_ Count

Date Filed: 1/5/15

George P. Bush, Commissioner

By [Signature]

213 . 1

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL 116 PAGE 288 THRU 289

I hereby certified on: 17th Dec 2014



DIANNE O. FLOREZ, COUNTY CLERK  
REEVES COUNTY, TEXAS  
BY [Signature] DEPUTY





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

February 18, 2015

Timothy Custer  
Apache Corporation  
2000 Post Oak Blvd., Suite 100  
Houston, Texas 77056

Re: **State Lease MF 117024**

RAL Lease dated August 29, 2014 recorded in V. 1116, P. 268, Reeves Co, covering 2049 ac., Sec. 16, Blk. 57, T&P Ry. Co. Survey, N/2 Sec. 9 & S/2 Sec. 10, Blk. 71, Sec. 1 & E/2 Sec. 2, Blk. C-8, PSL Survey, CMC/SC Beckham Holdings, et al, agent for State of TX, Lessor

Dear Mr. Custer:

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-117024**. **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 **\$3,585,750.00** 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  
Mineral Leasing, Energy Resources  
(512) 305-8598  
[deborah.cantu@glo.texas.gov](mailto:deborah.cantu@glo.texas.gov)

File No. MF 117024

Final Letter Court

Date Filed: 2/18/15

George P. Bush, Commissioner

By [Signature]



## Drew Reid

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**From:** Drew Reid  
**Sent:** Thursday, May 12, 2016 4:52 PM  
**To:** 'Alaniz, Dion'  
**Subject:** RE: CMC Partnerships/Reeves Co. Moody Ranch Proposed Instrument to Formalize the "Master CDC" Agreement We Have Been Discussing

Dion,

The State does not need to sign, the surface owner will sign as agent for the State just like on the lease form. It must be review by the State and approved. I have reviewed this agreement and run it by the folks I answer to and we are in agreement that as long as Apache and the surface owners are in agreement the State is good with this. The signature line for each surface owner must read like the signature line on the leases. If you have other questions please call me to discuss.

Drew Reid  
Texas General Land Office  
Energy 512-475-1534

**From:** Alaniz, Dion [mailto:Dion.Alaniz@apachecorp.com]  
**Sent:** Thursday, May 12, 2016 4:42 PM  
**To:** Drew Reid <Drew.Reid@GLO.TEXAS.GOV>; G. Wade Caldwell <gcaldwell@beclaw.com>  
**Cc:** 'John Beckham (jlbeckham@sbcglobal.net)' <jlbeckham@sbcglobal.net>; Alaniz, Dion <Dion.Alaniz@apachecorp.com>  
**Subject:** RE: CMC Partnerships/Reeves Co. Moody Ranch Proposed Instrument to Formalize the "Master CDC" Agreement We Have Been Discussing

Drew:

We (Apache) weren't sure whether the surface owners' agency powers on the mineral classified lands included authority to execute this agreement on behalf of the State of Texas. Are you comfortable with the surface owners executing this agreement on behalf of the State of Texas, or do you prefer that an official of the GLO execute a signature line on this agreement? I'll prepare the signature pages per your response.

By the way, you probably don't remember me, but we worked on several deals together back when I worked at EOG San Antonio. Just wanted to chime in and say that's it's nice to work with you again on another deal.

Thanks much Drew.

**DION ALANIZ**  
SENIOR LANDMAN  
office 210-678-3908 | cell 210-452-7957  
APACHE CORPORATION  
17802 IH 10 West  
Suite 300  
San Antonio, Texas 78256

**From:** Drew Reid [mailto:Drew.Reid@GLO.TEXAS.GOV]  
**Sent:** Thursday, May 12, 2016 11:16 AM

## Drew Reid

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**From:** Drew Reid  
**Sent:** Thursday, May 12, 2016 11:16 AM  
**To:** 'G. Wade Caldwell'  
**Cc:** 'John Beckham (jlbeckham@sbcglobal.net)'; 'Alaniz, Dion (Dion.Alaniz@apachecorp.com)'  
**Subject:** RE: CMC Partnerships/Reeves Co. Moody Ranch Proposed Instrument to Formalize the "Master CDC" Agreement We Have Been Discussing

Wade,

The State does not have a problem with this. If you move forward, please let me know and have Apache furnish me with a signed document and the State's share of the consideration. I will get the document in the two mineral files, MF-117024 and MF-117025 and note the changes.

Drew Reid  
Texas General Land Office  
Energy 512-475-1534

**From:** G. Wade Caldwell [mailto:gcaldwell@beclaw.com]  
**Sent:** Wednesday, May 11, 2016 3:49 PM  
**To:** Drew Reid <Drew.Reid@GLO.TEXAS.GOV>  
**Cc:** 'John Beckham (jlbeckham@sbcglobal.net)' <jlbeckham@sbcglobal.net>; 'Alaniz, Dion (Dion.Alaniz@apachecorp.com)' <Dion.Alaniz@apachecorp.com>  
**Subject:** CMC Partnerships/Reeves Co. Moody Ranch Proposed Instrument to Formalize the "Master CDC" Agreement We Have Been Discussing

Drew-

Attached is the current draft of the Letter Agreement, and the charts sent by Apache showing the lease acreage. They are showing a payment to the State of approximately \$1.13 Million. As discussed, the proposal is for \$500/acre in exchange for reducing the continuous drilling obligations from what is currently in the seven leases (two of which are mineral classified) to 3 wells by Sep. 2017, 4 more by Sep. 2018, 4 more by Sep. 2019, and 4 more by Sep. 2020, after which it reverts back to the original continuous drilling clauses. We have not verified the acreage calculations yet.

John Beckham and I are going to recommend this letter agreement to the six CMC partnerships. Please let me know if it looks agreeable to the State also, or if you have any changes. If not, please confirm the acreage numbers, and I will get an execution copy to you. They are shooting for closing and funding on this next week.

We look forward to hearing from you.

---

**From:** Alaniz, Dion [mailto:Dion.Alaniz@apachecorp.com]  
**Sent:** Tuesday, May 10, 2016 3:40 PM  
**To:** G. Wade Caldwell; 'John L. Beckham (JLBeckham@sbcglobal.net)'  
**Cc:** Linscott, Tim; Alaniz, Dion  
**Subject:** RE: Proposed Instrument to Formalize the "Master CDC" Agreement We Have Been Discussing

Wade:



## Drew Reid

---

**From:** G. Wade Caldwell <gcaldwell@beclaw.com>  
**Sent:** Wednesday, May 11, 2016 3:49 PM  
**To:** Drew Reid  
**Cc:** 'John Beckham (jlbeckham@sbcglobal.net)'; 'Alaniz, Dion (Dion.Alaniz@apachecorp.com)'  
**Subject:** CMC Partnerships/Reeves Co. Moody Ranch Proposed Instrument to Formalize the "Master CDC" Agreement We Have Been Discussing  
**Attachments:** Caldwell Ranch; CDC Letter Agreement; 5-10-16.docx; Caldwell Ranch; CDC Letter Agreement; Exhibit A.PDF; Caldwell Ranch; CDC Letter Agreement; Exhibit B.PDF; Caldwell Ranch; CDC Letter Agreement; Exhibit B.XLSX

Drew-

Attached is the current draft of the Letter Agreement, and the charts sent by Apache showing the lease acreage. They are showing a payment to the State of approximately \$1.13 Million. As discussed, the proposal is for \$500/acre in exchange for reducing the continuous drilling obligations from what is currently in the seven leases (two of which are mineral classified) to 3 wells by Sep. 2017, 4 more by Sep. 2018, 4 more by Sep. 2019, and 4 more by Sep. 2020, after which it reverts back to the original continuous drilling clauses. We have not verified the acreage calculations yet.

John Beckham and I are going to recommend this letter agreement to the six CMC partnerships. Please let me know if it looks agreeable to the State also, or if you have any changes. If not, please confirm the acreage numbers, and I will get an execution copy to you. They are shooting for closing and funding on this next week.

We look forward to hearing from you.

---

**From:** Alaniz, Dion [mailto:Dion.Alaniz@apachecorp.com]  
**Sent:** Tuesday, May 10, 2016 3:40 PM  
**To:** G. Wade Caldwell; 'John L. Beckham (JLBeckham@sbcglobal.net)'  
**Cc:** Linscott, Tim; Alaniz, Dion  
**Subject:** RE: Proposed Instrument to Formalize the "Master CDC" Agreement We Have Been Discussing

Wade:

Per our phone conversation, please see the attached revision. Changes are:

1. On the lateral length requirement, I changed 4,000' to 3,000', and I changed "drainhole" to "wellbore."
2. In the Counterpart Execution section, I revised to make the agreement effective only if all Lessors sign.

Let me know if we're a go, and I'll start arranging for wire transfers so that, hopefully, we could close next week.

Thanks,

**DION ALANIZ**  
SENIOR LANDMAN  
office 210-678-3908 | cell 210-452-7957  
APACHE CORPORATION  
17802 IH 10 West  
Suite 300

**From:** G. Wade Caldwell [mailto:gcaldwell@beclaw.com]  
**Sent:** Monday, May 09, 2016 1:56 PM  
**To:** Alaniz, Dion <Dion.Alaniz@apachecorp.com>; 'John L. Beckham (JLBeckham@sbcglobal.net)' <JLBeckham@sbcglobal.net>  
**Cc:** Linscott, Tim <Tim.Linscott@apachecorp.com>  
**Subject:** RE: Proposed Instrument to Formalize the "Master CDC" Agreement We Have Been Discussing

Dion-

Attached is a redline with a few changes proposed by John and myself. I think most of them you will find fairly minor, although it occurred to me that the MC leases may require all Lessors to join. John and I would be glad to present this to Drew Reid unless you prefer to do it yourself.

We look forward to hearing from you.

---

**From:** Alaniz, Dion [mailto:Dion.Alaniz@apachecorp.com]  
**Sent:** Friday, May 06, 2016 2:26 PM  
**To:** John L. Beckham (JLBeckham@sbcglobal.net); G. Wade Caldwell  
**Cc:** Linscott, Tim; Alaniz, Dion  
**Subject:** Proposed Instrument to Formalize the "Master CDC" Agreement We Have Been Discussing

Wade & John:

Attached please find Apache's proposed instrument to formalize the "Master CDC" agreement that we have been more informally discussing up to this time via email and over the phone. I believe that it memorializes what we have discussed, but take a look and let me know what you think. I've also attached the Exhibit A, which specifies the leases subject to this agreement, the Exhibit B, which specifies how much each of the parties would be paid, and a spreadsheet that supports the numbers in Exhibit B. There is no change between the attached Exhibit B documents versus what I sent you yesterday as a preview of payment details.

As soon as we have ink on paper, our G&G team is ready to stake wells and get started.

Thanks,

**DION ALANIZ**  
SENIOR LANDMAN  
office 210-678-3908 | cell 210-452-7957  
APACHE CORPORATION  
17802 IH 10 West  
Suite 300  
San Antonio, Texas 78256



## EXHIBIT A

| Apache Lease No. | Tract No. | Agreement Type | Recorded Document Number | Legal Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Lessor                                              | Lessee             | Agreement Date | Lessors' Collective Interest | Gross Acres      | Net Acres        |
|------------------|-----------|----------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------|----------------|------------------------------|------------------|------------------|
| 7010039          | 1         | FREEHOLD       | 14-09173                 | Sections 11, 13, 20, 30, and 41, Block 71, Public School Land Survey, Reeves County, Texas. W/2 of Section 2, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                  | CMC/COMANCHE CO LP ET AL                            | Apache Corporation | 8/29/2014      | 1.000000                     | 3,520.00         | 3,520.00         |
| 1700001          | 1         | FREEHOLD       | 14-09174                 | Sections 8, S/2 of 9, 21 and 38, Block 71, Public School Land Survey, Reeves County, Texas. N/2, SW/4, and the NW/4 of the NW/4 of the SE/4 of Section 22, Block 71, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                      | CMC/COMANCHE CO LP ET AL                            | Apache Corporation | 8/29/2014      | 1.000000                     | 2,730.00         | 2,730.00         |
| 1700003          | 1         | FREEHOLD       | 14-09176                 | W/2 of Section 4, Block C-8, Public School Land Survey, Reeves County, Texas. Section 6, Block 56, Township 7, T&P RR Co. Survey, Reeves County, Texas. Section 1, 2, and NW/4 of Section 12, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas.                                                                                                                                                                                                                                               | CMC/COMANCHE CO LP ET AL                            | Apache Corporation | 8/29/2014      | 1.000000                     | 2,635.70         | 2,635.70         |
| 7010038          | 1         | STATE          | 14-10011                 | All of Section 24, save and except the South Half of the Southwest Quarter (S/2 SW/4), Block 71, Public School Land Survey, Reeves County, Texas. All of Section 25, save and except the 317.47 acres in the North Half (N/2) contained in the Chesapeake/Caldwell State 71-5 Unit, Block 71, Public School Land Survey, Reeves County, Texas. Section 34 and 35, Block 71, Public School Land Survey, Reeves County, Texas. E/2 of Section 4, Block C-8, Public School Land Survey, Reeves County, Texas. | MF-117025<br>CMC/SC BECKHAM HOLDINGS LP ET AL ST TX | Apache Corporation | 8/29/2014      | 1.000000                     | 2,473.00         | 2,473.00         |
| 1700002          | 1         | FREEHOLD       | 14-09177                 | S/2 of Section 16, Sections 20, 21, and the N/2 of Section 28, Block 58, Township 6, T&P RR Co. Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                                                              | CMC/COMANCHE CO LP ET AL                            | Apache Corporation | 8/29/2014      | 1.000000                     | 2,051.70         | 2,051.70         |
| 7010034          | 1         | STATE          | 14-10010                 | Section 16, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas. N/2 of Section 9 and S/2 of Section 10, Block 71, Public School Land Survey, Reeves County, Texas. Section 1 and E/2 of Section 2, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                  | MF-117024<br>CMC/SC BECKHAM HOLDINGS ET AL & ST TX  | Apache Corporation | 8/29/2014      | 1.000000                     | 2,049.00         | 2,049.00         |
| 7010040A         | 2         | FREEHOLD       | 14-09175                 | Section 23 and SE/4 of Section 37, Block 71, Public School Land Survey, Reeves County, Texas. Section 3, Block C-8, Public School Land Survey, Reeves County, Texas                                                                                                                                                                                                                                                                                                                                        | CMC/COMANCHE CO LP ET AL                            | Apache Corporation | 8/29/2014      | 1.000000                     | 1,440.00         | 1,440.00         |
| 7010040A         | 1         | FREEHOLD       | 14-09175                 | Section 36, Block 71, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                                                                                                                     | CMC/COMANCHE CO LP ET AL                            | Apache Corporation | 8/29/2014      | 0.296875                     | 640.00           | 190.00           |
|                  |           |                |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                     |                    |                |                              | <b>17,539.40</b> | <b>17,089.40</b> |

# EXHIBIT B

| Apache Lease No. | Agreement Type | Legal Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Lessors' Collective Interest | Gross Acres | Lessors' Collective Net Acres | CMC / RockHouse NMA | CMC / Spring Gap NMA | CMC / Palo Pinto NMA | CMC / Comanche NMA | CMC / TOMAU NMA | CMC / Beckham NMA | State of Texas (GLO) | Others (Non-Lessors) |
|------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------|-------------------------------|---------------------|----------------------|----------------------|--------------------|-----------------|-------------------|----------------------|----------------------|
| 7010039          | FREEHOLD       | Sections 11, 13, 20, 30, and 41, Block 71, Public School Land Survey, Reeves County, Texas. W/2 of Section 2, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                  | 1.000000                     | 3,520.00    | 3,520.00                      | 681.09              | 919.11               | 598.12               | 598.12             | 361.78          | 361.78            | 0.00                 | 0.00                 |
| 1700001          | FREEHOLD       | Sections 8, S/2 of 9, 21 and 38, Block 71, Public School Land Survey, Reeves County, Texas. N/2, SW/4, and the NW/4 of the SE/4 of Section 22, Block 71, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                  | 1.000000                     | 2,730.00    | 2,730.00                      | 493.23              | 712.83               | 481.38               | 481.38             | 280.58          | 280.58            | 0.00                 | 0.00                 |
| 1700003          | FREEHOLD       | W/2 of Section 4, Block C-8, Public School Land Survey, Reeves County, Texas. Section 6, Block 56, Township 7, T&P RR Co. Survey, Reeves County, Texas. Section 1, 2, and NW/4 of Section 12, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas.                                                                                                                                                                                                                                               | 1.000000                     | 2,635.70    | 2,635.70                      | 468.57              | 688.21               | 468.57               | 468.57             | 270.89          | 270.89            | 0.00                 | 0.00                 |
| 7010038          | STATE          | All of Section 24, save and except the South Half of the Southwest Quarter (S/2 SW/4), Block 71, Public School Land Survey, Reeves County, Texas. All of Section 25, save and except the 317.47 acres in the North Half (N/2) contained in the Chesapeake/Caldwell State 71-5 Unit, Block 71, Public School Land Survey, Reeves County, Texas. Section 34 and 35, Block 71, Public School Land Survey, Reeves County, Texas. E/2 of Section 4, Block C-8, Public School Land Survey, Reeves County, Texas. | 1.000000                     | 2,473.00    | 2,473.00                      | 219.82              | 331.57               | 219.82               | 219.82             | 122.73          | 122.73            | 1,236.50             | 0.00                 |
| 1700002          | FREEHOLD       | S/2 of Section 16, Sections 20, 21, and the N/2 of Section 28, Block 58, Township 6, T&P RR Co. Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                                                              | 1.000000                     | 2,051.70    | 2,051.70                      | 364.74              | 535.71               | 364.74               | 364.74             | 210.87          | 210.87            | 0.00                 | 0.00                 |
| 7010034          | STATE          | Section 16, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas. N/2 of Section 9 and S/2 of Section 10, Block 71, Public School Land Survey, Reeves County, Texas. Section 1 and E/2 of Section 2, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                  | 1.000000                     | 2,049.00    | 2,049.00                      | 186.05              | 272.14               | 180.16               | 180.16             | 102.98          | 102.98            | 1,024.50             | 0.00                 |
| 7010040A-2       | FREEHOLD       | Section 23 and SE/4 of Section 37, Block 71, Public School Land Survey, Reeves County, Texas. Section 3, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                       | 1.000000                     | 1,440.00    | 1,440.00                      | 256.00              | 379.33               | 256.00               | 256.00             | 146.33          | 146.33            | 0.00                 | 0.00                 |
| 7010040A-1       | FREEHOLD       | Section 36, Block 71, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.296875                     | 640.00      | 190.00                        | 33.78               | 49.61                | 33.78                | 33.78              | 19.53           | 19.53             | 0.00                 | 450.00               |
|                  |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              | 17,539.40   | 17,089.40                     | 2,703.27            | 3,888.52             | 2,602.57             | 2,602.57           | 1,515.69        | 1,515.69          | 2,261.00             | 450.00               |

@ \$500/NMA

|                |                |                |                |                |              |              |                |
|----------------|----------------|----------------|----------------|----------------|--------------|--------------|----------------|
| \$8,544,700.00 | \$1,351,644.74 | \$1,944,269.86 | \$1,301,291.95 | \$1,301,291.95 | \$757,847.79 | \$757,847.78 | \$1,130,505.92 |
|----------------|----------------|----------------|----------------|----------------|--------------|--------------|----------------|



le.  
File No. 117024 -

County

Email

Date Filed: 05/12/16

George P. Bush, Commissioner

By SE

May 13, 2016

Via E-Mail: [gcaldwell@beclaw.com](mailto:gcaldwell@beclaw.com)

G. Wade Caldwell

Barton, East & Caldwell, P.L.L.C., Attorneys at Law

17802 IH-10 West, Suite 300

San Antonio, TX 78257

RE: Letter Agreement for Modification of Continuous Drilling Obligations in Apache's Suite of Caldwell Ranch Leases

Dear Mr. Caldwell:

This Letter Agreement, when signed by the undersigned Lessors (the "Lessors"), will constitute the agreement between Apache Corporation ("Apache") and Lessors regarding modification of the continuous drilling obligations in a number of leases that Apache owns, and which cover minerals owned by Lessors.

**The Caldwell Ranch Suite of Leases**

The Caldwell Ranch Suite of Leases (the "CR Leases") consist of seven (7) Oil and Gas Leases (5 fee and 2 mineral classified) that collectively cover approximately 17,539 gross acres in Reeves County, Texas (collectively, the "Lands"). The CR Leases are all dated August 29, 2014, and each specifies a three (3) year primary term. Each of the CR Leases has a 180-day "continuous development" clause. The CR Leases are more specifically identified on Exhibit A.

**Accelerated Drilling Requirement Imposed by Previous Letter Agreement**

Apache and Lessors previously executed a Letter Agreement on July 23, 2014. This 2014 Letter Agreement required that Apache and Lessors designate one of the CR Leases as subject to the 2014 Letter Agreement's accelerated drilling requirement. For the CR Lease so designated, Apache would be required to drill one well on the lease before August 29, 2016, under penalty of forfeiture of the designated lease.

**Definition of a Well Being Drilled Before Specified Date**

This Letter Agreement will make reference to wells being "drilled" before a particular date (referred to as "Date X" in this Letter Agreement). For purposes of this Letter Agreement, a well is deemed to have been drilled before a Date X if, and only if, at least one of the following two conditions is satisfied:

Condition 1 – the well is a horizontal well with a lateral wellbore length of at least 3,000', and spuds before Date X, with the drill bit turning to the right on a rig capable of reaching terminal depth. Additionally, completion operations, or plugging and abandonment operations, must commence within sixty (60) days after rig release. Said drilling and completion operations, if prosecuted, must be prosecuted with reasonable diligence.



Condition 2 – the well is a horizontal well with a lateral wellbore length of at least 3,000', and is completed, either as a producer or as a dry hole, before date X.

**Waiver of Accelerated Drilling Requirement in the July 23, 2014, Letter Agreement**

Lessors agree to waive the accelerated drilling requirement articulated in paragraph 4 of the July 23, 2014, Letter Agreement. The parties agree that the accelerated drilling requirement, requiring a well to be drilled before August 29, 2016, is hereby revoked, rescinded, and of no force or effect. Therefore, Apache is not required to drill any well before August 29, 2016.

**Tranche 1 Wells**

If Apache drills three (3) wells anywhere on the Lands before midnight, August 29, 2017, then the CR Leases will collectively be governed by the continuous development program articulated in the subsequent paragraphs.

If Apache fails to drill three (3) wells on the Lands before midnight August 29, 2017, then Apache must maintain each of the CR Leases according to each lease's individual provisions and continuous development requirements, and Apache will not benefit from the continuous development program articulated in the subsequent paragraphs of this Letter Agreement.

**Tranche 2 Wells**

If Apache satisfies the Tranche 1 Wells requirement articulated above, and if Apache drills four (4) additional wells anywhere on the Lands before midnight, August 29, 2018, then all of the CR Leases will be deemed to have been continuously developed through August 29, 2018.

**Tranche 3 Wells**

If Apache satisfies the Tranche 1 and 2 Wells requirement articulated above, and if Apache drills four (4) additional wells anywhere on the Lands before midnight, August 29, 2019, then all of the CR Leases will be deemed to have been continuously developed through August 29, 2019.

**Tranche 4 Wells**

If Apache satisfies the Tranche 1, 2, and 3 Wells requirement articulated above, and if Apache drills four (4) additional wells anywhere on the Lands before midnight, August 29, 2020, then all of the CR Leases will be deemed to have been continuously developed through August 29, 2020.

**Failure to Adhere to Tranche 2, 3, or 4 Wells Requirements**

If Apache fails to adhere to any of the Tranche 2, Tranche 3, or Tranche 4 Wells requirements specified above, then the date of such failure (the "Date of Failure") will be the first date at which Apache has failed to meet the requirements. For example, if Apache has drilled 3 additional wells in an attempt to satisfy

the Tranche 2 Wells requirement, but fails to spud a fourth well before August 29, 2018, then the Date of Failure would be August 29, 2018. However, if Apache spuds a fourth well on August 28, 2018, releases the drilling rig, but then fails to begin completion operations within 60 days, then the Date of Failure would be 61 days after release of the drilling rig.

Upon such Date of Failure, Apache may thereafter maintain each of the CR Leases only according to each lease's individual provisions and continuous development requirements, and without reliance on the continuous development program defined in this Letter Agreement. Therefore, upon such Date of Failure, the last well actually drilled and completed on each lease (if any) shall be the only well that qualifies as the last well in the continuous development program for that lease. For each of the CR Leases, if no well has been drilled and completed on the lease upon the Date of Failure, or if more than 180 days have elapsed between the completion of the last well on the lease and the Date of Failure, then that lease will terminate, in whole or in part, according to its terms.

#### **Successful Completion of Tranche 4 Wells Requirements**

If Apache satisfies the Tranche 4 Wells requirements, then upon the date of satisfaction or August 29, 2020, whichever date is later, each of the CR Leases will thenceforth be governed by the terms of its individual provisions and continuous development requirements. For purposes of evaluating each lease's individual continuous development requirements, it shall be deemed that a well was completed on each lease on either (a) August 29, 2020, or (b) the date that a well was actually completed on the lease, whichever is later.

#### **Other Provisions Set Forth in CR Leases Remain in Effect**

Except as modified by the terms of this Letter Agreement, all other terms and provisions set forth in the CR Leases remain in full force and effect.

#### **Apache's Consideration**

In consideration for their execution of this Letter Agreement, Apache will pay Lessors according to the schedule attached as Exhibit B.

#### **Counterpart Execution**

This Letter Agreement may be executed in any number of identical counterparts, each of which for all purposes is to be deemed an original, and all of which constitute, collectively, one agreement. Additionally, after each such counterpart is executed, the pages containing signatures and acknowledgements may be removed from each counterpart and attached to a single counterpart of this Letter Agreement. The Parties agree that a Memorandum of Lease Amendment, approved as to form by Lessors, may be prepared by Apache and filed in the real property records of Reeves County, to provide notice and to document the substance of this Letter Agreement. This Letter Agreement will not be effective unless all Lessors execute this Letter Agreement.



APACHE CORPORATION

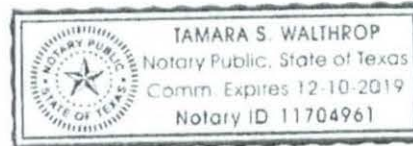
By: *Steven J. Keenan*  
Steven J. Keenan  
Senior Region Vice President  
North America Unconventional Resources  
San Antonio

DTA  
AKA  
SKL

STATE OF TEXAS       §  
                                  §  
COUNTY OF BEXAR   §

This instrument was acknowledged before me on this 19<sup>th</sup> day of May, 2016, by Steven J. Keenan, as Senior Region Vice President of **APACHE CORPORATION**, on behalf of said corporation.

*Tamara S. Walthrop*  
Notary Public, State of Texas



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LESSOR:

CMC/COMANCHE CO. LP

By: Concho Pearl Co., LLC  
Its General Partner

By: Clifton M. Caldwell  
Clifton M. Caldwell, Member/Manager

LESSOR:

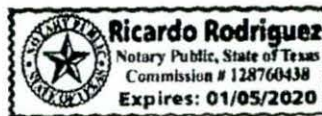
STATE OF TEXAS

By: Clifton M. Caldwell  
Clifton M. Caldwell, Member/Manager of Concho Pearl  
Co., LLC, as General Partner of CMC/Comanche Co., LP,  
for such partnership, and as Agent for the State of Texas

STATE OF TEXAS           §  
                                     §  
COUNTY OF STERLING   §

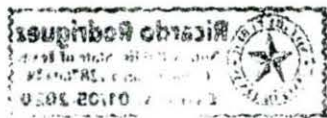
BEFORE ME, the undersigned authority, on this day personally appeared CLIFTON M. CALDWELL, Member/Manager of Concho Pearl Co., LLC, General Partner of **CMC/COMANCHE CO., LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 16 day of May, 2016.

Ricardo Rodriguez  
Notary Public, State of Texas



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LESSOR:

CMC/PALO PINTO FAMILY HOLDINGS, LP

By: Orange Street Partners, LLC  
Its General Partner

By:   
Geoffrey L. Cline, Sole Manager

LESSOR:

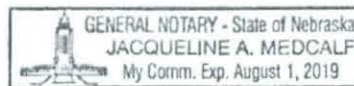
STATE OF TEXAS

By:   
Geoffrey L. Cline, Sole Manager of Orange Street Partners,  
LLC, as General Partner of CMC/Palo Pinto Family Holdings,  
LP, for such partnership, and as Agent for the State of Texas

STATE OF NEBRASKA       §  
                                          §  
COUNTY OF LANCASTER   §

BEFORE ME, the undersigned authority, on this day personally appeared GEOFFREY L. CLINE, Sole Manager of Orange Street Partners, LLC, General Partner of **CMC/PALO PINTO FAMILY HOLDINGS, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 13<sup>th</sup> day of May, 2016.

  
Notary Public, State of Nebraska



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LESSOR:

CMC/ROCK HOUSE PARTNERS, L.P.

By: Madrone Partners LLC  
Madrone Partners, L.L.C., L.L.C.  
Its General Partner

By: Guy Wade Caldwell  
Guy Wade Caldwell, Sole Manager

LESSOR:

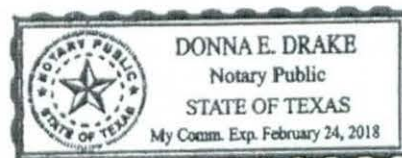
STATE OF TEXAS

Guy Wade Caldwell  
By: Guy Wade Caldwell, Sole Manager of Madrone Partners,  
L.L.C., as General Partner of CMC/Rock House Partners, LP,  
for such partnership, and as Agent for the State of Texas

STATE OF TEXAS           §  
                                      §  
COUNTY OF BEXAR       §

BEFORE ME, the undersigned authority, on this day personally appeared GUY WADE CALDWELL, Sole Manager of Madrone Partners, L.L.C., General Partner of CMC/ROCK HOUSE PARTNERS, L.P., for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 18<sup>th</sup> day of May, 2016.

Donna E. Drake  
Notary Public, State of Texas



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LESSOR:

CMC/SC BECKHAM HOLDINGS, L.P.

By: [Signature]  
SCB Management, LLC  
Its General Partner

By: [Signature]  
Steven Caldwell Beckham, Sole Manager

LESSOR:

STATE OF TEXAS

By: [Signature]  
Steven Caldwell Beckham, Sole Manager of SCB Management,  
LLC, General Partner of CMC/SC Beckham Holdings, LP,  
for such partnership, and as Agent for the State of Texas

STATE OF TEXAS                   §  
                                             §  
COUNTY OF RANDALL       §

BEFORE ME, the undersigned authority, on this day personally appeared STEVEN CALDWELL BECKHAM, Sole Manager of SCB Management, LLC, General Partner of **CMC/SC BECKHAM HOLDINGS, L.P.**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 13 day of May, 2016.

[Signature]  
Notary Public, State of Texas



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LESSOR:

CMC/SPRING GAP PARTNERS, LP

By: Spring Gap, Inc.  
Spring Gap, Inc.  
Its General Partner

By: John L. Beckham  
John L. Beckham, President

LESSOR:

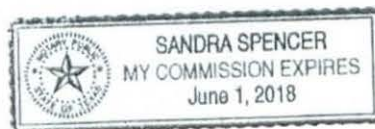
STATE OF TEXAS

By: John L. Beckham  
John L. Beckham, President of Spring Gap, Inc., as General  
Partner of CMC/Spring Gap Partners, LP, for such  
partnership, and as Agent for the State of Texas

STATE OF TEXAS                    §  
                                                 §  
COUNTY OF TAYLOR           §

BEFORE ME, the undersigned authority, on this day personally appeared JOHN L. BECKHAM, President of Spring Gap, Inc., General Partner of CMC/SPRING GAP PARTNERS, LP, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 17th day of May, 2016.

Sandra Spencer  
Notary Public, State of Texas



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LESSOR:

CMC/TOMAUI, L.P.

By: KONA KOA GP, LLC  
Kona Koa GP, LLC  
Its General Partner

By: Stephen M. Spence  
Stephen M. Spence, Sole Manager

LESSOR:

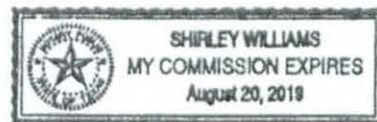
STATE OF TEXAS

Stephen M. Spence  
By: Stephen M. Spence, Sole Manager of KonaKoa GP, LLC,  
As General Partner of CMC/Tomaui, LP, for such partnership,  
and as Agent for the State of Texas

STATE OF TEXAS           §  
                                          §  
COUNTY OF JOHNSON   §

BEFORE ME, the undersigned authority, on this day personally appeared STEPHEN M. SPENCE, Sole Manager of Kona Koa GP, LLC, General Partner of **CMC/TOMAUI, L.P.**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 16<sup>th</sup> day of May, 2016.

Shirley Williams  
Notary Public, State of Texas



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## EXHIBIT A

| Apache Lease No. | Tract No. | Agreement Type | Recorded Document Number | Legal Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Lessor                                 | Lessee             | Agreement Date | Lessors' Collective Interest | Gross Acres      | Net Acres        |
|------------------|-----------|----------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------|----------------|------------------------------|------------------|------------------|
| 7010039          | 1         | FREEHOLD       | 14-09173                 | Sections 11, 13, 20, 30, and 41, Block 71, Public School Land Survey, Reeves County, Texas. W/2 of Section 2, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                  | CMC/COMANCHE CO LP ET AL               | Apache Corporation | 8/29/2014      | 1.000000                     | 3,520.00         | 3,520.00         |
| 1700001          | 1         | FREEHOLD       | 14-09174                 | Sections 8, S/2 of 9, 21 and 38, Block 71, Public School Land Survey, Reeves County, Texas. N/2, SW/4, and the NW/4 of the SE/4 of Section 22, Block 71, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                  | CMC/COMANCHE CO LP ET AL               | Apache Corporation | 8/29/2014      | 1.000000                     | 2,730.00         | 2,730.00         |
| 1700003          | 1         | FREEHOLD       | 14-09176                 | W/2 of Section 4, Block C-8, Public School Land Survey, Reeves County, Texas. Section 6, Block 56, Township 7, T&P RR Co. Survey, Reeves County, Texas. Section 1, 2, and NW/4 of Section 12, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas.                                                                                                                                                                                                                                               | CMC/COMANCHE CO LP ET AL               | Apache Corporation | 8/29/2014      | 1.000000                     | 2,635.70         | 2,635.70         |
| 7010038          | 1         | STATE          | 14-10011                 | All of Section 24, save and except the South Half of the Southwest Quarter (S/2 SW/4), Block 71, Public School Land Survey, Reeves County, Texas. All of Section 25, save and except the 317.47 acres in the North Half (N/2) contained in the Chesapeake/Caldwell State 71-5 Unit, Block 71, Public School Land Survey, Reeves County, Texas. Section 34 and 35, Block 71, Public School Land Survey, Reeves County, Texas. E/2 of Section 4, Block C-8, Public School Land Survey, Reeves County, Texas. | CMC/SC BECKHAM HOLDINGS LP ET AL ST TX | Apache Corporation | 8/29/2014      | 1.000000                     | 2,473.00         | 2,473.00         |
| 1700002          | 1         | FREEHOLD       | 14-09177                 | S/2 of Section 16, Sections 20, 21, and the N/2 of Section 28, Block 58, Township 6, T&P RR Co. Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                                                              | CMC/COMANCHE CO LP ET AL               | Apache Corporation | 8/29/2014      | 1.000000                     | 2,051.70         | 2,051.70         |
| 7010034          | 1         | STATE          | 14-10010                 | Section 16, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas. N/2 of Section 9 and S/2 of Section 10, Block 71, Public School Land Survey, Reeves County, Texas. Section 1 and E/2 of Section 2, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                  | CMC/SC BECKHAM HOLDINGS ET AL & ST TX  | Apache Corporation | 8/29/2014      | 1.000000                     | 2,049.00         | 2,049.00         |
| 7010040A         | 2         | FREEHOLD       | 14-09175                 | Section 23 and SE/4 of Section 37, Block 71, Public School Land Survey, Reeves County, Texas. Section 3, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                       | CMC/COMANCHE CO LP ET AL               | Apache Corporation | 8/29/2014      | 1.000000                     | 1,440.00         | 1,440.00         |
| 7010040A         | 1         | FREEHOLD       | 14-09175                 | Section 36, Block 71, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                                                                                                                     | CMC/COMANCHE CO LP ET AL               | Apache Corporation | 8/29/2014      | 0.296875                     | 640.00           | 190.00           |
|                  |           |                |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                        |                    |                |                              | <b>17,539.40</b> | <b>17,089.40</b> |



# EXHIBIT B

| Apache Lease No. | Agreement Type | Legal Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Lessors' Collective Interest | Gross Acres | Lessors' Collective Net Acres | CMC / RockHouse NMA | CMC / Spring Gap NMA | CMC / Palo Pinto NMA | CMC / Comanche NMA | CMC / TOMAU NMA | CMC / Beckham NMA | State of Texas (GLO) | Others (Non-Lessors) |
|------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------|-------------------------------|---------------------|----------------------|----------------------|--------------------|-----------------|-------------------|----------------------|----------------------|
| 7010039          | FREEHOLD       | Sections 11, 13, 20, 30, and 41, Block 71, Public School Land Survey, Reeves County, Texas. W/2 of Section 2, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                  | 1.000000                     | 3,520.00    | 3,520.00                      | 681.09              | 919.11               | 598.12               | 598.12             | 361.78          | 361.78            | 0.00                 | 0.00                 |
| 1700001          | FREEHOLD       | Sections 8, S/2 of 9, 21 and 38, Block 71, Public School Land Survey, Reeves County, Texas. N/2, SW/4, and the NW/4 of the NW/4 of the SE/4 of Section 22, Block 71, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                      | 1.000000                     | 2,730.00    | 2,730.00                      | 493.23              | 712.83               | 481.38               | 481.38             | 280.58          | 280.58            | 0.00                 | 0.00                 |
| 1700003          | FREEHOLD       | W/2 of Section 4, Block C-8, Public School Land Survey, Reeves County, Texas. Section 6, Block 56, Township 7, T&P RR Co. Survey, Reeves County, Texas. Section 1, 2, and NW/4 of Section 12, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas.                                                                                                                                                                                                                                               | 1.000000                     | 2,635.70    | 2,635.70                      | 468.57              | 688.21               | 468.57               | 468.57             | 270.89          | 270.89            | 0.00                 | 0.00                 |
| 7010038          | STATE          | All of Section 24, save and except the South Half of the Southwest Quarter (S/2 SW/4), Block 71, Public School Land Survey, Reeves County, Texas. All of Section 25, save and except the 317.47 acres in the North Half (N/2) contained in the Chesapeake/Caldwell State 71-5 Unit, Block 71, Public School Land Survey, Reeves County, Texas. Section 34 and 35, Block 71, Public School Land Survey, Reeves County, Texas. E/2 of Section 4, Block C-8, Public School Land Survey, Reeves County, Texas. | 1.000000                     | 2,473.00    | 2,473.00                      | 219.82              | 331.57               | 219.82               | 219.82             | 122.73          | 122.73            | 1,236.50             | 0.00                 |
| 1700002          | FREEHOLD       | S/2 of Section 16, Sections 20, 21, and the N/2 of Section 28, Block 58, Township 6, T&P RR Co. Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                                                              | 1.000000                     | 2,051.70    | 2,051.70                      | 364.74              | 535.71               | 364.74               | 364.74             | 210.87          | 210.87            | 0.00                 | 0.00                 |
| 7010034          | STATE          | Section 16, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas. N/2 of Section 9 and S/2 of Section 10, Block 71, Public School Land Survey, Reeves County, Texas. Section 1 and E/2 of Section 2, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                  | 1.000000                     | 2,049.00    | 2,049.00                      | 186.05              | 272.14               | 180.16               | 180.16             | 102.98          | 102.98            | 1,024.50             | 0.00                 |
| 7010040A-2       | FREEHOLD       | Section 23 and SE/4 of Section 37, Block 71, Public School Land Survey, Reeves County, Texas. Section 3, Block C-8, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                       | 1.000000                     | 1,440.00    | 1,440.00                      | 256.00              | 379.33               | 256.00               | 256.00             | 146.33          | 146.33            | 0.00                 | 0.00                 |
| 7010040A-1       | FREEHOLD       | Section 36, Block 71, Public School Land Survey, Reeves County, Texas.                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.296875                     | 640.00      | 190.00                        | 33.78               | 49.61                | 33.78                | 33.78              | 19.53           | 19.53             | 0.00                 | 450.00               |
|                  |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              | 17,539.40   | 17,089.40                     | 2,703.27            | 3,888.52             | 2,602.57             | 2,602.57           | 1,515.69        | 1,515.69          | 2,261.00             | 450.00               |

@ \$500/NMA

|                |                |                |                |                |              |              |                |
|----------------|----------------|----------------|----------------|----------------|--------------|--------------|----------------|
| \$8,544,700.00 | \$1,351,644.74 | \$1,944,269.86 | \$1,301,291.95 | \$1,301,291.95 | \$757,847.79 | \$757,847.78 | \$1,130,505.92 |
|----------------|----------------|----------------|----------------|----------------|--------------|--------------|----------------|

File No. 117024

\_\_\_\_\_  
County

## Ltr Agreement

Date Filed: 05/25/16

George P. Bush, Commissioner

By \_\_\_\_\_



Apache Corporation  
ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
HOUSTON, TEXAS 77056-4400  
(713) 296-6000

Date: 05/23/2016  
Check #: 4789923

| ACCOUNT NO.  | DATE       | DEBIT                     | CREDIT | BALANCE      |
|--------------|------------|---------------------------|--------|--------------|
| 201605181252 | 05/18/2016 | 1,130,505.92              | 0.00   | 1,130,505.92 |
|              |            | 16711174                  |        |              |
|              |            | MF. 117024 - \$618,250.00 |        |              |
|              |            | MF. 117025 - \$512,255.92 |        |              |
|              |            | 121                       |        |              |
|              |            | X                         |        |              |
| TOTALS       |            | 1,130,505.92              | 0.00   | 1,130,505.92 |



Apache Corporation  
ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
HOUSTON, TEXAS 77056-4400  
(713) 296-6000

Wells Fargo Bank, N.A.  
115 Hospital Drive  
Van Wert, OH 45891

56-382/412  
VOID IF NOT CASHED WITHIN  
SIX MONTHS OF ISSUE

16711174

DATE: 05/23/2016

CHECK #: 4789923

PAY ONE MILLION ONE HUNDRED THIRTY THOUSAND FIVE  
HUNDRED FIVE\*\*\*\*\*

92/100

| AMOUNT          |
|-----------------|
| \$ 1,130,505.92 |

TO  
THE  
ORDER  
OF

STATE OF TEXAS  
1700 CONGRESS AVE  
AUSTIN TX 78701-1436

*James Kimble*  
Authorized Signature

⑈4789923⑈



File No. 117024

County

Additional Bonds

Date Filed: 05/25/16

George P. Bush, Commissioner

By [Signature]



June 22, 2017

Joy McCauley  
Texas General Land Office  
Attn: Energy Resources/Mineral Leasing  
1700 N. Congress Ave, Suite 840  
Austin, TX 78701-1495

RE: Oak State Unit Pooling Agreement  
Reeves County, TX

Dear Ms. McCauley,

Please find enclosed duplicate originals of the subject Pooling Agreement fully executed and acknowledged by a representative of the Apache Corporation. We are returning the Agreement for execution by the Commissioner. Once executed, please return one executed original of the Agreement to my attention at the address shown below

Should you have any questions, please contact me at the number listed below. Thank you.

Regards,

Apache Corporation



Chase Bradley  
Landman

PH: 210-572-8256



71020

9

File No. M-117024

Ltr. From Apache County

Date Filed: 6/23/17

George P. Bush, Commissioner

By [Signature]





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

July 7, 2017

Mr. Chase Bradley  
Apache Corporation  
17802 IH-10 West, Suite 300  
San Antonio, Texas 78257

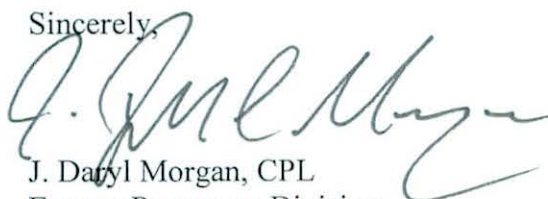
Re: Pooling Agreement  
Oak State Unit  
GLO Unit No. 8453  
Reeves County, Texas

Dear Mr. Bradley:

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

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

Sincerely,

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

Enclosure

10

File No. M-117024

Ltr. to Apache County

Date Filed: 7/7/17

George P. Bush, Commissioner

By [Signature]

**DO NOT DESTROY**



## Texas General Land Office

### UNIT AGREEMENT MEMO

UPA179499

Unit Number 8453  
Operator Name Apache Corporation  
Customer ID C000023272  
Unit Name Oak State Unit  
County 1 Reeves RRC District 1 08  
County 2 RRC District 2  
County 3 RRC District 3  
County 4 RRC District 4  
Unit type Permanent  
State Net Revenue Interest Oil 0.12500000  
State Part in Unit 1.00000000  
Unit Depth Specified Depths  
From Depth 7125  
To Depth 14500  
Well Formation Top of Bone Springs to Base of Woodford  
Participation Basis Surface Acreage  
If Exclusions Apply: See Remarks  
Effective Date 05/16/2017  
Unitized For Oil And Gas  
Unit Term  
Old Unit Number Inactive Status Date

| Lease Number | Tract No | Lease Acres in Unit | Total Unit Acres | Tract Participation | O/G | Lease Royalty | NRI of Lease in Unit | Royalty Rate Reduction Clause |
|--------------|----------|---------------------|------------------|---------------------|-----|---------------|----------------------|-------------------------------|
|--------------|----------|---------------------|------------------|---------------------|-----|---------------|----------------------|-------------------------------|

|          |   |            |              |            |     |            |            |  |
|----------|---|------------|--------------|------------|-----|------------|------------|--|
| MF117024 | 1 | 307.440000 | 1,058.680000 | 0.29039937 | O/G | 0.12500000 | 0.03629992 |  |
| MF117112 | 2 | 751.240000 | 1,058.680000 | 0.70960063 | O/G | 0.12500000 | 0.08870008 |  |

API Number  
4238935867

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

05/16/2017

05/16/2017

07/20/17

08/03/2017

05/16/2017



# Pooling Committee Report

To: School Land Board

UPA179499

Date of Board Meeting: 05/16/2017

Unit Number: 8453

Effective Date: 05/16/2017

Unit Expiration Date:

Applicant: Apache Corporation

Attorney Rep:

Operator: Apache Corporation,

Unit Name: Oak State Unit

Field Name:

County: Reeves

| <u>Lease Type</u> | <u>Lease Number</u> | <u>Lease Royalty</u> | <u>Expiration Date</u> | <u>Lease Term</u> | <u>Lease Acres</u> | <u>Lease Acres In Unit</u> | <u>Royalty Participation</u> |
|-------------------|---------------------|----------------------|------------------------|-------------------|--------------------|----------------------------|------------------------------|
| RAL               | MF117024            | 0.12500000           | 08/29/2017             | 3 years           | 2,049.000000       | 307.440000                 | 0.03629992                   |
| RAL               | MF117112            | 0.12500000           | 10/25/2019             | 5 years           | 718.000000         | 751.240000                 | 0.08870008                   |

|                   |             |
|-------------------|-------------|
| Private Acres:    | 0.000000    |
| State Acres:      | 1058.680000 |
| Total Unit Acres: | 1058.680000 |

|                                    |                 |
|------------------------------------|-----------------|
| <u>Participation Basis:</u>        | Surface Acreage |
| Surface Acreage                    |                 |
| <u>State Acreage:</u>              | 100.00%         |
| <u>State Net Revenue Interest:</u> | 12.50%          |

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

|                   |                                                  |
|-------------------|--------------------------------------------------|
| <u>RRC Rules:</u> | <u>Spacing Acres:</u>                            |
| Yes               | 240 acres for a 7,500 foot lateral (FTP to LTP). |

**REMARKS:**

- Apache Corporation is requesting permanent oil and gas pooling from the top of the Bone Spring to the base of the Woodford formation as seen on the Apache Corporation Redwood # 1P well log (API 42-389-35274) in order to test the Bone Spring, Wolfcamp, Penn, Barnett, and Woodford formations.
- The applicant plans to spud the first unit well on August 1, 2017. A 7,500 foot lateral is expected to be drilled.
- With Board approval of the unit the State's unit royalty participation will be 12.5%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill a total of 4 unit wells. The first unit well will be spud by or before October 25, 2017, the second unit well will be spud by or before April 23, 2018, the third unit well will be spud by or before October 20, 2018, and the fourth unit well will be spud by or before April 18, 2019 or the unit will decrease in size to 240 acres per unit well drilled.

**POOLING COMMITTEE RECOMMENDATION:**

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



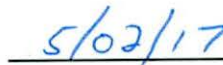
Mary Smith - Office of the Attorney General



Date



Robert Hatter - General Land Office



Date



Diane Morris - Office of the Governor



Date

E.O. STAATS  
A-3087

T.Z.  
HENRY  
A-1689

E.O. STAATS  
A-3084

I.E.  
SMITH  
A-4051

MF117024

1

A.G. VAN  
HORN  
A-2507

1

T. &  
P.R.R.CO.  
A-84

J.C.  
BROOKS  
A-3530

MF117112

6

T. &  
P.R.R.CO.  
A-112

12

C.M. CALDWELL  
A-4420

7

T. &  
P.R.R.CO.  
A-113

W.L.  
MARTIN

CULBERSON  
COUNTY

REEVES  
COUNTY

Unit #8453  
Apache Corporation  
Oak State Unit  
Alpine High (Cons) Field  
Reeves County, Texas

1,500 750 0 1,500 Feet



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



Map Generated by:  
Mark Conway  
Enterprise Technology Solutions/GIS  
May 2017



POOLING AGREEMENT  
APACHE CORPORATION  
OAK STATE UNIT  
GLO UNIT NO. 8453  
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Bone Spring formation to the base of the Woodford formation being defined as the stratigraphic interval or its correlative equivalent occurring from 7,125 feet to 14,500 feet as seen on the log of the Apache Corporation, Redwood No. 1P well, API No. 42-389-35274 ("unitized interval").

POOLING AND EFFECT:

4.

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

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



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

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

#### ALLOCATION OF PRODUCTION:

5.

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

#### TAKING ROYALTY IN KIND:

6.

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

#### EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of May 16, 2017.

#### TERM:

8.

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

#### SPECIAL TERMS AND CONDITIONS:

9.

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

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed

7/5/17

STATE OF TEXAS

Legal  
Content  
Geology  
Executive

*[Handwritten signature]*

By:

*[Handwritten signature of George P. Bush]*

George P. Bush, Commissioner  
of the General Land Office

Date Executed

6/22/17

APLACHE CORPORATION

*[Handwritten signature of Timothy K. Linscott]*  
Timothy K. Linscott, Attorney in Fact

*[Handwritten initials]*



CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 16th day of May, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

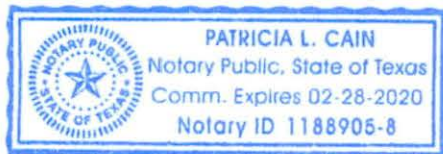
IN TESTIMONY WHEREOF, witness my hand this the 5th day of July, 2017.

  
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF BEXAR

This instrument was acknowledged before me on JUNE 22, 2017, by Timothy K. Linscott, Attorney in Fact for the Apache Corporation, a DELAWARE corporation, on behalf of said corporation.



  
Notary Public in and for the  
State of Texas



## **Addendum "A"**

### **To that certain Pooling Agreement for the Oak State Unit**

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

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of 240 acres per well drilled in the unit, as close as is reasonably practicable in the shape of a rectangle around the well or wells. It is understood and agreed that the shrinking of such unit(s) as described in the immediately preceding sentence shall be the sole remedy, recourse, and result of Lessee's failure to drill or timely drill any of the four wells listed under the Drilling Obligation Timeframe. In an effort to optimize potential future development of the unit, it is the intent for Lessee to retain cumulative unit acreage on a per well basis, therefore Lessee will not be penalized (i.e. retain fewer acres) for drilling wells that are spaced closely together and not able to proportionately allocate a 240 acre rectangle around a well. In the event that Lessee chooses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

#### **Drilling Obligation Timeframe:**

Lessee shall conduct drilling operations in the following manner:

- |             |   |                                     |
|-------------|---|-------------------------------------|
| First well  | – | Spud on or before; October 25, 2017 |
| Second well | – | Spud on or before; April 23, 2018   |
| Third well  | – | Spud on or before; October 20, 2018 |
| Fourth well | – | Spud on or before; April 18, 2019   |

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

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph eight (8) of this Agreement.

**End of Addendum "A"**

## Exhibit "A"

| Lessor                                                                              | Lessee      | Date       | Culberson<br>County<br>Volume /Page | Legal Description                                                |
|-------------------------------------------------------------------------------------|-------------|------------|-------------------------------------|------------------------------------------------------------------|
| CMC/SC Beckham Holdings, LP, et al, Individually and as agent of the State of Texas | Apache Corp | 8/29/2014  | 1116/0268                           | Section 1, Block C-8, PSL Survey, Reeves County, Texas           |
| Weldon Moore, III                                                                   | Wolcott LLC | 10/25/2014 | 1125/0765                           | Section 6, Block 57, T7, T&P RR Co. Survey, Reeves County, Texas |
| Judith S. Moore                                                                     | Wolcott LLC | 10/25/2014 | 1125/0773                           | Section 6, Block 57, T7, T&P RR Co. Survey, Reeves County, Texas |





## Exhibit "B"

### Oak State Unit

Western Part of Section 1, Block C-8, PSL Survey, being a total 307.44 acres, more or less,  
Reeves County, Texas

Section 6, Block 57, T7, T&P RR CO., being a total of 751.68 acres, more or less, Reeves County,  
Texas

| Oak State Unit    |                 |                           |
|-------------------|-----------------|---------------------------|
| Tract             | Acreage in Unit | Tract Info                |
| 1.                | 307.44          | CMC/ SC Beckham (REL)     |
| 2.                | 751.24          | Judith Moore, et al (REL) |
| 1058.68 Acre Unit |                 |                           |



APACHE CORP.  
REDWOOD LEASE

Soc. Sec. # - 1002-6-18-2017 Soc. State Un. Agn  
First Prepared by MA  
for New York State

71020

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File No. M-117024  
Pooling Agmt. Packet # 8453  
Oak Gate Unit  
Date Filed: 7/7/17  
George R. Bush, Commissioner  
By [Signature]





**Mitchell Petroleum**  
LAND SERVICES, INC.

---

1519 S. CHERRY ST. / UNIT A / PECOS TEXAS 79772 / OFFC 361-232-3841 /  
WM. TIPTON DIRECT 713-817-6161

---

August 11, 2017

Mr. Darrell Morgan  
General Land Office  
State of Texas  
1700 Congress Avenue  
Austin, Texas 78701

Re: Submittal of Oil and Gas Leases for GLO Filing  
All of Section 22 Block 56 T7 A 3741 Reeves County  
Reeves County, Texas

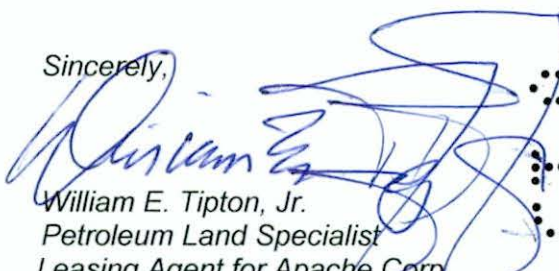
Greetings Mr. Morgan,

Pursuant to our telephone discussion this morning, please find Reeves County Certified Copies of fully executed and acknowledge GLO Pooling Agreement #8426 and GLO Pooling Agreement 8453 for your file

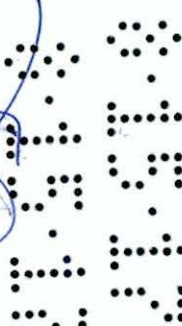
As we discussed, there are no filing fees required for these two Pooling Agreements.

Thank you again for all your kind profession support. Should you need to contact me relating to matter I can be reached at 713.817.6161 or by email at [wtipton@hotmail.com](mailto:wtipton@hotmail.com).

Sincerely,



William E. Tipton, Jr.  
Petroleum Land Specialist  
Leasing Agent for Apache Corp.



71218  
71218

12

File No. M-117024

County  
Ltr. From Mitchell Land Service

Date Filed: 8/15/17

George P. Bush, Commissioner

By h

17-12019  
FILED FOR RECORD  
REEVES COUNTY, TEXAS  
Jul 19, 2017 at 08:49:00 AM

POOLING AGREEMENT  
APACHE CORPORATION  
OAK STATE UNIT  
GLO UNIT NO. 8453  
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Bone Spring formation to the base of the Woodford formation being defined as the stratigraphic interval or its correlative equivalent occurring from 7,125 feet to 14,500 feet as seen on the log of the Apache Corporation, Redwood No. 1P well, API No. 42-389-35274 ("unitized interval").

POOLING AND EFFECT:

4.

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

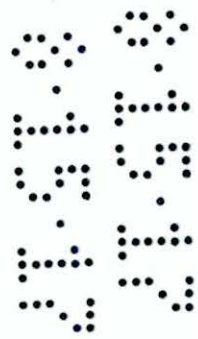
- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the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

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

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of May 16, 2017.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

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

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed 7/5/17

STATE OF TEXAS

Legal  
Content  
Geology  
Executive

By:

George P. Bush, Commissioner  
of the General Land Office

Date Executed 6/22/17

APLACHE CORPORATION

By:

Timothy K. Linscott, Attorney in Fact



CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 16th day of May, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 5th day of July, 2017.

  
Secretary of the School Land Board

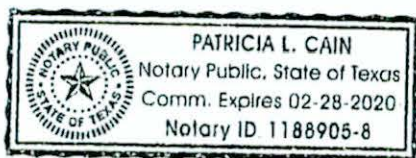
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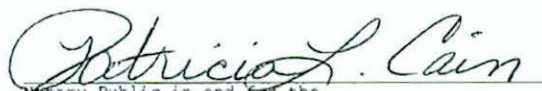
STATE OF TEXAS

COUNTY OF BEXAR

This instrument was acknowledged before me on JUNE 22, 2017, by Timothy K. Linscott, Attorney in Fact for the Apache Corporation, a DELAWARE corporation, on behalf of said corporation.

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Notary Public in and for the  
State of Texas

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**Addendum "A"**

**To that certain Pooling Agreement for the Oak State Unit**

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

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of 240 acres per well drilled in the unit, as close as is reasonably practicable in the shape of a rectangle around the well or wells. It is understood and agreed that the shrinking of such unit(s) as described in the immediately preceding sentence shall be the sole remedy, recourse, and result of Lessee's failure to drill or timely drill any of the four wells listed under the Drilling Obligation Timeframe. In an effort to optimize potential future development of the unit, it is the intent for Lessee to retain cumulative unit acreage on a per well basis, therefore Lessee will not be penalized (i.e. retain fewer acres) for drilling wells that are spaced closely together and not able to proportionately allocate a 240 acre rectangle around a well. In the event that Lessee chooses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

**Drilling Obligation Timeframe:**

Lessee shall conduct drilling operations in the following manner:

- |             |   |                                     |
|-------------|---|-------------------------------------|
| First well  | – | Spud on or before; October 25, 2017 |
| Second well | – | Spud on or before; April 23, 2018   |
| Third well  | – | Spud on or before; October 20, 2018 |
| Fourth well | – | Spud on or before; April 18, 2019   |

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

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph eight (8) of this Agreement.

**End of Addendum "A"**

True & Correct Copy of a  
document on file at  
Reeves County Texas,  
Dianne Q. Florez, County Clerk  
Page 5 of 9

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Exhibit "A"

| Lessor                                                                              | Lessee      | Date       | Culberson<br>County<br>Volume /Page | Legal Description                                                |
|-------------------------------------------------------------------------------------|-------------|------------|-------------------------------------|------------------------------------------------------------------|
| CMC/SC Beckham Holdings, LP, et al, Individually and as agent of the State of Texas | Apache Corp | 8/29/2014  | 1116/0268                           | Section 1, Block C-8, PSL Survey, Reeves County, Texas           |
| Weldon Moore, III                                                                   | Wolcott LLC | 10/25/2014 | 1125/0765                           | Section 6, Block 57, T7, T&P RR Co. Survey, Reeves County, Texas |
| Judith S. Moore                                                                     | Wolcott LLC | 10/25/2014 | 1125/0773                           | Section 6, Block 57, T7, T&P RR Co. Survey, Reeves County, Texas |

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Reeves County Texas,  
Dianne O. Florez, County Clerk  
Page 6 of 9

Exhibit "B"

Oak State Unit

Western Part of Section 1, Block C-8, PSL Survey, being a total 307.44 acres, more or less, Reeves County, Texas

Section 6, Block 57, T7, T&P RR CO., being a total of 751.68 acres, more or less, Reeves County, Texas

| Oak State Unit    |                 |                           |
|-------------------|-----------------|---------------------------|
| Tract             | Acreage in Unit | Tract Info                |
| 1.                | 307.44          | CMC/ SC Beckham (REL)     |
| 2.                | 751.24          | Judith Moore, et al (REL) |
| 1058.68 Acre Unit |                 |                           |

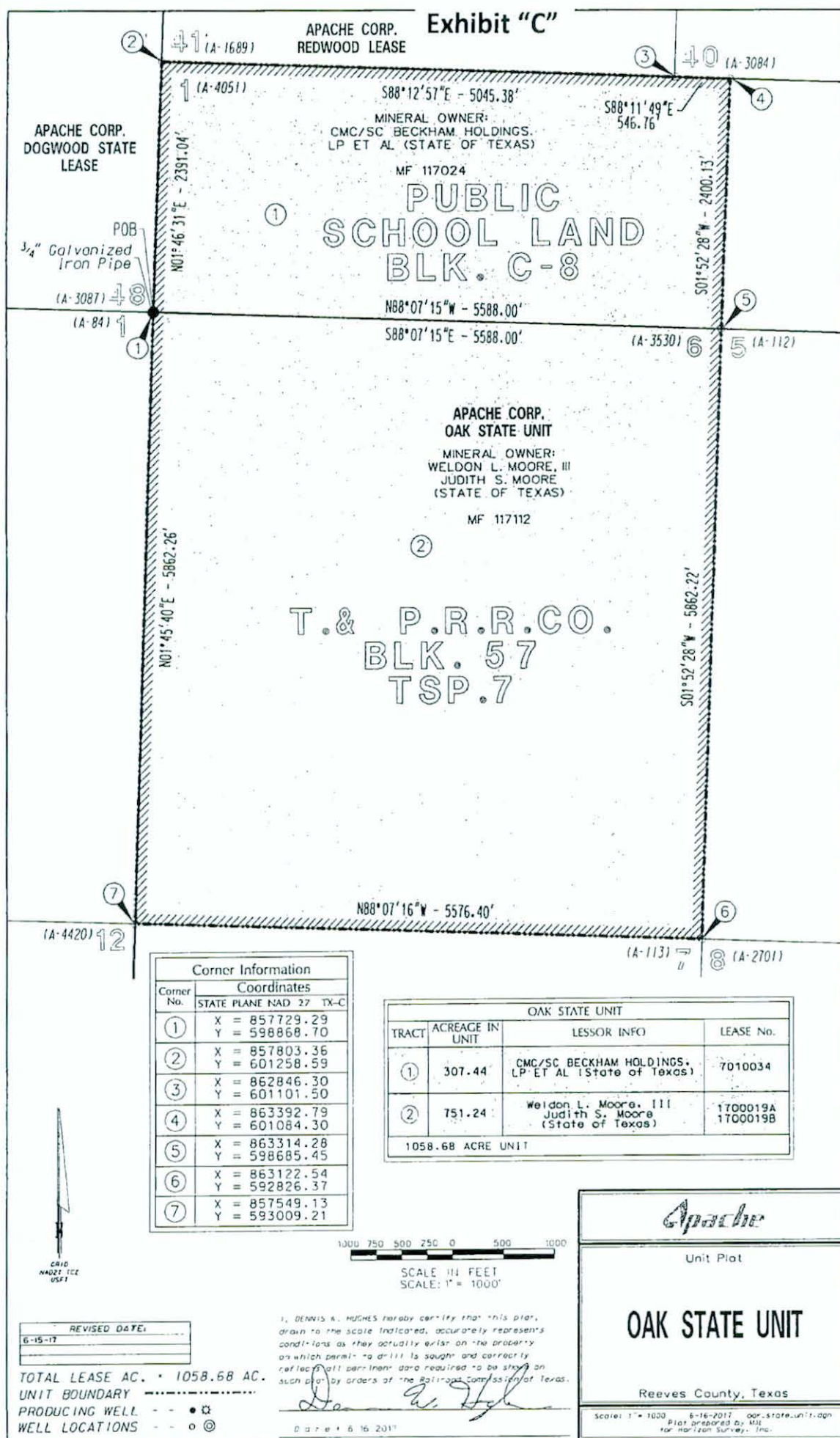
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Dianne O. Florez, County Clerk  
Page 8 of 9

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Inst No. 17-12019  
DIANNE O. FLOREZ  
COUNTY CLERK  
2017 Jul 19 at 08:49 AM  
REEVES COUNTY, TEXAS  
By: MS. Maldana DEPUTY

True & Correct Copy of a  
document on file at  
Reeves County Texas,  
Dianne O. Florez, County Clerk  
Page 9 of 9

13

File No. M-117024

Recorded Oak Stage Pooling Agmt.  
County \_\_\_\_\_

Date Filed: 8/15/17

By: George P. Bush, Commissioner  
[Signature]

71218

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 195 PAGE 434 THRU 441 8-9-2017

I hereby certified on 8-9-2017  
DIANNE O FLOREZ, COUNTY CLERK  
REEVES COUNTY, TEXAS  
BY [Signature] DEPUTY





## Daryl Morgan

---

**From:** Bradley, Chase <Chase.Bradley@apachecorp.com>  
**Sent:** Wednesday, January 10, 2018 4:58 PM  
**To:** Daryl Morgan  
**Subject:** Oak State Pooling Agreement  
**Attachments:** TX\_REEVES\_OAK\_STATE\_UNIT\_FINAL\_REV.pdf; Pooling Agreement - Oak State - Executed.pdf

Daryl,

As you are aware, Apache has been dealing with a surveying error for the past several months throughout western Reeves County. One thing I need to visit with you about is in regards to the Pooling Agreements between Apache and the GLO. Some of the unit sizes have changed slightly, and I didn't know how you wanted to go about correcting the error. For example, the attached Pooling Agreement for our Oak State Unit references the unit size as 1058.68 acres, but actually the unit is 1051.25 acres as you can see on the attached plat. The Oak State Unit is 100% mineral classified lands, and the State's NRI will not change, but in other Units such as the Blackfoot State, Mesquite State, Mohican Unit the State's NRI of the state will change slightly. Feel free to call and visit about this or shoot me an email. Thanks, and have a good evening.

Kind Regards,

**CHASE BRADLEY, RPL**

LANDMAN

North American Unconventional Resources

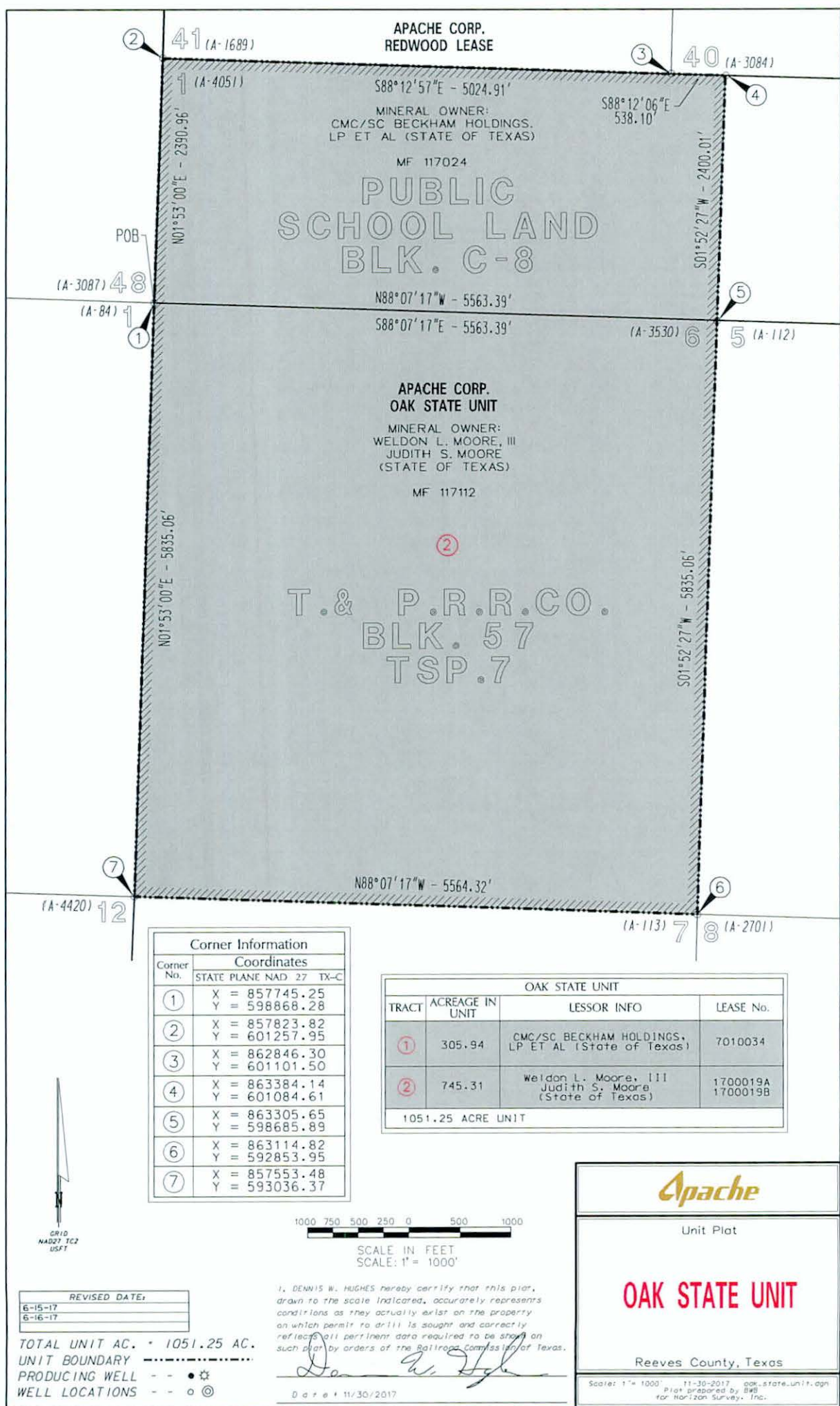
office 210-572-8256 | cell 512-568-9850

APACHE CORPORATION

17802 IH 10 West, Suite 300

San Antonio, Texas 78256

[ApacheCorp.com](http://ApacheCorp.com)



14

File No. M-117024

E-Mail From Apache County

Date Filed: 1/10/18

George P. Bush, Commissioner  
By M



## Daryl Morgan

---

**From:** Daryl Morgan  
**Sent:** Thursday, January 18, 2018 8:22 AM  
**To:** 'Bradley, Chase'  
**Subject:** RE: Oak State Unit  
**Attachments:** Apache.AREAAMD.Correction.NoSLBOakState.doc

Chase,

Attached is the Amendment to the Oak Unit to correct the acreage numbers. Please attach the appropriate exhibits, have duplicate originals signed by Apache and then forward the originals to me to be signed by the Commissioner.

Thanks and let me know if you have any questions.

Daryl

J. Daryl Morgan, CPL  
Energy Resources  
(512) 305-9106  
daryl.morgan@glo.texas.gov

---

**From:** Bradley, Chase [mailto:Chase.Bradley@apachecorp.com]  
**Sent:** Monday, January 15, 2018 1:49 PM  
**To:** Daryl Morgan <Daryl.Morgan@GLO.TEXAS.GOV>  
**Subject:** FW: Executed Division Order, Direct deposit authorization and voided check

Daryl, attached you'll find Weldon Moore's signed Division Order for the Oak State Unit. The royalty interest on page two reflects our Title Attorney's interest he calculated with our revised plat. Can we move forward with Amending the Pooling Agreement?

Kind Regards,

**CHASE BRADLEY, RPL**  
LANDMAN  
office 210-572-8256 | cell 512-568-9850

---

**From:** Alaniz, Dion  
**Sent:** Monday, January 15, 2018 1:30 PM  
**To:** Bradley, Chase <Chase.Bradley@apachecorp.com>  
**Subject:** FW: Executed Division Order, Direct deposit authorization and voided check

Chase:

The Moore family is on board with the revised pooled unit plat for the Oak Unit. They signed off on the Division Orders that reflect the revised pooled unit.

**DION ALANIZ**

SENIOR LANDMAN

office 210-678-3908 | cell 210-452-7957

**APACHE CORPORATION**

17802 IH 10 West

Suite 300

San Antonio, Texas 78256

---

**From:** Weldon Moore [<mailto:wmoore@csmlaw.net>]

**Sent:** Monday, January 15, 2018 11:46 AM

**To:** Alaniz, Dion <[Dion.Alaniz@apachecorp.com](mailto:Dion.Alaniz@apachecorp.com)>

**Subject:** Executed Division Order, Direct deposit authorization and voided check

Dion:

Please see the attached. The originals are going in the mail today. Judy's are also going in the mail today.

Weldon L. Moore, III

Sussman & Moore, LLP

4645 N. Central Expressway, Suite 300

Dallas, TX 75205

Ph (214) 378-8270 x 251

Fax (214) 378-8290

File No. M-117024

E-Mail to Apache County

Date Filed. 1/18/18

By [Signature]





January 24, 2018

Ms. Joy McCauley  
Texas General Land Office  
Attn: Energy Resources/Mineral Leasing  
1700 N. Congress Ave, Suite 840  
Austin, TX 78701-1495

RE: Oak State Unit Amendment of Pooling Agreement  
Reeves County, TX M-117024 & 117112

Dear Ms. McCauley,

Please find enclosed 2 original copies of the following document which has been executed by Apache Corporation -

Amendment of Pooling Agreement – Oak State Unit – GLO Unit No. 8453

Please have the GLO execute both copies and return one fully executed copy back to us. Should you have any questions, please contact me at the number listed below. Thank you.

Regards,

Apache Corporation

Pat Cain  
Sr Land Tech  
PH: 210-678-3924

(16)

File No. M-117024

Ltr. From Apache County

Date Filed: 1/25/19

George P. Bush, Commissioner

By [Signature]

15270



## MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

---

**TIME SENSITIVE: Action Required by: (February 1, 2018)**

**DATE:** January 25, 2018  
**TO:** Commissioner Bush  
**FROM:** J. Daryl Morgan  
**SUBJECT:** Amendment of Pooling Agreement for signature

.....

**SUMMARY:** Attached for your approval and signature are duplicate originals of an Amendment of Pooling Agreement for a Unit that was approved by the School Land Board on May 16, 2017.

**DETAILS:** The Amendment is to correct an error in the legal description by amending exhibits "B" and "C" to the Pooling Agreement. This agreement complies with existing GLO rules and policies and has been reviewed and approved by Energy Resources staff and the Legal Services Division. Chapter 52, Subchapter E of the Texas Natural Resources Code gives authority to the Commissioner to execute agreements that provide for operating areas as a unit for the exploration, development and production of oil or gas or both.

| Document Name                                                            | Recipient          |
|--------------------------------------------------------------------------|--------------------|
| Amendment of Pooling Agreement<br>Oak State Unit<br>Reeves County, Texas | Apache Corporation |

**Recommendation:** Please sign and return to J. Daryl Morgan in Energy Resources (5-9106).

**Attachments:** Two Amendment Agreements

**Thru:** Ken Mills



File No. M-117024

Memo to Commissioner County

Date Filed: 1/31/18

George P. Bush, Commissioner

By \_\_\_\_\_



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

January 31, 2018

Ms. Pat Cain  
Apache Corporation  
17802 IH-10 West, Suite 300  
San Antonio, Texas 78257

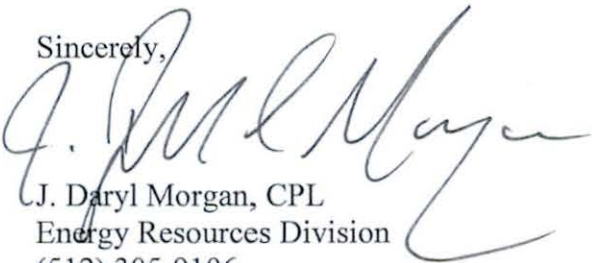
Re: Amendment of Pooling Agreement  
Oak State Unit  
GLO Unit No. 8453  
Reeves County, Texas

Dear Ms. Cain:

Enclosed is a duplicate original of the above referenced Amendment of Pooling Agreement that has been executed by George P. Bush, Commissioner of the Texas General Land Office ("GLO"). We have retained the other original of the Amendment Agreement for our files.

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

Sincerely,

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

Enclosure

File No. M- 117024

Ltr. to Apache County

Date Filed: 1/31/18

George P. Bush, Commissioner

By [Signature]

(18)



AMENDMENT OF POOLING AGREEMENT  
APACHE CORPORATION  
OAK STATE UNIT  
GLO UNIT NO. 8453  
REEVES COUNTY, TEXAS

WHEREAS, on May 16, 2017, the School Land Board of the State of Texas approved the Oak State Unit ("Unit") in Reeves County Texas, pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Apache Corporation and the Commissioner of the General Land Office of the State of Texas entered into that certain Pooling Agreement ("Agreement") to pool certain State lands into the Unit, which covers 1,058.68 acres in Reeves County, Texas, as more particularly described in said Agreement on file in the Archives and Records of the Texas General Land Office, Austin, Texas, in Mineral File No. M-117024 and recorded in Volume 1445, Page 439 in the Official Public Records of Reeves County, Texas; and

WHEREAS, Apache Corporation and the State agree to amend the Agreement to correct an error in the legal description of the Tracts included in the Unit.

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained in the Agreement, it is agreed that the Unit is amended by deleting Exhibits "B" and "C" to the Agreement in their entirety and substituting the attached Exhibit "B" as a description of the lands included in the amended Unit and the attached Exhibit "C" as a plat of the amended 1051.25-acre Unit.

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

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

IN WITNESS WHEREOF, the parties hereto have executed this Amendment of Pooling Agreement upon the respective dates indicated below but effective as of May 16, 2017.

Date Executed 1/30/18

Legal   
Content   
Leasing   
Executive 

STATE OF TEXAS

By:   
George P. Bush, Commissioner  
General Land Office

Date Executed \_\_\_\_\_

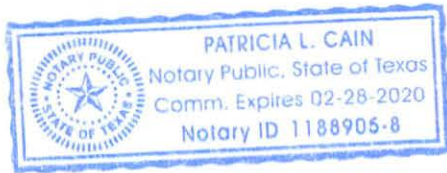
APACHE CORPORATION

By:   
Timothy K. Linscott, Attorney in Fact  
CSB  
4026

STATE OF TEXAS

COUNTY OF BEXAR

This instrument was acknowledged before me on JANUARY 24, 2018, by Timothy K. Linscott, as Attorney in Fact for Apache Corporation, a Delaware corporation on behalf of said corporation.



Patricia L. Cain  
Notary Public in and for the  
State of Texas

## **EXHIBIT "B"**

### **Oak State Unit**

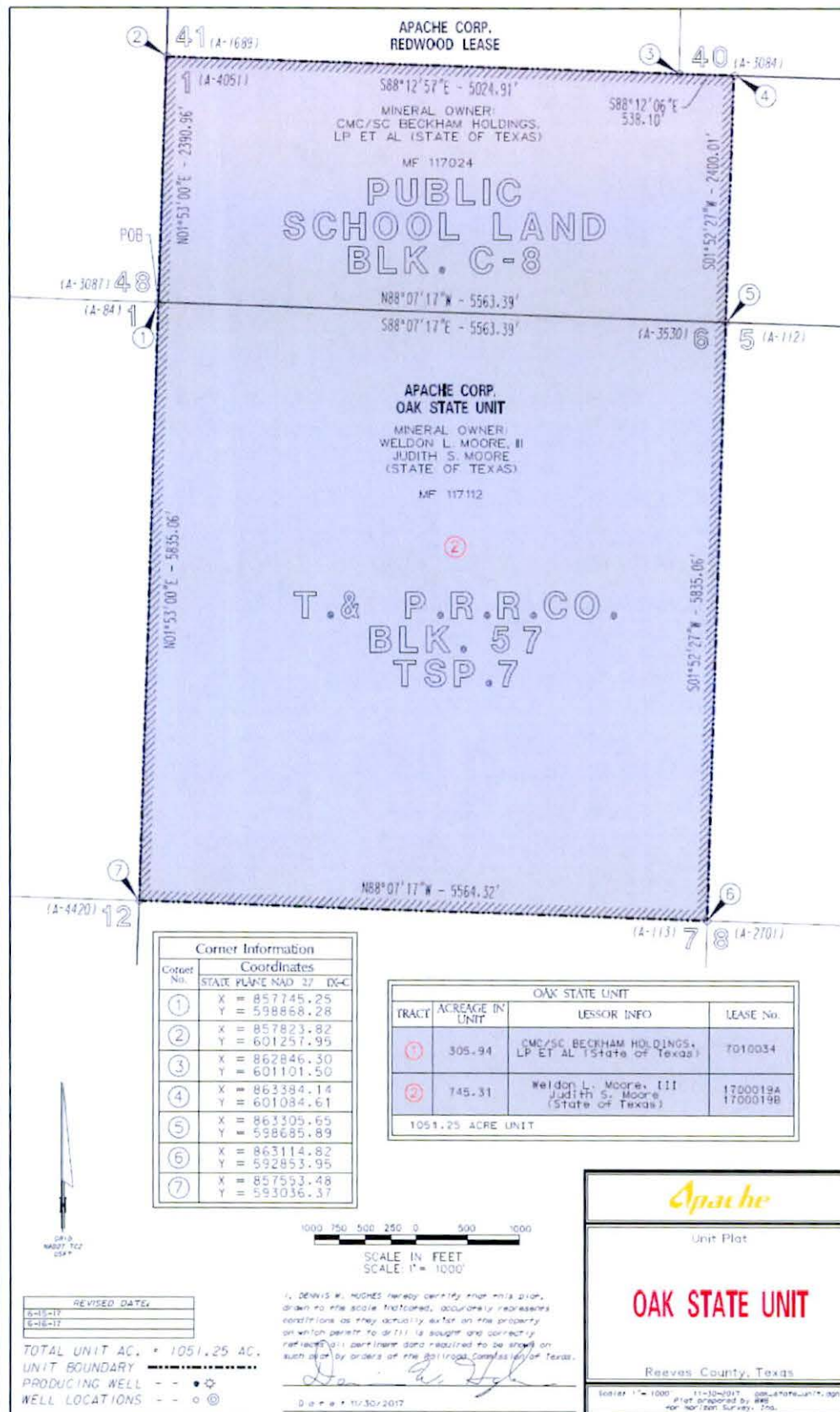
Western Part of Section 1, Block C-8, PSL Survey, being a total 305.94 acres, more or less,  
Reeves County, Texas

Section 6, Block 57, T7, T&P RR CO., being a total of 745.31 acres, more or less, Reeves  
County, Texas

| <b>Oak State Unit</b>    |                 |                           |
|--------------------------|-----------------|---------------------------|
| Tract                    | Acreage in Unit | Tract Info                |
| 1.                       | 305.94          | CMC/ SC Beckham (REL)     |
| 2.                       | 745.31          | Judith Moore, et al (REL) |
| <b>1051.25 Acre Unit</b> |                 |                           |



# EXHIBIT "C"



19

File No. M-117024

And of Oak, State V. F. County

Date Filed: 1/31/18

George P. Bush, Commissioner

By [Signature]

15270

**DO NOT DESTROY**



## Texas General Land Office

### UNIT AGREEMENT MEMO

UPA179499

Unit Number 8453  
Operator Name Apache Corporation Effective Date 05/16/2017  
Customer ID C000023272 Unitized For Oil And Gas  
Unit Name Oak State Unit Unit Term  
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date  
County 2 RRC District 2  
County 3 RRC District 3  
County 4 RRC District 4  
Unit type Permanent  
State Net Revenue Interest Oil 0.12500000  
State Part in Unit 1.00000000  
Unit Depth Specified Depths Well  
From Depth 7125 Formation Top of Bone Springs to Base of Woodford  
To Depth 14500 Participation Basis Surface Acreage  
If Exclusions Apply: See Remarks

| Lease Number | Tract No | Lease Acres in Unit | Total Unit Acres | Tract Participation | O/G | Lease Royalty | NRI of Lease in Unit | Royalty Rate Reduction Clause |
|--------------|----------|---------------------|------------------|---------------------|-----|---------------|----------------------|-------------------------------|
| MF117024     | 1        | 305.940000          | 1,051.250000     | 0.29102497          | O/G | 0.12500000    | 0.03637812           |                               |
| MF117112     | 2        | 745.310000          | 1,051.250000     | 0.70897503          | O/G | 0.12500000    | 0.08862188           |                               |

API Number

4238935867

Remarks:

Updated unit acreage per updated survey plat.

Prepared By:

Prepared Date:

GLO Base Updated By:

GLO Base Date:

RAM Approval By:

RAM Approval Date:

GIS By:

GIS Date:

Well Inventory By:

WI Date:



# Pooling Committee Report

To: School Land Board

UPA179499

Date of Board Meeting: 05/16/2017

Unit Number: 8453

Effective Date: 05/16/2017

Unit Expiration Date:

Applicant: Apache Corporation

Attorney Rep:

Operator: Apache Corporation,

Unit Name: Oak State Unit

Field Name:

County: Reeves

| <u>Lease Type</u> | <u>Lease Number</u> | <u>Lease Royalty</u> | <u>Expiration Date</u> | <u>Lease Term</u> | <u>Lease Acres</u> | <u>Lease Acres In Unit</u> | <u>Royalty Participation</u> |
|-------------------|---------------------|----------------------|------------------------|-------------------|--------------------|----------------------------|------------------------------|
| RAL               | MF117024            | 0.12500000           | 08/29/2017             | 3 years           | 2,049.000000       | 305.940000                 | 0.03637812                   |
| RAL               | MF117112            | 0.12500000           | 10/25/2019             | 5 years           | 718.000000         | 745.310000                 | 0.08862188                   |

|                   |             |
|-------------------|-------------|
| Private Acres:    | 0.000000    |
| State Acres:      | 1051.250000 |
| Total Unit Acres: | 1051.250000 |

|                                    |                 |
|------------------------------------|-----------------|
| <u>Participation Basis:</u>        | Surface Acreage |
| Surface Acreage                    |                 |
| <u>State Acreage:</u>              | 100.00%         |
| <u>State Net Revenue Interest:</u> | 12.50%          |

Unit Type:      Unitized for:

Permanent      Oil And Gas

Term:

RRC Rules:      Spacing Acres:

Yes      240 acres for a 7,500 foot lateral (FTP to LTP).

20

File No. M-117024

Revised Va. F. Agrmt. Memo County

Date Filed: 2/9/18

George P. Bush, Commissioner

By [Signature]

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                             |                                                                                                                                                                                                                             |                        |                      |      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------|------|
| PERMIT NUMBER<br><div align="center">825160</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | DATE PERMIT ISSUED OR AMENDED<br>(AMENDED) Jul 24, 2017     | DISTRICT<br><div align="center">* 08</div>                                                                                                                                                                                  |                        |                      |      |
| API NUMBER<br><div align="center">42-389-35867</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | FORM W-1 RECEIVED<br><div align="center">Jul 21, 2017</div> | COUNTY<br><div align="center">REEVES</div>                                                                                                                                                                                  |                        |                      |      |
| TYPE OF OPERATION<br><div align="center">NEW DRILL</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | WELLBORE PROFILE(S)<br><div align="center">Horizontal</div> | ACRES<br><div align="center">1058.68</div>                                                                                                                                                                                  |                        |                      |      |
| OPERATOR<br><div align="center">                     APACHE CORPORATION<br/>                     ATTN REGULATORY STE 3000<br/>                     303 VETERANS AIRPARK LN<br/>                     MIDLAND, TX 79705-0000                 </div>                                                                                                                                                                                                                                                                                       |                                                             | NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br><b>District Office Telephone No:</b><br><div align="center">(432) 684-5581</div> |                        |                      |      |
| LEASE NAME<br><div align="center">OAK STATE UNIT</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                             | WELL NUMBER<br><div align="center">101CH</div>                                                                                                                                                                              |                        |                      |      |
| LOCATION<br><div align="center">12.1 miles SW direction from TOYAH</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                             | TOTAL DEPTH<br><div align="center">16000</div>                                                                                                                                                                              |                        |                      |      |
| Section, Block and/or Survey<br>SECTION ◀ 1                      BLOCK ◀ C8                      ABSTRACT ◀ 4051<br>SURVEY ◀ PSL/SMITH, I E                                                                                                                                                                                                                                                                                                                                                                                             |                                                             |                                                                                                                                                                                                                             |                        |                      |      |
| DISTANCE TO SURVEY LINES<br><div align="center">250 ft. NORTH    400 ft. WEST</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                             | DISTANCE TO NEAREST LEASE LINE<br><div align="center">100 ft.</div>                                                                                                                                                         |                        |                      |      |
| DISTANCE TO LEASE LINES<br><div align="center">250 ft. NORTH    400 ft. WEST</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                             | DISTANCE TO NEAREST WELL ON LEASE<br><div align="center">See FIELD(s) Below</div>                                                                                                                                           |                        |                      |      |
| FIELD(s) and LIMITATIONS:<br><div align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</div>                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                             |                                                                                                                                                                                                                             |                        |                      |      |
| FIELD NAME<br>LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                             | ACRES<br>NEAREST LEASE                                                                                                                                                                                                      | DEPTH<br>NEAREST LEASE | WELL #<br>NEAREST WE | DIST |
| ALPINE HIGH (CONS)<br>OAK STATE UNIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                             | 1058.68<br>100                                                                                                                                                                                                              | 16,000<br>0            | 101CH<br>0           | 08   |
| WELLBORE PROFILE(s) FOR FIELD: Horizontal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                             |                                                                                                                                                                                                                             |                        |                      |      |
| RESTRICTIONS:    Lateral: TH1<br>Penetration Point Location<br>Lease Lines:        100.0 F NORTH L<br>400.0 F WEST L<br>Terminus Location<br>BH County: REEVES<br>Section: 6                      Block: 57 T7S                      Abstract: 3530<br>Survey: T&P RR CO/BROOKS, J C<br>Lease Lines:                150.0 F SOUTH L<br>400.0 F WEST L<br>Survey Lines:              150.0 F SOUTH L<br>400.0 F WEST L                                                                                                                   |                                                             |                                                                                                                                                                                                                             |                        |                      |      |
| THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS<br>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. |                                                             |                                                                                                                                                                                                                             |                        |                      |      |



**RAILROAD COMMISSION OF TEXAS**  
**OIL & GAS DIVISION**

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

|                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERMIT NUMBER<br>825160                                                                                                                                                                                                                                                               | DATE PERMIT ISSUED OR AMENDED<br>(AMENDED) Jul 24, 2017 | DISTRICT<br>* 08                                                                                                                                                                                                |
| API NUMBER<br>42-389-35867                                                                                                                                                                                                                                                            | FORM W-1 RECEIVED<br>Jul 21, 2017                       | COUNTY<br>REEVES                                                                                                                                                                                                |
| TYPE OF OPERATION<br>NEW DRILL                                                                                                                                                                                                                                                        | WELLBORE PROFILE(S)<br>Horizontal                       | ACRES<br>1058.68                                                                                                                                                                                                |
| OPERATOR<br>APACHE CORPORATION<br>ATTN REGULATORY STE 3000<br>303 VETERANS AIRPARK LN<br>MIDLAND, TX 79705-0000                                                                                                                                                                       |                                                         | 027200<br><br>NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br><b>District Office Telephone No:</b><br>(432) 684-5581 |
| LEASE NAME<br>OAK STATE UNIT                                                                                                                                                                                                                                                          |                                                         | WELL NUMBER<br>101CH                                                                                                                                                                                            |
| LOCATION<br>12.1 miles SW direction from TOYAH                                                                                                                                                                                                                                        |                                                         | TOTAL DEPTH<br>16000                                                                                                                                                                                            |
| Section, Block and/or Survey<br>SECTION ◀ 1                      BLOCK ◀ C8                      ABSTRACT ◀ 4051<br>SURVEY ◀ PSL/SMITH, I E                                                                                                                                           |                                                         |                                                                                                                                                                                                                 |
| DISTANCE TO SURVEY LINES<br>250 ft. NORTH    400 ft. WEST                                                                                                                                                                                                                             |                                                         | DISTANCE TO NEAREST LEASE LINE<br>100 ft.                                                                                                                                                                       |
| DISTANCE TO LEASE LINES<br>250 ft. NORTH    400 ft. WEST                                                                                                                                                                                                                              |                                                         | DISTANCE TO NEAREST WELL ON LEASE<br>See FIELD(s) Below                                                                                                                                                         |
| FIELD(s) and LIMITATIONS:<br><p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>                                                                                                                                                                                      |                                                         |                                                                                                                                                                                                                 |
| FIELD NAME<br>LEASE NAME                                                                                                                                                                                                                                                              | ACRES<br>NEAREST LEASE                                  | DEPTH<br>NEAREST WE                                                                                                                                                                                             |
| WELL #<br>NEAREST WE                                                                                                                                                                                                                                                                  |                                                         |                                                                                                                                                                                                                 |
| DIST                                                                                                                                                                                                                                                                                  |                                                         |                                                                                                                                                                                                                 |
| This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with<br>corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are<br>drilling the well in. |                                                         |                                                                                                                                                                                                                 |

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

**REEVES (389) County**

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

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



## Railroad Commission of Texas

### PERMIT TO DRILL, RE-COMPLETE, OR RE-ENTER ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

---

#### CONDITIONS AND INSTRUCTIONS

**Permit Invalidation.** It is the operator's responsibility to make sure that the permitted location complies with Commission density and spacing rules in effect on the spud date. The permit becomes invalid automatically if, because of a field rule change or the drilling of another well, the stated location is not in compliance with Commission field rules on the spud date. If this occurs, application for an exception to Statewide Rules 37 and 38 must be made and a special permit granted prior to spudding. Failure to do so may result in an allowable not being assigned and/or enforcement procedures being initiated.

**Notice Requirements.** Per H.B 630, signed May 8, 2007, the operator is required to provide notice to the surface owner no later than the 15th business day after the Commission issues a permit to drill. Please refer to subchapter Q Sec. 91.751-91.755 of the Texas Natural Resources Code for applicability.

**Permit expiration.** This permit expires two (2) years from the date of issuance shown on the original permit. The permit period will not be extended.

**Drilling Permit Number.** The drilling permit number shown on the permit **MUST** be given as a reference with any notification to the district (see below), correspondence, or application concerning this permit.

**Rule 37 Exception Permits.** This Statewide Rule 37 exception permit is granted under either provision Rule 37 (h)(2)(A) or 37(h)(2)(B). Be advised that a permit granted under Rule 37(h)(2)(A), notice of application, is subject to the General Rules of Practice and Procedures and if a protest is received under Section 1.3, "Filing of Documents," and/or Section 1.4, "Computation of Time," the permit may be deemed invalid.

#### Before Drilling

**Fresh Water Sand Protection.** The operator must set and cement sufficient surface casing to protect all usable-quality water, as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GWAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas stating the depth to which water needs protection. Write: Railroad Commission of Texas, Groundwater Advisory Unit (GWAU), P.O. Box 12967, Austin, TX 78711-3087. File a copy of the letter with the appropriate district office.

**Accessing the Well Site.** If an OPERATOR, well equipment TRANSPORTER or WELL service provider must access the well site from a roadway on the state highway system (Interstate, U.S. Highway, State Highway, Farm-to-Market Road, Ranch-to-Market Road, etc.), an access permit is required from TxDOT. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

**Water Transport to Well Site.** If an operator intends to transport water to the well site through a temporary pipeline laid above ground on the state's right-of-way, an additional TxDOT permit is required. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

---

#### \*NOTIFICATION

---

The operator is **REQUIRED** to notify the district office when setting surface casing, intermediate casing, and production casing, or when plugging a dry hole. The district office **MUST** also be notified if the operator intends to re-enter a plugged well or re-complete a well into a different regulatory field. Time requirements are given below. The drilling permit number **MUST** be given with such notifications.

#### During Drilling

**Permit at Drilling Site.** A copy of the Form W-1 Drilling Permit Application, the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout drilling operations.

**\*Notification of Setting Casing.** The operator **MUST** call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification **MUST** be able to advise the district office of the drilling permit number.



**\*Notification of Re-completion/Re-entry.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the initiation of drilling or re-completion operations. The individual giving notification MUST be able to advise the district office of the drilling permit number.

### Completion and Plugging Reports

**Hydraulic Fracture Stimulation using Diesel Fuel:** Most operators in Texas do not use diesel fuel in hydraulic fracturing fluids. Section 322 of the Energy Policy Act of 2005 amended the Underground Injection Control (UIC) portion of the federal Safe Drinking Water Act (42 USC 300h(d)) to define "underground injection" to *EXCLUDE* "...the underground injection of fluids or propping agents (*other than diesel fuels*) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." (italic and underlining added.) Therefore, hydraulic fracturing may be subject to regulation under the federal UIC regulations if diesel fuel is injected or used as a propping agent. EPA defined "diesel fuel" using the following five (5) Chemical Abstract Service numbers: 68334-30-5 Primary Name: Fuels, diesel; 68476-34-6 Primary Name: Fuels, diesel, No. 2; 68476-30-2 Primary Name: Fuel oil No. 2; 68476-31-3 Primary Name: Fuel oil, No. 4; and 8008-20-6 Primary Name: Kerosene. As a result, an injection well permit would be required before performing hydraulic fracture stimulation using diesel fuel as defined by EPA on any well in Texas. Hydraulic fracture stimulation using diesel fuel as defined by EPA on a well in Texas without an injection well permit could result in enforcement action.

**Producing Well.** Statewide Rule 16 states that the operator of a well shall file with the Commission the appropriate completion report within thirty (30) days after completion of the well or within ninety (90) days after the date on which the drilling operation is completed, whichever is earlier. Completion of the well in a field authorized by this permit voids the permit for all other fields included in the permit unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date on the existing permit. Statewide Rule 40(d) requires that upon successful completion of a well in the same reservoir as any other well previously assigned the same acreage, proration plats and P-15s (if required) must be submitted with no double assignment of acreage.

**Dry or Noncommercial Hole.** Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or non-commercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one-year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).

**Intention to Plug.** The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

**\*Notification of Plugging a Dry Hole.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of four (4) hours prior to beginning plugging operations. The individual giving the notification MUST be able to advise the district office of the drilling permit number and all water protection depths for that location as stated in the Texas Commission on Environmental Quality letter.

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

PHONE  
(512) 463-6751

MAIL:  
PO Box 12967  
Austin, Texas, 78711-2967



|                                                                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------------------------------|--|
| API No. <u>42-389-35867</u><br>Drilling Permit # <u>825160</u><br>SWR Exception Case/Docket No. _____                                                                                                                                                                                                                                                                       |                        | <b>RAILROAD COMMISSION OF TEXAS</b><br><b>OIL &amp; GAS DIVISION</b><br><b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b><br><i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i><br><i>A certification of the automated data is available in the RRC's Austin office.</i> |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       | <b>FORM W-1</b> 07/2004<br>Permit Status: <b>Approved</b>                               |  |
| 1. RRC Operator No. <u>027200</u>                                                                                                                                                                                                                                                                                                                                           |                        | 2. Operator's Name (as shown on form P-5, Organization Report)<br><b>APACHE CORPORATION</b>                                                                                                                                                                                                                                |                          | 3. Operator Address (include street, city, state, zip):<br><b>ATTN REGULATORY STE 3000<br/>303 VETERANS AIRPARK LN<br/>MIDLAND, TX 79705-0000</b>                                                                                                                                                                                                                                                                                                                                                          |                                                       |                                                                                         |  |
| 4. Lease Name<br><b>OAK STATE UNIT</b>                                                                                                                                                                                                                                                                                                                                      |                        |                                                                                                                                                                                                                                                                                                                            | 5. Well No. <u>101CH</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| <b>GENERAL INFORMATION</b>                                                                                                                                                                                                                                                                                                                                                  |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| 6. Purpose of filing (mark ALL appropriate boxes):<br><input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter<br><input checked="" type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| 7. Wellbore Profile (mark ALL appropriate boxes):<br><input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack                                                                                                                   |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| 8. Total Depth<br><u>16000</u>                                                                                                                                                                                                                                                                                                                                              |                        | 9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                               |                          | 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                 |                                                       |                                                                                         |  |
| <b>SURFACE LOCATION AND ACREAGE INFORMATION</b>                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| 11. RRC District No. <u>08</u>                                                                                                                                                                                                                                                                                                                                              |                        | 12. County<br><b>REEVES</b>                                                                                                                                                                                                                                                                                                |                          | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore                                                                                                                                                                                                                                                                                                                              |                                                       |                                                                                         |  |
| 14. This well is to be located <u>12.1</u> miles in a <u>SW</u> direction from <u>TOYAH</u> which is the nearest town in the county of the well site.                                                                                                                                                                                                                       |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| 15. Section<br><u>1</u>                                                                                                                                                                                                                                                                                                                                                     | 16. Block<br><u>C8</u> | 17. Survey<br><b>PSL/SMITH, I E</b>                                                                                                                                                                                                                                                                                        |                          | 18. Abstract No.<br><u>A-4051</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 19. Distance to nearest lease line:<br><u>100</u> ft. | 20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1058.68</u> |  |
| 21. Lease Perpendiculars: <u>250</u> ft from the <u>NORTH</u> line and <u>400</u> ft from the <u>WEST</u> line.                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| 22. Survey Perpendiculars: <u>250</u> ft from the <u>NORTH</u> line and <u>400</u> ft from the <u>WEST</u> line.                                                                                                                                                                                                                                                            |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| 23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                              |                        | 24. Unitization Docket No:                                                                                                                                                                                                                                                                                                 |                          | 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                 |                                                       |                                                                                         |  |
| <b>FIELD INFORMATION</b> List all fields of anticipated completion including Wildcat. List one zone per line.                                                                                                                                                                                                                                                               |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| 26. RRC District No.                                                                                                                                                                                                                                                                                                                                                        | 27. Field No.          | 28. Field Name (exactly as shown in RRC records)                                                                                                                                                                                                                                                                           |                          | 29. Well Type                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 30. Completion Depth                                  | 31. Distance to Nearest Well in this Reservoir                                          |  |
| <u>08</u>                                                                                                                                                                                                                                                                                                                                                                   | <u>01942500</u>        | <u>ALPINE HIGH (CONS)</u>                                                                                                                                                                                                                                                                                                  |                          | <u>Oil or Gas Well</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>16000</u>                                          | <u>0.00</u>                                                                             |  |
|                                                                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| <b>BOTTOMHOLE LOCATION INFORMATION</b> is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)                                                                                                                                                                                                                            |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |
| <b>Remarks</b><br>[FILER Jul 21, 2017 9:38 AM]: EXPEDITED PERMIT - AREA WAS RESURVEYED. ACREAGE REVISED FROM 1016.53 ACRES. AMENDED SHL, PP, FTP, LTP, BHL PERPENDICULARS.                                                                                                                                                                                                  |                        |                                                                                                                                                                                                                                                                                                                            |                          | <b>Certificate:</b><br>I certify that information stated in this application is true and complete, to the best of my knowledge.<br><br><div style="display: flex; justify-content: space-between;"> <div> <u>Belinda Wolf, Regulatory Tech Sr</u><br/>           Name of filer<br/> <u>(210)6783960</u><br/>           Phone         </div> <div> <u>Jul 21, 2017</u><br/>           Date submitted<br/> <u>belinda.wolf@apachecorp.com</u><br/>           E-mail Address (OPTIONAL)         </div> </div> |                                                       |                                                                                         |  |
| <b>RRC Use Only</b> Data Validation Time Stamp: <u>Jul 24, 2017 11:07 AM( 'As Approved' Version )</u>                                                                                                                                                                                                                                                                       |                        |                                                                                                                                                                                                                                                                                                                            |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                         |  |

|                                                                                                                         |          |
|-------------------------------------------------------------------------------------------------------------------------|----------|
| Permit Status:                                                                                                          | Approved |
| <i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i> |          |

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

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

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

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

|                |              |
|----------------|--------------|
| Permit #       | 825160       |
| Approved Date: | Jul 24, 2017 |

|                                                                                                                                                                                                                                                                                                                                   |                                                                                              |                                    |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------|----------------------|
| 1. RRC Operator No.<br>027200                                                                                                                                                                                                                                                                                                     | 2. Operator's Name (exactly as shown on form P-5, Organization Report)<br>APACHE CORPORATION | 3. Lease Name<br>OAK STATE UNIT    | 4. Well No.<br>101CH |
| <b>Lateral Drainhole Location Information</b>                                                                                                                                                                                                                                                                                     |                                                                                              |                                    |                      |
| 5. Field as shown on Form W-1 ALPINE HIGH (CONS) (Field # 01942500, RRC District 08)                                                                                                                                                                                                                                              |                                                                                              |                                    |                      |
| 6. Section<br>6                                                                                                                                                                                                                                                                                                                   | 7. Block<br>57 T7S                                                                           | 8. Survey<br>T&P RR CO/BROOKS, J C | 9. Abstract<br>3530  |
| 10. County of BHL<br>REEVES                                                                                                                                                                                                                                                                                                       |                                                                                              |                                    |                      |
| 11. Terminus Lease Line Perpendiculars<br>150 ft. from the SOUTH line. and 400 ft. from the WEST line<br>12. Terminus Survey Line Perpendiculars<br>150 ft. from the SOUTH line. and 400 ft. from the WEST line<br>13. Penetration Point Lease Line Perpendiculars<br>100 ft. from the NORTH line. and 400 ft. from the WEST line |                                                                                              |                                    |                      |



## GROUNDWATER PROTECTION DETERMINATION

Form GW-2



## Groundwater Advisory Unit

**Date Issued:** 10 April 2017**GAU Number:** 170240**Attention:** APACHE CORPORATION  
ATTN ELAINE RUEDA  
HOUSTON, TX 77056**API Number:**  
**County:** REEVES  
**Lease Name:** Oak State Unit**Operator No.:** 027200**Lease Number:**  
**Well Number:** 101H  
**Total Vertical Depth:** 16000  
**Latitude:** 31.267594  
**Longitude:** -103.989544  
**Datum:** NAD27**Purpose:** New Drill**Location:** Survey-PSL; Abstract-4051; Block-C8; Section-1

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

The interval from the land surface to a depth of 1025 feet, and the Rustler, the top of which is estimated to occur from 1250 to 1300 feet depth and the base of which is estimated to occur from 1700 to 1750 feet depth by reconnaissance-level evaluation, must be protected.

This recommendation is applicable to all wells within a radius of 1200 feet of this location.

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

This determination is based on information provided when the application was submitted on 04/10/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov  
Rev. 02/2014

Y=601258.59'  
X=857803.36'

APACHE CORP.  
REDWOOD LEASE

Y=601101.50'  
X=862846.30'  
(A-1689) 41 \ 40 (A-3084)

(PP) 400'  
(FTP) 400'  
(SURF) 400'

Y=601084.30'  
X=863392.79'

APACHE CORP.  
DOGWOOD STATE  
LEASE

MINERAL OWNER:  
CMC/SC BECKHAM HOLDINGS.  
LP ET AL (STATE OF TEXAS)

PUBLIC  
SCHOOL LAND  
BLK. C-8

(A-3087) 48 1 (A-4051)

Y=598685.45'  
X=863314.28'

(A-84) 1  
Y=598868.70'  
X=857729.29'

(A-3530) 6 5 (A-112)

APACHE CORP.  
OAK STATE UNIT

MINERAL OWNER:  
WELDON L. MOORE, III  
JUDITH S. MOORE  
(STATE OF TEXAS)

T. & P. R. R. CO.  
BLK. 57  
TSP. 7



(LTP) 400'  
(BHL) 400'

Y=592826.37'  
X=863122.54'

(A-4420) 12  
Y=593009.21'  
X=857549.13'

(A-113) 7 8 (A-2701)

NEW DRILL  
LOCATION WELL NO. 101CH  
250' FNL x 400' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 858195.44'; Y= 600996.25'  
Lat.= 31°16'03.34"; Long.= -103°59'18.98"  
Lat.= 31.2675950°; Long.= -103.9886062°  
Ground Elevation: 3240.6'  
Approx. 12.1 miles Southwest of Toyah, TX

PENETRATION POINT WELL NO. 101CH  
100' FNL x 400' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 858200.06'; Y= 601146.18'  
Lat.= 31°16'04.83"; Long.= -103°59'18.99"  
Lat.= 31.2680074°; Long.= -103.9886072°

FIRST TAKE POINT WELL NO. 101CH  
100' FNL x 400' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 858200.06'; Y= 601146.18'  
Lat.= 31°16'04.83"; Long.= -103°59'18.99"  
Lat.= 31.2680074°; Long.= -103.9886072°

LAST TAKE POINT WELL NO. 101CH  
200' FSL x 400' FWL Section 6, Blk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 857955.07'; Y= 593196.00'  
Lat.= 31°14'46.10"; Long.= -103°59'18.80"  
Lat.= 31.2461383°; Long.= -103.9885549°

BOTTOMHOLE WELL NO. 101CH  
150' FSL x 400' FWL Section 6, Blk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 857953.53'; Y= 593146.02'  
Lat.= 31°14'46.60"; Long.= -103°59'18.80"  
Lat.= 31.2460008°; Long.= -103.9885546°



1000 750 500 250 0 500 1000

SCALE IN FEET  
SCALE: 1" = 1000'

SURFACE TO PENETRATION POINT -  
GRID BEARING N01°45'54"E -- 150'  
PENETRATION POINT TO FIRST TAKE POINT -  
GRID BEARING N01°45'54"E -- 0'  
FIRST TAKE POINT AND LAST TAKE POINT -  
GRID BEARING S01°45'54"W -- 7954'  
LAST TAKE POINT TO BOTTOMHOLE -  
GRID BEARING S01°45'54"W -- 50'

I, DENNIS W. HUGHES hereby certify that this plat,  
drawn to the scale indicated, accurately represents  
conditions as they actually exist on the property  
on which permit to drill is sought and correctly  
reflects all pertinent data required to be shown on  
such plat by orders of the Railroad Commission of Texas.

Dated 7/21/2017

REVISED DATE:

6-15-17  
6-16-17

TOTAL UNIT AC. = 1058.68 AC.  
UNIT BOUNDARY - - - - -  
PRODUCING WELL - - - - -  
WELL LOCATIONS - - - - -

Apache

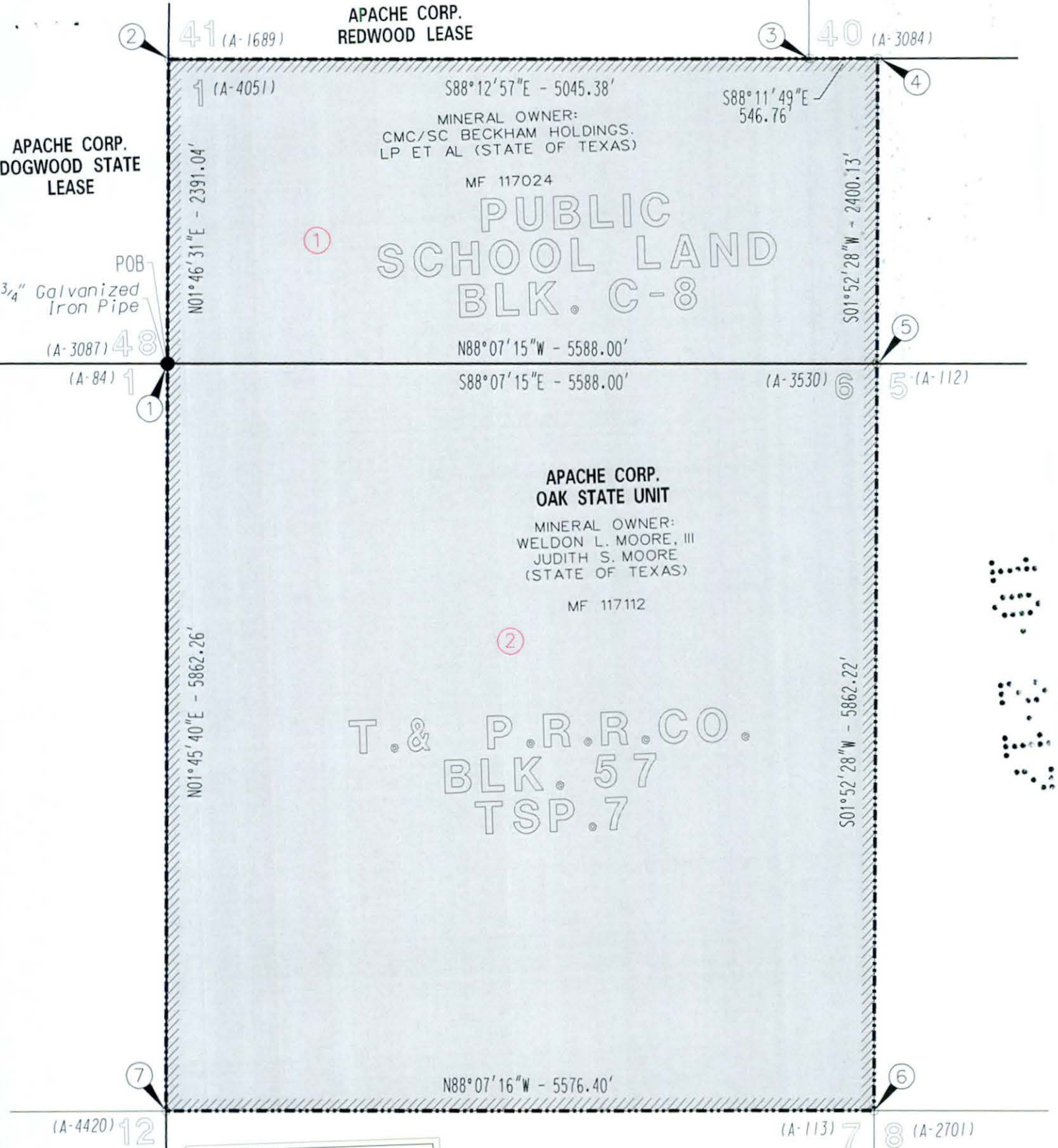
Unit Plat

OAK STATE UNIT  
No. 101CH

Reeves County, Texas

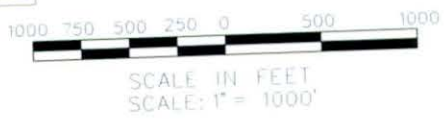
Scale: 1" = 1000' 7-21-2017 oak\_state\_unit.dgn  
Plat prepared by MLL  
for Harrison Survey, Inc.





| Corner Information |                         |               |  |
|--------------------|-------------------------|---------------|--|
| Corner No.         | Coordinates             |               |  |
|                    | STATE PLANE NAD 27 TX-C |               |  |
| 1                  | X = 857729.29           | Y = 598868.70 |  |
| 2                  | X = 857803.36           | Y = 601258.59 |  |
| 3                  | X = 862846.30           | Y = 601101.50 |  |
| 4                  | X = 863392.79           | Y = 601084.30 |  |
| 5                  | X = 863314.28           | Y = 598685.45 |  |
| 6                  | X = 863122.54           | Y = 592826.37 |  |
| 7                  | X = 857549.13           | Y = 593009.21 |  |

| OAK STATE UNIT    |                 |                                                             |                      |
|-------------------|-----------------|-------------------------------------------------------------|----------------------|
| TRACT             | ACREAGE IN UNIT | LESSOR INFO                                                 | LEASE No.            |
| 1                 | 307.44          | CMC/SC BECKHAM HOLDINGS, LP ET AL (State of Texas)          | 7010034              |
| 2                 | 751.24          | Weldon L. Moore, III<br>Judith S. Moore<br>(State of Texas) | 1700019A<br>1700019B |
| 1058.68 ACRE UNIT |                 |                                                             |                      |



REVISED DATE:

6-15-17

TOTAL LEASE AC. = 1058.68 AC.  
UNIT BOUNDARY - - - - -  
PRODUCING WELL - - - - -  
WELL LOCATIONS - - - - -

I, DENNIS W. HUGHES hereby certify that this plat, drawn to the scale indicated, accurately represents conditions as they actually exist on the property on which permit to drill is sought and correctly reflects all pertinent data required to be shown on such plat by orders of the Railroad Commission of Texas.

*Dennis W. Hughes*

Date: 6/16/2017

Unit Plat

OAK STATE UNIT

Reeves County, Texas

Scale: 1" = 1000 6-16-2017 oak-state-unit.dgn  
Plat prepared by M&J  
for Horizon Survey, Inc.



719 01

21.

File No. ME117024

Reeves County

Drilling Permit API 389-35867 Unit 8453

Date Filed: 02/13/2018

By George P. Bush, Commissioner  
JPB

MF117024 + MF117112  
OIL AND GAS DIVISION ORDER

Unit 8453  
Date: 12/21/2017

TO: APACHE CORPORATION ("Payor")  
ONE POST OAK CENTRAL  
2000 POST OAK  
BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400

01829201/00001.1  
OAK STATE UNIT 101AH

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and for gross production, severance or other similar taxes on production or the proceeds thereof, as allowed by applicable law.

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

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

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

**NOTICES:** The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

**FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.**

**NOTE:** (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.

\_\_\_\_\_  
WITNESS NAME

\_\_\_\_\_  
SIGNATURE OF INTEREST OWNER

\_\_\_\_\_  
WITNESS NAME

\_\_\_\_\_  
SOCIAL SECURITY OR TAX ID NUMBER

STATE OF TEXAS

\_\_\_\_\_  
4326844404

COMMISSIONER OF THE GENERAL LAND OFFICE  
0085439001

\_\_\_\_\_  
OWNER TELEPHONE NUMBER

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701

\_\_\_\_\_  
OWNER EMAIL ID

THIS COPY FOR YOUR FILE

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 12/21/2017

Property: 01829201/00001 OAK STATE UNIT 101AH  
State: TEXAS County/Parish: REEVES

Venture Number: 031800

| OWNER      |                | INTEREST TYPE           | EXC | INTEREST   | EFF DATE |
|------------|----------------|-------------------------|-----|------------|----------|
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 01  | 0.03637812 | 2/1/2017 |
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 02  | 0.08862188 | 2/1/2017 |

Legal Description:

TX REEVES PUBLIC SCHOOL LAND ABST/ID# 4051 Blk C8 Sec 1







TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

February 16, 2018

Barbara Reiff  
Division Order Analyst  
Apache Corporation  
One Post Oak Central  
2000 Post Oak Boulevard, Suite 100  
Houston, Texas 77056

Re: State Lease Nos. MF117024 and MF117112 Oak State Unit

Dear Mrs. Reiff:

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

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

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

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

Thank you,

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

File No. MF117024

\_\_\_\_ County

## Division Order

Date Filed: 2-20-18

George P. Bush, Commissioner

By V.H.

## Daryl Morgan

---

**From:** Cain, Pat <Pat.Cain@apachecorp.com>  
**Sent:** Friday, February 23, 2018 9:27 AM  
**To:** Daryl Morgan  
**Cc:** Bradley, Chase  
**Subject:** First Amendment to Designation of Pooled Unit-Oak State Unit  
**Attachments:** Oak State DPU Amendment-Recorded.pdf

Good Morning,

Please find attached for your records, a Recorded copy of the First Amendment to Designation of Pooled Unit – Oak State Unit. If you have any questions, or require a hard copy sent thru the mail, please contact me. Thank you.

### **PAT CAIN**

SENIOR LAND TECH

Unconventional Resources

office 210-678-3924 | cell 361-510-3008

[pat.cain@apachecorp.com](mailto:pat.cain@apachecorp.com)

APACHE CORPORATION

17802 IH 10 West

Suite 300

San Antonio, Texas 78256



(23)

File No. M-117024

E-Mail From Apache County

Date Filed: 2/23/18

George P. Bush, Commissioner

By [Signature]

**FIRST AMENDMENT TO  
DESIGNATION OF POOLED UNIT  
OAK STATE UNIT**

THE STATE OF TEXAS       §  
                                     §       KNOW ALL MEN BY THESE PRESENTS: THAT,  
COUNTY OF REEVES       §

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**WHEREAS**, the undersigned filed that certain Designation of Pooled Unit for the Oak State Unit dated effective May 16, 2017, recorded of-record as Document Number 17-15052 in the real property records of Reeves County, Texas (the "DPU") and the DPU is incorporated herein for all purposes.

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**WHEREAS**, the total unit acreage denoted on the DPU and as shown on the Exhibit "B" was inadvertently labeled incorrectly, and the undersigned wishes to amend and correct the Oak State Unit acreage total on said DPU as shown on Exhibit "B" attached hereto.

**NOW, THEREFORE**, Apache Corporation, acting in accordance with the provisions of the DPU, does hereby amend the DPU as follows:

The DPU, is hereby amended by deleting Exhibit "B" thereof and replacing it with Exhibit "B" attached hereto. In all respects, the Exhibit "B" attached to this instrument supersedes and replaces the original Exhibit "B". In all other respects, the DPU remains in full force and effect as amended hereby.

P  
G

**EXECUTED** by the undersigned on the date of acknowledgment hereof, to be effective for all purposes as of the date first above written.

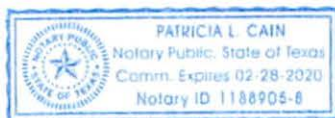
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**Apache Corporation**

By: *Timothy K. Linscott*  
Timothy K. Linscott  
Attorney-In-Fact

STATE OF TEXAS       §  
COUNTY OF BEXAR   §

This instrument was acknowledged before me on the 24 day of January, 2018, by Timothy K. Linscott, Attorney-in-Fact for Apache Corporation.



*Patricia L. Cain*  
Notary Public, State of Texas

1700019A-B  
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# EXHIBIT "B"

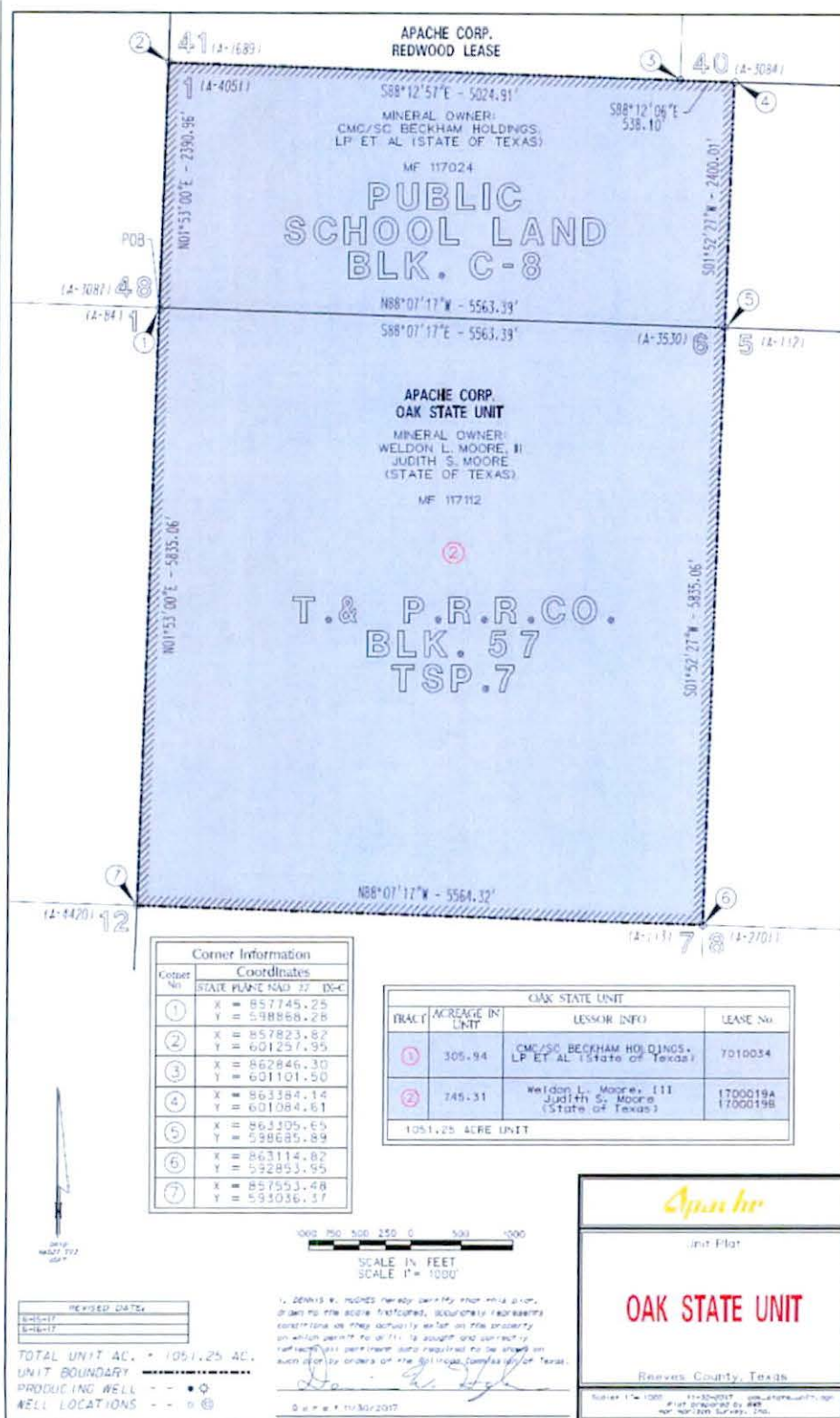
ATTACHED TO AND MADE A PART OF THAT CERTAIN  
FIRST AMENDMENT TO DESIGNATION OF POOLED UNIT  
OAK STATE UNIT

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Inst No. 18-01654  
DIANNE O. FLOREZ  
COUNTY CLERK  
2018 Jan 29 at 03:26 PM  
REEVES COUNTY, TEXAS  
By: MS Ubalda DEPUTY

(24)

File No. M-117024

Recorded And. of Pak State Desig. <sup>County</sup>

Date Filed: 2/23/18

George P. Bush, Commissioner

By [Signature]

## Daryl Morgan

---

**From:** Cain, Pat <Pat.Cain@apachecorp.com>  
**Sent:** Tuesday, March 06, 2018 2:55 PM  
**To:** Daryl Morgan  
**Cc:** Bradley, Chase  
**Subject:** Oak State Amendment of Pooling Agreement  
**Attachments:** Oak State Unit Amend Pooling Agmt-Recorded.pdf  
*M-117024*

Good Afternoon,

Please find attached for your records, a Recorded copy of the Amendment of Pooling Agreement – Oak State Unit, GLO Unit No. 8453. If you have any questions, or require a hard copy sent thru the mail, please contact me. Thank you.

### **PAT CAIN**

SENIOR LAND TECH

Unconventional Resources

office 210-678-3924 | cell 361-510-3008

[pat.cain@apachecorp.com](mailto:pat.cain@apachecorp.com)

APACHE CORPORATION

17802 IH 10 West

Suite 300

San Antonio, Texas 78256



25

File No. M-117024

County

E-Mail From Apache

Date Filed: 3/6/18

George P. Bush, Commissioner

By [Signature]

18-02414  
FILED FOR RECORD  
REEVES COUNTY, TEXAS  
Feb 08, 2018 at 01:07:00 PM

AMENDMENT OF POOLING AGREEMENT  
APACHE CORPORATION  
OAK STATE UNIT  
GLO UNIT NO. 8453  
REEVES COUNTY, TEXAS

WHEREAS, on May 16, 2017, the School Land Board of the State of Texas approved the Oak State Unit ("Unit") in Reeves County Texas, pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Apache Corporation and the Commissioner of the General Land Office of the State of Texas entered into that certain Pooling Agreement ("Agreement") to pool certain State lands into the Unit, which covers 1,058.68 acres in Reeves County, Texas, as more particularly described in said Agreement on file in the Archives and Records of the Texas General Land Office, Austin, Texas, in Mineral File No. M-117024 and recorded in Volume 1445, Page 439 in the Official Public Records of Reeves County, Texas; and

WHEREAS, Apache Corporation and the State agree to amend the Agreement to correct an error in the legal description of the Tracts included in the Unit.

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained in the Agreement, it is agreed that the Unit is amended by deleting Exhibits "B" and "C" to the Agreement in their entirety and substituting the attached Exhibit "B" as a description of the lands included in the amended Unit and the attached Exhibit "C" as a part of the amended 1051.25-acre Unit.

Nothing in this Amendment, nor the approval of this Amendment by the School Land Board, nor the execution of this Amendment by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; or (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State. This Amendment of Pooling Agreement may be executed in counterparts and, if so executed, shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Amendment of Pooling Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Amendment of Pooling Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment of Pooling Agreement upon the respective dates indicated below but effective as of May 16, 2017.

Date Executed 1/30/18

Legal  
Content  
Leasing  
Executive

STATE OF TEXAS

By:   
George P. Bush, Commissioner  
General Land Office

APACHE CORPORATION

Date Executed January 24, 2018

By:   
Timothy K. Lamson, Attorney in Fact

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# 17000198

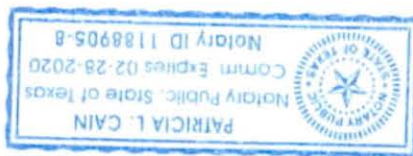
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STATE OF TEXAS

COUNTY OF Bexar

This instrument was acknowledged before me on JANUARY 24, 2018, by Timothy K. Linscott, as Attorney in Fact for Apache Corporation, a Delaware corporation on behalf of said corporation.



*Patricia L. Cain*  
Notary Public in and for the  
State of Texas

AVLO 1543 PG 047



## EXHIBIT "B"

### Oak State Unit

Western Part of Section 1, Block C-8, PSL Survey, being a total 305.94 acres, more or less,  
Reeves County, Texas

Section 6, Block 57, T7, T&P RR CO., being a total of 745.31 acres, more or less, Reeves  
County, Texas

| Oak State Unit    |                 |                           |
|-------------------|-----------------|---------------------------|
| Tract             | Acreage in Unit | Tract Info                |
| 1.                | 305.94          | CMC/ SC Beckham (REL.)    |
| 2.                | 745.31          | Judith Moore, et al (REL) |
| 1051.25 Acre Unit |                 |                           |

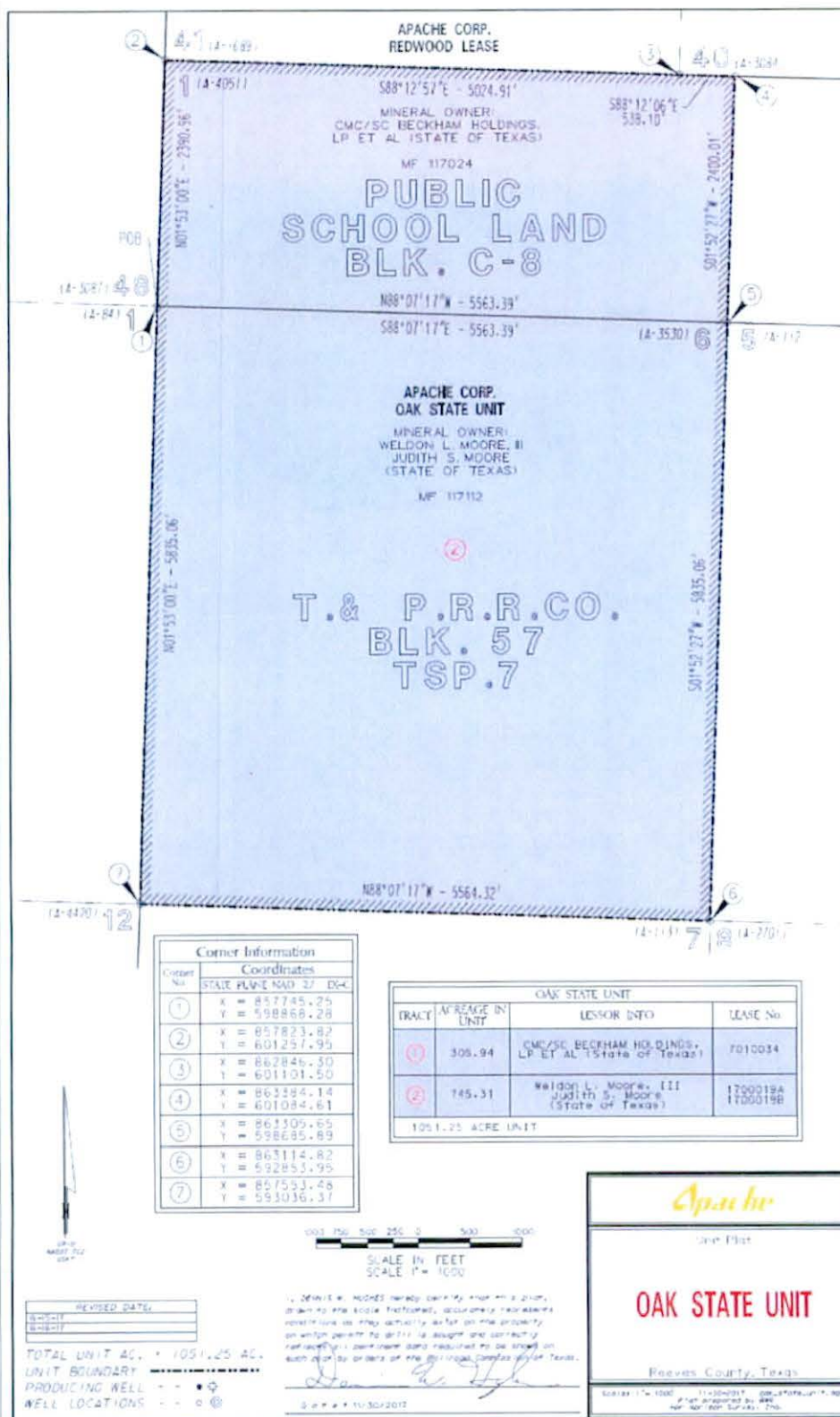
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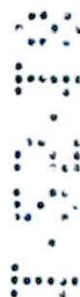
# EXHIBIT "C"



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Inst No. 18-02414  
DIANNE O. FLOREZ  
COUNTY CLERK  
2018 Feb 08 at 01:07 PM  
REEVES COUNTY, TEXAS  
By: MS M. Baldana DEPUTY



(26)

File No. M-117024

Recorded And - Oak State Unit County

Date Filed: 3/6/18

George P. Bush, Commissioner

By [Signature]

## Daryl Morgan

---

**From:** Daryl Morgan  
**Sent:** Monday, March 26, 2018 4:16 PM  
**To:** 'Alaniz, Dion'; G. Wade Caldwell (gcaldwell@beclaw.com)  
**Cc:** John L. Beckham (JLBeckham@sbcglobal.net)  
**Subject:** RE: Oak State Unit 102BH: Seeking One Week Extension on Spud Date

Dion,

As per our discussion and having reviewed your request below, the GLO is agreeable to the delay until April 30<sup>th</sup> to spud the second Oak State Unit well. I will place a copy of this E-mail in the mineral file evidencing approval by the General Land Office.

Daryl

J. Daryl Morgan, CPL  
Director of Minerals and Royalty  
Energy Resources  
(512) 305-9106  
daryl.morgan@glo.texas.gov

---

**From:** Alaniz, Dion [mailto:Dion.Alaniz@apachecorp.com]  
**Sent:** Monday, March 26, 2018 9:23 AM  
**To:** G. Wade Caldwell (gcaldwell@beclaw.com) <gcaldwell@beclaw.com>; Daryl Morgan <Daryl.Morgan@GLO.TEXAS.GOV>  
**Cc:** John L. Beckham (JLBeckham@sbcglobal.net) <JLBeckham@sbcglobal.net>  
**Subject:** Oak State Unit 102BH: Seeking One Week Extension on Spud Date

Wade & Daryl:

Thank you both for responding to my verbal inquiry last week regarding some trouble we are having with the spud deadline for the Oak State Unit 102BH. As per our pooling agreement with the GLO, and as per our pooling agreement with the CMC entities, Apache must spud a second Oak State Unit well by April 23, 2018. However, it looks like we are going to miss this deadline by a couple days. Usually, we deal with these kinds of issues by shuffling wells around on our various rig lines. However, this time the stars have aligned against us and we are unable to do so.

Based on my conversation last week with Daryl Morgan, the GLO appears amenable to granting Apache an extra week to spud this second Oak State Unit well. Similarly, based on a voice mail from Wade Caldwell, the CMC entities also appear willing to grant Apache the same latitude. I am hoping that you would be willing to confirm as much by responding to this email.

Daryl, can you confirm that the GLO grants Apache until April 30<sup>th</sup> to spud the second Oak State Unit well, and thereby maintain continuous development per the terms of the Oak State Unit pooling agreement between Apache and the GLO?

Wade, can you confirm that the CMC entities grant Apache until April 30<sup>th</sup> to spud the second Oak State Unit well, and thereby maintain continuous development per the terms of the Oak State Unit pooling agreement between Apache and the CMC entities?

Thanks much,

**DION ALANIZ**

SENIOR LANDMAN

*office* 210-678-3908 | *cell* 210-452-7957

APACHE CORPORATION

17802 IH 10 West

Suite 300

San Antonio, Texas 78256



## Daryl Morgan

---

**From:** Alaniz, Dion <Dion.Alaniz@apachecorp.com>  
**Sent:** Monday, March 26, 2018 3:42 PM  
**To:** G. Wade Caldwell; Daryl Morgan  
**Cc:** 'John L. Beckham (JLBeckham@sbcglobal.net)'  
**Subject:** RE: Oak State Unit 102BH: Seeking One Week Extension on Spud Date

Thanks much Wade.

**DION ALANIZ**  
SENIOR LANDMAN  
office 210-678-3908 | cell 210-452-7957  
**APACHE CORPORATION**  
17802 IH 10 West  
Suite 300  
San Antonio, Texas 78256

---

**From:** G. Wade Caldwell [mailto:gcaldwell@beclaw.com]  
**Sent:** Monday, March 26, 2018 3:38 PM  
**To:** Alaniz, Dion <Dion.Alaniz@apachecorp.com>; 'daryl.morgan@glo.texas.gov' <daryl.morgan@glo.texas.gov>  
**Cc:** 'John L. Beckham (JLBeckham@sbcglobal.net)' <JLBeckham@sbcglobal.net>  
**Subject:** RE: Oak State Unit 102BH: Seeking One Week Extension on Spud Date

Dion-

That is agreeable on behalf of the CMC Partnerships.

---

**From:** Alaniz, Dion [mailto:Dion.Alaniz@apachecorp.com]  
**Sent:** Monday, March 26, 2018 9:23 AM  
**To:** G. Wade Caldwell; daryl.morgan@glo.texas.gov  
**Cc:** John L. Beckham (JLBeckham@sbcglobal.net)  
**Subject:** Oak State Unit 102BH: Seeking One Week Extension on Spud Date

Wade & Daryl:

Thank you both for responding to my verbal inquiry last week regarding some trouble we are having with the spud deadline for the Oak State Unit 102BH. As per our pooling agreement with the GLO, and as per our pooling agreement with the CMC entities, Apache must spud a second Oak State Unit well by April 23, 2018. However, it looks like we are going to miss this deadline by a couple days. Usually, we deal with these kinds of issues by shuffling wells around on our various rig lines. However, this time the stars have aligned against us and we are unable to do so.

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Wade, can you confirm that the CMC entities grant Apache until April 30<sup>th</sup> to spud the second Oak State Unit well, and thereby maintain continuous development per the terms of the Oak State Unit pooling agreement between Apache and the CMC entities?

Thanks much,

**DION ALANIZ**

SENIOR LANDMAN

*office* 210-678-3908 | *cell* 210-452-7957

APACHE CORPORATION

17802 IH 10 West

Suite 300

San Antonio, Texas 78256

(27)

File No. M-117024

E-Mails with Apache on Oak St County

Date Filed: 3/26/18

George P. Bush, Commissioner

By [Signature]



**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                               |                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERMIT NUMBER<br>837810                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | DATE PERMIT ISSUED OR AMENDED<br>Mar 23, 2018 | DISTRICT<br>* 08                                                                                                                                                                                  |
| API NUMBER<br>42-389-36938                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | FORM W-1 RECEIVED<br>Mar 21, 2018             | COUNTY<br>REEVES                                                                                                                                                                                  |
| TYPE OF OPERATION<br>NEW DRILL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | WELLBORE PROFILE(S)<br>Horizontal             | ACRES<br>1051.25                                                                                                                                                                                  |
| OPERATOR<br>APACHE CORPORATION<br>ATTN REGULATORY STE 3000<br>303 VETERANS AIRPARK LN<br>MIDLAND, TX 79705-0000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                               | NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br><b>District Office Telephone No:</b><br>(432) 684-5581 |
| LEASE NAME<br>OAK STATE UNIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                               | WELL NUMBER<br>102BH                                                                                                                                                                              |
| LOCATION<br>12.1 miles SW direction from TOYAH                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                               | TOTAL DEPTH<br>16000                                                                                                                                                                              |
| Section, Block and/or Survey<br>SECTION ◀ 1                      BLOCK ◀ C8                      ABSTRACT ◀ 4051<br>SURVEY ◀ PSL / SMITH, I E                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                               |                                                                                                                                                                                                   |
| DISTANCE TO SURVEY LINES<br>250 ft. N    330 ft. W                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                               | DISTANCE TO NEAREST LEASE LINE<br>100 ft.                                                                                                                                                         |
| DISTANCE TO LEASE LINES<br>250 ft. N    330 ft. W                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                               | DISTANCE TO NEAREST WELL ON LEASE<br>See FIELD(s) Below                                                                                                                                           |
| FIELD(s) and LIMITATIONS:<br><p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                               |                                                                                                                                                                                                   |
| FIELD NAME<br>LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ACRES<br>NEAREST LEASE                        | DEPTH<br>NEAREST LEASE                                                                                                                                                                            |
| ALPINE HIGH (CONS)<br>OAK STATE UNIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1051.25<br>100                                | 16,000<br>550                                                                                                                                                                                     |
| WELLBORE PROFILE(S) FOR FIELD: Horizontal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                               |                                                                                                                                                                                                   |
| RESTRICTIONS: Lateral: TH1<br>Penetration Point Location<br>Lease Lines:            250.0 F N L<br>330.0 F W L<br>Terminus Location<br>Lease Lines:            50.0 F S L<br>1003.0 F W L<br>Survey Lines:           50.0 F S L<br>1003.0 F W L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                               |                                                                                                                                                                                                   |
| <p align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</p> <p>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.</p> <p>This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.</p> |                                               |                                                                                                                                                                                                   |

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

**REEVES (389) County**

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

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





|                                                                                                                                                                                                                                                                                                                                                               |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------|--|
| API No. <u>42-389-36938</u><br>Drilling Permit # <u>837810</u><br>SWR Exception Case/Docket No. _____                                                                                                                                                                                                                                                         |               | <b>RAILROAD COMMISSION OF TEXAS</b><br><b>OIL &amp; GAS DIVISION</b><br><b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b><br><i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i><br><i>A certification of the automated data is available in the RRC's Austin office.</i> |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      | <b>FORM W-1</b> 07/2004<br>Permit Status: <u>Approved</u>                               |  |
| 1. RRC Operator No. <u>027200</u>                                                                                                                                                                                                                                                                                                                             |               | 2. Operator's Name (as shown on form P-5, Organization Report)<br><u>APACHE CORPORATION</u>                                                                                                                                                                                                                                |  | 3. Operator Address (include street, city, state, zip):<br><u>ATTN REGULATORY STE 3000</u><br><u>303 VETERANS AIRPARK LN</u><br><u>MIDLAND, TX 79705-0000</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 4. Lease Name<br><u>OAK STATE UNIT</u>                                                                                                                                                                                                                                                                                                                        |               | 5. Well No. <u>102BH</u>                                                                                                                                                                                                                                                                                                   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| <b>GENERAL INFORMATION</b>                                                                                                                                                                                                                                                                                                                                    |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| 6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter<br><input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| 7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack                                                                                                        |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| 8. Total Depth<br><u>16000</u>                                                                                                                                                                                                                                                                                                                                |               | 9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                               |  | 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                      |                                                                                         |  |
| <b>SURFACE LOCATION AND ACREAGE INFORMATION</b>                                                                                                                                                                                                                                                                                                               |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| 11. RRC District No. <u>08</u>                                                                                                                                                                                                                                                                                                                                |               | 12. County <u>REEVES</u>                                                                                                                                                                                                                                                                                                   |  | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 14. This well is to be located <u>12.1</u> miles in a <u>SW</u> direction from <u>TOYAH</u> which is the nearest town in the county of the well site.                                                                                                                                                                                                         |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| 15. Section <u>1</u>                                                                                                                                                                                                                                                                                                                                          |               | 16. Block <u>C8</u>                                                                                                                                                                                                                                                                                                        |  | 17. Survey <u>PSL / SMITH, I E</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                      | 18. Abstract No. <u>A-4051</u>                                                          |  |
|                                                                                                                                                                                                                                                                                                                                                               |               |                                                                                                                                                                                                                                                                                                                            |  | 19. Distance to nearest lease line: <u>100</u> ft.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                      | 20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1051.25</u> |  |
| 21. Lease Perpendiculars: <u>250</u> ft from the <u>N</u> line and <u>330</u> ft from the <u>W</u> line.                                                                                                                                                                                                                                                      |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| 22. Survey Perpendiculars: <u>250</u> ft from the <u>N</u> line and <u>330</u> ft from the <u>W</u> line.                                                                                                                                                                                                                                                     |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| 23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                |               | 24. Unitization Docket No: _____                                                                                                                                                                                                                                                                                           |  | 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                      |                                                                                         |  |
| <b>FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.</b>                                                                                                                                                                                                                                                 |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| 26. RRC District No.                                                                                                                                                                                                                                                                                                                                          | 27. Field No. | 28. Field Name (exactly as shown in RRC records)                                                                                                                                                                                                                                                                           |  | 29. Well Type                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 30. Completion Depth | 31. Distance to Nearest Well in this Reservoir                                          |  |
| 08                                                                                                                                                                                                                                                                                                                                                            | 01942500      | ALPINE HIGH (CONS)                                                                                                                                                                                                                                                                                                         |  | Oil or Gas Well                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 16000                | 550.00                                                                                  |  |
|                                                                                                                                                                                                                                                                                                                                                               |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                               |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                               |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| <b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)</b>                                                                                                                                                                                                              |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |
| <b>Remarks</b><br>[FILER Mar 21, 2018 10:29 AM]: EXPEDITED PERMIT; [RRC STAFF Mar 21, 2018 3:51 PM]: Survey lines are misplaced on both surveys, problem report submitted.                                                                                                                                                                                    |               |                                                                                                                                                                                                                                                                                                                            |  | <b>Certificate:</b><br>I certify that information stated in this application is true and complete, to the best of my knowledge.<br><br><div style="display: flex; justify-content: space-between;"> <div> <u>Denise Guerra</u><br/>           Name of filer         </div> <div> <u>Mar 21, 2018</u><br/>           Date submitted         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(210)4475693</u><br/>           Phone         </div> <div> <u>denise.guerra@apachecorp.com</u><br/>           E-mail Address (OPTIONAL)         </div> </div> |                      |                                                                                         |  |
| <b>RRC Use Only</b> Data Validation Time Stamp: <u>Mar 23, 2018 12:55 PM( Current Version )</u>                                                                                                                                                                                                                                                               |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                         |  |



|                                                                                                                                                   |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Permit Status:                                                                                                                                    | Approved |
| <i>The RRC has not approved this application.<br/>         Duplication or distribution of information is<br/>         at the user's own risk.</i> |          |

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

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

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

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

|                |              |
|----------------|--------------|
| Permit #       | 837810       |
| Approved Date: | Mar 23, 2018 |

|                                                                                                         |                                                                                              |                                 |                      |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------|----------------------|
| 1. RRC Operator No.<br>027200                                                                           | 2. Operator's Name (exactly as shown on form P-5, Organization Report)<br>APACHE CORPORATION | 3. Lease Name<br>OAK STATE UNIT | 4. Well No.<br>102BH |
| <b>Lateral Drainhole Location Information</b>                                                           |                                                                                              |                                 |                      |
| 5. Field as shown on Form W-1 ALPINE HIGH (CONS) (Field # 01942500, RRC District 08)                    |                                                                                              |                                 |                      |
| 6. Section<br>1                                                                                         | 7. Block<br>C8                                                                               | 8. Survey<br>PSL / SMITH, I E   | 9. Abstract<br>4051  |
| 10. County of BHL<br>REEVES                                                                             |                                                                                              |                                 |                      |
| 11. Terminus Lease Line Perpendiculars<br>50 ft. from the S line. and 1003 ft. from the W line          |                                                                                              |                                 |                      |
| 12. Terminus Survey Line Perpendiculars<br>50 ft. from the S line. and 1003 ft. from the W line         |                                                                                              |                                 |                      |
| 13. Penetration Point Lease Line Perpendiculars<br>250 ft. from the N line. and 330 ft. from the W line |                                                                                              |                                 |                      |

## GROUNDWATER PROTECTION DETERMINATION

Form GW-2



## Groundwater Advisory Unit

Date Issued: 10 April 2017

GAU Number: 170240

Attention: APACHE CORPORATION  
ATTN ELAINE RUEDA  
HOUSTON, TX 77056

API Number:  
County: REEVES  
Lease Name: Oak State Unit  
Lease Number:  
Well Number: 101H  
Total Vertical Depth: 16000  
Latitude: 31.267594  
Longitude: -103.989544  
Datum: NAD27

Operator No.: 027200

Purpose: New Drill

Location: Survey-PSL; Abstract-4051; Block-C8; Section-1

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

The interval from the land surface to a depth of 1025 feet, and the Rustler, the top of which is estimated to occur from 1250 to 1300 feet depth and the base of which is estimated to occur from 1700 to 1750 feet depth by reconnaissance-level evaluation, must be protected.

This recommendation is applicable to all wells within a radius of 1200 feet of this location.

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

This determination is based on information provided when the application was submitted on 04/10/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or [gau@rrc.texas.gov](mailto:gau@rrc.texas.gov).

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: [www.rrc.texas.gov](http://www.rrc.texas.gov)  
Rev. 02/2014

012 4



APACHE CORP.  
REDWOOD LEASE

Y=601101.50'  
X=862846.30'

(A-1689) 41\ 40 (A-3084)

Y=601257.95'  
X=857823.82'

Y=601084.61'  
X=863384.14'

MINERAL OWNER:  
CMC/SC BECKHAM HOLDINGS.  
LP ET AL (STATE OF TEXAS)

PUBLIC  
SCHOOL LAND  
BLK. C-8

APACHE CORP.  
OAK STATE UNIT

MINERAL OWNER:  
WELDON L. MOORE, III  
JUDITH S. MOORE  
(STATE OF TEXAS)

T. & P. R. R. CO.  
BLK. 57  
TSP. 7

Y=598868.28'  
X=857745.25'

(A-3530) 6\ 5 (A-112)

Y=598685.89'  
X=863305.65'

Y=592853.95'  
X=863114.82'

Y=593036.37'  
X=857553.48'

(A-113) 7\ 8 (A-2701)

(A-4420) 12

NEW DRILL  
LOCATION WELL NO. 102BH  
250' FNL x 330' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC  
X = 858145.46'; Y = 600997.81'  
Lat. = 31°16'03.34"; Long. = -103°59'19.56"  
Lat. = 31.2675947°; Long. = -103.9887662°  
Ground Elevation: 3241.5'  
Approx. 12.1 miles Southwest of Toyah, Tx

PENETRATION POINT WELL NO. 102BH  
250' FNL x 330' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC  
X = 858145.46'; Y = 600997.81'  
Lat. = 31°16'03.34"; Long. = -103°59'19.56"  
Lat. = 31.2675947°; Long. = -103.9887662°

FIRST TAKE POINT WELL NO. 102BH  
100' FNL x 1003' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC  
X = 858823.27'; Y = 601126.51'  
Lat. = 31°16'04.83"; Long. = -103°59'11.80"  
Lat. = 31.2680096°; Long. = -103.9866114°

LAST TAKE POINT WELL NO. 102BH  
100' FNL x 1003' FWL Section 6, Blk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC  
X = 858559.46'; Y = 593103.42'  
Lat. = 31°14'45.38"; Long. = -103°59'11.80"  
Lat. = 31.2458010°; Long. = -103.9866122°

BOTTOMHOLE WELL NO. 102BH  
50' FNL x 1003' FWL Section 6, Blk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC  
X = 858557.82'; Y = 593053.44'  
Lat. = 31°14'44.88"; Long. = -103°59'11.80"  
Lat. = 31.2458010°; Long. = -103.9866122°



SCALE IN FEET  
SCALE: 1" = 1000'

SURFACE TO PENETRATION POINT -  
GRID BEARING N79°14'56"E -- 0'  
PENETRATION POINT TO FIRST TAKE POINT -  
GRID BEARING N79°14'56"E -- 690'  
FIRST TAKE POINT AND LAST TAKE POINT -  
GRID BEARING S01°53'00"W -- 8027'  
LAST TAKE POINT TO BOTTOMHOLE -  
GRID BEARING S01°53'00"W -- 50'

I, DENNIS W. HUGHES hereby certify that this plat,  
drawn to the scale indicated, accurately represents  
conditions as they actually exist on the property  
on which permit to drill is sought and correctly  
reflects all pertinent data required to be shown on  
such plat by orders of the Railroad Commission of Texas.

0 a \* e \* 3/16/2018

| REVISED DATE: |         |
|---------------|---------|
| 1-18-18       | 1-31-18 |
| 1-22-18       | 2-14-18 |
| 1-24-18       |         |

TOTAL UNIT AC. = 1051.25 AC.  
UNIT BOUNDARY  
PRODUCING WELL - - ● ☆  
WELL LOCATIONS - - ○ ◎

Apache

Unit Plat

OAK STATE UNIT  
No. 102BH

Reeves County, Texas

Scale: 1" = 1000' 1-16-2018 oak\_state\_unit.dgn  
Plat prepared by RWC  
for Horizon Survey, Inc.



APACHE CORP.  
REDWOOD LEASE

41 (A-1689)

40 (A-3084)

1 (A-4051)

S88°12'57"E - 5024.91'

S88°12'06"E  
538.10'

MINERAL OWNER:  
CMC/SC BECKHAM HOLDINGS.  
LP ET AL (STATE OF TEXAS)

MF 117024

PUBLIC  
SCHOOL LAND  
BLK. C-8

POB

N01°53'00"E - 2390.96'

S01°52'27"W - 2400.01'

N88°07'17"W - 5563.39'

S88°07'17"E - 5563.39'

(A-3530)

5 (A-112)

APACHE CORP.  
OAK STATE UNIT

MINERAL OWNER:  
WELDON L. MOORE, III  
JUDITH S. MOORE  
(STATE OF TEXAS)

MF 117112

T. & P.R.R.CO.  
BLK. 57  
TSP.7

N01°53'00"E - 5835.06'

S01°52'27"W - 5835.06'

N88°07'17"W - 5564.32'

(A-4420)

12

(A-113)

7

8 (A-2701)

| Corner Information |                                |
|--------------------|--------------------------------|
| Corner No.         | Coordinates                    |
|                    | STATE PLANE NAD 27 TX-C        |
| 1                  | X = 857745.25<br>Y = 598868.28 |
| 2                  | X = 857823.82<br>Y = 601257.95 |
| 3                  | X = 862846.30<br>Y = 601101.50 |
| 4                  | X = 863384.14<br>Y = 601084.44 |
| 5                  | X = 863305.63<br>Y = 598685.89 |
| 6                  | X = 863114.83<br>Y = 592857.93 |
| 7                  | X = 857553.48<br>Y = 593036.37 |

| OAK STATE UNIT    |                 |                                                             |                      |
|-------------------|-----------------|-------------------------------------------------------------|----------------------|
| TRACT             | ACREAGE IN UNIT | LESSOR INFO                                                 | LEASE No.            |
| 1                 | 305.94          | CMC/SC BECKHAM HOLDINGS.<br>LP ET AL (State of Texas)       | 7010034              |
| 2                 | 745.31          | Weldon L. Moore, III<br>Judith S. Moore<br>(State of Texas) | 1700019A<br>1700019B |
| 1051.25 ACRE UNIT |                 |                                                             |                      |



1000 750 500 250 0 250 500 1000

SCALE IN FEET  
SCALE: 1" = 1000'

I, DENNIS B. HUGHES hereby certify that this plat, drawn to the scale indicated, accurately represents conditions as they actually exist on the property on which permit to drill is sought and correctly reflects all pertinent data required to be shown on such plat by orders of the Railroad Commission of Texas.

0 a e 11:30 2017

Apache

Unit Plat

OAK STATE UNIT

Reeves County, Texas

Scale: 1" = 1000' 11-30-2017 oak\_state\_unit.dgn  
Plot prepared by BMB  
for Horizon Survey, Inc.

REVISED DATE:

6-15-17  
6-16-17

TOTAL UNIT AC. = 1051.25 AC.

UNIT BOUNDARY

PRODUCING WELL

WELL LOCATIONS

File No. MF117024 <sup>28</sup>  
Reeves County  
Drilling Permit API 389-36938 Unit 8453  
Date Filed: 6/22/18  
By George P. Bush, Commissioner  
Jm







TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

June 28, 2018

CERTIFIED MAIL: 7011 1150 0001 2420 5646

Mr. Paul Whitehead  
Sr. Regulatory Analyst  
Apache Corporation  
17802 IH-10 West, Suite 300  
San Antonio, TX 78257

RE: Application to Surface Commingle Oil and Gas Production from State Mineral Leases MF116970, MF117024, MF117112 and MF116963 (Dogwood State, Oak State Unit, Spruce State) in Conjunction with Railroad Commission of Texas Commingling Permit 08-7914 in Reeves County, Texas

Dear Mr. Whitehead

The Texas General Land Office (GLO) received your application, dated July 19, 2017 as revised on April 27, 2018, June 1, 2018, June 13, 2018 and June 28, 2018, to surface commingle oil and gas production from the above State Mineral Leases. GLO staff have performed an administrative and technical review of your application.

On the condition that Apache Corporation first satisfies all of the requirements set out in #1 - #10 on p.1 - 2 of this letter, then, in that event, the application is approved.

1. Per 31 Texas Administrative Code (TAC) §9.35(a)(2), all fluids produced from the wells to be commingled must flow "through oil and gas separators of ample capacity and in good working order...before sale or surface commingling with production from any other lease and/or pooled unit". Gross production shall be measured by single-phase oil, gas, and water meters installed at the separator outlets prior to sale or surface commingling.



2. Per 31 TAC §9.35(a)(2), you are required to conduct all measurement “in accordance with the American Gas Association (AGA) standards and all applicable chapters of the American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS)”. Measurement shall be conducted, per those standards, for both the quantity and quality of all fluid streams.
3. Sampling frequency shall be equal to or greater than the recommendation in MPMS 20.1 §1.11.3, as required for accurate allocation. Samples shall be taken at the outlets of each first separator stage and at all points of custody transfer. Industry standard laboratory analysis shall be performed on each sample, with sampling and analysis performed in compliance with MPMS 8.1, 8.2, 9.1, 14.1 and any other applicable chapters.
4. Meter proving, testing and calibration plans as required per MPMS 20.2 §5, §6.5.1, §7.5.1 and §7.5.3 shall be made available to GLO staff for inspection upon request.
5. All lease oil and gas production royalties shall be due based upon the terms in your lease, and royalty payments shall be made per 31 TAC §9.51. Note that royalty is also due on all non-sales hydrocarbon dispositions (e.g. flare, fuel, instrument, lift, and vent gas).
6. Processed gas allocation factors shall be calculated on a mass (molecular) balance basis, i.e. each processed gas component shall be allocated individually in accordance with the requirements in MPMS 20.1 §1.15.3. Non-processed gas allocation factors shall be calculated on an energy balance basis.
7. You shall retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas sample/stream analysis reports, shrinkage/flash calculation reports, and any other documents within the scope of this commingling approval for a period of at least seven (7) years after creation of each document.
8. You shall obtain permission from GLO before making any changes to the flow process or metering scheme, adding leases or wells to the list of those being commingled, or making any other material change to the commingling application as approved by this letter.
9. You shall obtain approval of your pending surface commingling permit application from the Railroad Commission of Texas, if applicable, and provide GLO with a copy within ten days of its approval.
10. You shall calculate all allocation factors on a proportional basis. You shall not allocate by difference.

Mr. Paul Whitehead

June 28, 2018

Page #3

Please be advised that you have an ongoing obligation to maintain compliance with these standards and conditions. GLO staff will verify compliance during periodic financial audits, which will include, but are not limited to, independent allocation verification studies. GLO reserves the right to validate or question your measurement and detailed allocation methodology based on our own analysis.

If you have further questions, please feel free to contact me at [tom.ortiz@glo.texas.gov](mailto:tom.ortiz@glo.texas.gov) or 512-463-5296.

Sincerely

A handwritten signature in blue ink that reads "Thomas M. Ortiz". The signature is fluid and cursive, with the first name "Thomas" and middle initial "M." clearly legible, followed by a stylized "Ortiz".

Thomas Manuel Ortiz, Ph.D., P.E.  
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit

File No. MF 117024Reeves CountyCommingling ApprovalDate Filed: 6/26/2018By George P. Bush, Commissioner  
Thomas M. O'Leary



**RAILROAD COMMISSION OF TEXAS**  
OIL & GAS DIVISION

2510

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                         |                                                                                                                                                                                                                 |                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| PERMIT NUMBER<br>825160                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | DATE PERMIT ISSUED OR AMENDED<br>(AMENDED) Jul 24, 2017 | DISTRICT<br>* 08                                                                                                                                                                                                |                        |
| API NUMBER<br>42-389-35867                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | FORM W-1 RECEIVED<br>Jul 21, 2017                       | COUNTY<br>REEVES                                                                                                                                                                                                |                        |
| TYPE OF OPERATION<br>NEW DRILL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | WELLBORE PROFILE(S)<br>Horizontal                       | ACRES<br>1058.68                                                                                                                                                                                                |                        |
| OPERATOR<br><br>APACHE CORPORATION<br><br>ATTN REGULATORY STE 3000<br>303 VETERANS AIRPARK LN<br>MIDLAND, TX 79705-0000                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                         | 027200<br><br>NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br><b>District Office Telephone No:</b><br>(432) 684-5581 |                        |
| LEASE NAME<br><br>OAK STATE UNIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                         | WELL NUMBER<br>101CH                                                                                                                                                                                            |                        |
| LOCATION<br>12.1 miles SW direction from TOYAH                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                         | TOTAL DEPTH<br>16000                                                                                                                                                                                            |                        |
| Section, Block and/or Survey<br>SECTION ◀ 1                      BLOCK ◀ C8                      ABSTRACT ◀ 4051<br>SURVEY ◀ PSL/SMITH, I E                                                                                                                                                                                                                                                                                                                                                                                                                |                                                         |                                                                                                                                                                                                                 |                        |
| DISTANCE TO SURVEY LINES<br>250 ft. NORTH    400 ft. WEST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                         | DISTANCE TO NEAREST LEASE LINE<br>100 ft.                                                                                                                                                                       |                        |
| DISTANCE TO LEASE LINES<br>250 ft. NORTH    400 ft. WEST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                         | DISTANCE TO NEAREST WELL ON LEASE<br>See FIELD(s) Below                                                                                                                                                         |                        |
| FIELD(s) and LIMITATIONS:<br><p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                         |                                                                                                                                                                                                                 |                        |
| FIELD NAME<br>LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                         | ACRES<br>NEAREST LEASE                                                                                                                                                                                          | DEPTH<br>NEAREST LEASE |
| ALPINE HIGH (CONS)<br>OAK STATE UNIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                         | 1058.68<br>100                                                                                                                                                                                                  | 16,000<br>0            |
| WELLBORE PROFILE(s) FOR FIELD: Horizontal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                         | WELL #<br>NEAREST WE                                                                                                                                                                                            | DIST<br>08             |
| RESTRICTIONS:    Lateral: TH1<br>Penetration Point Location<br>Lease Lines:            100.0 F NORTH L<br>400.0 F WEST L<br>Terminus Location<br>BH County: REEVES<br>Section: 6                      Block: 57 T7S                      Abstract: 3530<br>Survey: T&P RR CO/BROOKS, J C<br>Lease Lines:            150.0 F SOUTH L<br>400.0 F WEST L<br>Survey Lines:            150.0 F SOUTH L<br>400.0 F WEST L                                                                                                                                        |                                                         |                                                                                                                                                                                                                 |                        |
| <p align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</p> This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. |                                                         |                                                                                                                                                                                                                 |                        |

**RAILROAD COMMISSION OF TEXAS**  
OIL & GAS DIVISION

2510

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

|                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERMIT NUMBER<br>825160                                                                                                                                                                                                                                                               | DATE PERMIT ISSUED OR AMENDED<br>(AMENDED) Jul 24, 2017 | DISTRICT<br>* 08                                                                                                                                                                                     |
| API NUMBER<br>42-389-35867                                                                                                                                                                                                                                                            | FORM W-1 RECEIVED<br>Jul 21, 2017                       | COUNTY<br>REEVES                                                                                                                                                                                     |
| TYPE OF OPERATION<br>NEW DRILL                                                                                                                                                                                                                                                        | WELLBORE PROFILE(S)<br>Horizontal                       | ACRES<br>1058.68                                                                                                                                                                                     |
| OPERATOR<br>APACHE CORPORATION<br>ATTN REGULATORY STE 3000<br>303 VETERANS AIRPARK LN<br>MIDLAND, TX 79705-0000                                                                                                                                                                       |                                                         | 027200<br>NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br>District Office Telephone No:<br>(432) 684-5581 |
| LEASE NAME<br>OAK STATE UNIT                                                                                                                                                                                                                                                          |                                                         | WELL NUMBER<br>101CH                                                                                                                                                                                 |
| LOCATION<br>12.1 miles SW direction from TOYAH                                                                                                                                                                                                                                        |                                                         | TOTAL DEPTH<br>16000                                                                                                                                                                                 |
| Section, Block and/or Survey<br>SECTION ◀ 1                      BLOCK ◀ C8                      ABSTRACT ◀ 4051<br>SURVEY ◀ PSL/SMITH, I E                                                                                                                                           |                                                         |                                                                                                                                                                                                      |
| DISTANCE TO SURVEY LINES<br>250 ft. NORTH    400 ft. WEST                                                                                                                                                                                                                             |                                                         | DISTANCE TO NEAREST LEASE LINE<br>100 ft.                                                                                                                                                            |
| DISTANCE TO LEASE LINES<br>250 ft. NORTH    400 ft. WEST                                                                                                                                                                                                                              |                                                         | DISTANCE TO NEAREST WELL ON LEASE<br>See FIELD(s) Below                                                                                                                                              |
| FIELD(s) and LIMITATIONS:<br>* SEE FIELD DISTRICT FOR REPORTING PURPOSES *                                                                                                                                                                                                            |                                                         |                                                                                                                                                                                                      |
| FIELD NAME<br>LEASE NAME                                                                                                                                                                                                                                                              | ACRES<br>NEAREST LEASE                                  | DEPTH<br>NEAREST WE                                                                                                                                                                                  |
| WELL #<br>NEAREST WE                                                                                                                                                                                                                                                                  |                                                         |                                                                                                                                                                                                      |
| DIST                                                                                                                                                                                                                                                                                  |                                                         |                                                                                                                                                                                                      |
| This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with<br>corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are<br>drilling the well in. |                                                         |                                                                                                                                                                                                      |

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

**REEVES (389) County**

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

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



|                                                                                                                                                                                                                                                                                                                                                                          |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------|--|
| API No. <u>42-389-35867</u><br>Drilling Permit # <u>825160</u><br>SWR Exception Case/Docket No. _____                                                                                                                                                                                                                                                                    |               | <b>RAILROAD COMMISSION OF TEXAS</b><br><b>OIL &amp; GAS DIVISION</b><br><b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b><br><i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i><br><i>A certification of the automated data is available in the RRC's Austin office.</i> |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      | <b>FORM W-1</b> 07/2004<br>Permit Status: <u>Approved</u>                               |  |
| 1. RRC Operator No. <u>027200</u>                                                                                                                                                                                                                                                                                                                                        |               | 2. Operator's Name (as shown on form P-5, Organization Report)<br><u>APACHE CORPORATION</u>                                                                                                                                                                                                                                |  | 3. Operator Address (include street, city, state, zip):<br><u>ATTN REGULATORY STE 3000</u><br><u>303 VETERANS AIRPARK LN</u><br><u>MIDLAND, TX 79705-0000</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                                                                                         |  |
| 4. Lease Name<br><u>OAK STATE UNIT</u>                                                                                                                                                                                                                                                                                                                                   |               | 5. Well No.<br><u>101CH</u>                                                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| <b>GENERAL INFORMATION</b>                                                                                                                                                                                                                                                                                                                                               |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter<br><input checked="" type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack                                                                                                                   |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 8. Total Depth<br><u>16000</u>                                                                                                                                                                                                                                                                                                                                           |               | 9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                               |  | 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                      |                                                                                         |  |
| <b>SURFACE LOCATION AND ACREAGE INFORMATION</b>                                                                                                                                                                                                                                                                                                                          |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 11. RRC District No. <u>08</u>                                                                                                                                                                                                                                                                                                                                           |               | 12. County<br><u>REEVES</u>                                                                                                                                                                                                                                                                                                |  | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                                                                                         |  |
| 14. This well is to be located <u>12.1</u> miles in a <u>SW</u> direction from <u>TOYAH</u> which is the nearest town in the county of the well site.                                                                                                                                                                                                                    |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 15. Section<br><u>1</u>                                                                                                                                                                                                                                                                                                                                                  |               | 16. Block<br><u>C8</u>                                                                                                                                                                                                                                                                                                     |  | 17. Survey<br><u>PSL/SMITH, I E</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      | 18. Abstract No.<br><u>A-4051</u>                                                       |  |
|                                                                                                                                                                                                                                                                                                                                                                          |               |                                                                                                                                                                                                                                                                                                                            |  | 19. Distance to nearest lease line:<br><u>100</u> ft.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      | 20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1058.68</u> |  |
| 21. Lease Perpendiculars: <u>250</u> ft from the <u>NORTH</u> line and <u>400</u> ft from the <u>WEST</u> line.                                                                                                                                                                                                                                                          |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 22. Survey Perpendiculars: <u>250</u> ft from the <u>NORTH</u> line and <u>400</u> ft from the <u>WEST</u> line.                                                                                                                                                                                                                                                         |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                           |               | 24. Unitization Docket No: _____                                                                                                                                                                                                                                                                                           |  | 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                      |                                                                                         |  |
| <b>FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.</b>                                                                                                                                                                                                                                                            |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| 26. RRC District No.                                                                                                                                                                                                                                                                                                                                                     | 27. Field No. | 28. Field Name (exactly as shown in RRC records)                                                                                                                                                                                                                                                                           |  | 29. Well Type                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 30. Completion Depth | 31. Distance to Nearest Well in this Reservoir                                          |  |
| 08                                                                                                                                                                                                                                                                                                                                                                       | 01942500      | ALPINE HIGH (CONS)                                                                                                                                                                                                                                                                                                         |  | Oil or Gas Well                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 16000                | 0.00                                                                                    |  |
|                                                                                                                                                                                                                                                                                                                                                                          |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                                          |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                                          |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| <b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)</b>                                                                                                                                                                                                                         |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |
| <b>Remarks</b><br>[FILER Jul 21, 2017 9:38 AM]: EXPEDITED PERMIT - AREA WAS RESURVEYED. ACREAGE REVISED FROM 1016.53 ACRES. AMENDED SHL, PP, FTP, LTP, BHL PERPENDICULARS.<br>-                                                                                                                                                                                          |               |                                                                                                                                                                                                                                                                                                                            |  | <b>Certificate:</b><br>I certify that information stated in this application is true and complete, to the best of my knowledge.<br><br><div style="display: flex; justify-content: space-between;"> <div> <u>Belinda Wolf, Regulatory Tech Sr</u><br/>           Name of filer         </div> <div> <u>Jul 21, 2017</u><br/>           Date submitted         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(210)6783960</u><br/>           Phone         </div> <div> <u>belinda.wolf@apachecorp.com</u><br/>           E-mail Address (OPTIONAL)         </div> </div> |                      |                                                                                         |  |
| <b>RRC Use Only</b> Data Validation Time Stamp: <u>Jul 24, 2017 11:07 AM('As Approved' Version)</u>                                                                                                                                                                                                                                                                      |               |                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                         |  |

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

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

Permit Status: **Approved**

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

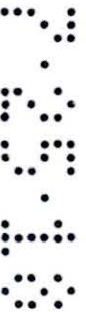
**APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER**

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

Permit # 825160

Approved Date: Jul 24, 2017

|                                                                                                                |                                                                                              |                                    |                      |
|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------|----------------------|
| 1. RRC Operator No.<br>027200                                                                                  | 2. Operator's Name (exactly as shown on form P-5, Organization Report)<br>APACHE CORPORATION | 3. Lease Name<br>OAK STATE UNIT    | 4. Well No.<br>101CH |
| <b>Lateral Drainhole Location Information</b>                                                                  |                                                                                              |                                    |                      |
| 5. Field as shown on Form W-1 ALPINE HIGH (CONS) (Field # 01942500, RRC District 08)                           |                                                                                              |                                    |                      |
| 6. Section<br>6                                                                                                | 7. Block<br>57 T7S                                                                           | 8. Survey<br>T&P RR CO/BROOKS, J C | 9. Abstract<br>3530  |
| 10. County of BHL<br>REEVES                                                                                    |                                                                                              |                                    |                      |
| 11. Terminus Lease Line Perpendiculars<br>150 ft. from the SOUTH line. and 400 ft. from the WEST line          |                                                                                              |                                    |                      |
| 12. Terminus Survey Line Perpendiculars<br>150 ft. from the SOUTH line. and 400 ft. from the WEST line         |                                                                                              |                                    |                      |
| 13. Penetration Point Lease Line Perpendiculars<br>100 ft. from the NORTH line. and 400 ft. from the WEST line |                                                                                              |                                    |                      |







## GROUNDWATER PROTECTION DETERMINATION

Form GW-2

## Groundwater Advisory Unit

Date Issued: 10 April 2017

GAU Number: 170240

Attention: APACHE CORPORATION  
ATTN ELAINE RUEDA  
HOUSTON, TX 77056

API Number:  
County: REEVES  
Lease Name: Oak State Unit

Operator No.: 027200

Lease Number:  
Well Number: 101H  
Total Vertical Depth: 16000  
Latitude: 31.267594  
Longitude: -103.989544  
Datum: NAD27

Purpose: New Drill

Location: Survey-PSL; Abstract-4051; Block-C8; Section-1

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

The interval from the land surface to a depth of 1025 feet, and the Rustler, the top of which is estimated to occur from 1250 to 1300 feet depth and the base of which is estimated to occur from 1700 to 1750 feet depth by reconnaissance-level evaluation, must be protected.

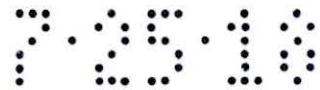
This recommendation is applicable to all wells within a radius of 1200 feet of this location.

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

This determination is based on information provided when the application was submitted on 04/10/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or [gau@rrc.texas.gov](mailto:gau@rrc.texas.gov).

Groundwater Advisory Unit, Oil and Gas Division





| LOCATION_NM          | Date       | Oil BOPD | Water BWPD | Gas MCFD | Tubing psi | Casing psi | Choke 1/64 in |
|----------------------|------------|----------|------------|----------|------------|------------|---------------|
| OAK STATE UNIT 101AH | 11/17/2017 |          |            |          |            |            |               |
| OAK STATE UNIT 101AH | 11/18/2017 |          | 1,377      |          |            | 2,971      | 12            |
| OAK STATE UNIT 101AH | 11/19/2017 |          |            |          |            |            |               |
| OAK STATE UNIT 101AH | 11/30/2017 |          | 1,883      |          |            | 2,698      | 15            |
| OAK STATE UNIT 101AH | 12/1/2017  |          | 2,986      |          |            | 2,357      | 19            |
| OAK STATE UNIT 101AH | 12/2/2017  |          | 3,011      |          |            | 2,129      | 20            |
| OAK STATE UNIT 101AH | 12/3/2017  |          | 2,878      |          |            | 1,994      | 20            |
| OAK STATE UNIT 101AH | 12/4/2017  |          | 3,118      |          |            | 1,874      | 22            |
| OAK STATE UNIT 101AH | 12/5/2017  |          | 4,508      |          |            | 1,674      | 27            |
| OAK STATE UNIT 101AH | 12/6/2017  |          | 5,512      |          |            | 1,471      | 33            |
| OAK STATE UNIT 101AH | 12/7/2017  |          | 5,823      |          |            | 1,335      | 34            |
| OAK STATE UNIT 101AH | 12/8/2017  |          | 5,608      |          |            | 1,257      | 34            |
| OAK STATE UNIT 101AH | 12/9/2017  |          | 5,983      | 1,549    |            | 1,236      | 38            |
| OAK STATE UNIT 101AH | 12/10/2017 |          | 7,050      | 2,633    |            | 1,447      | 43            |
| OAK STATE UNIT 101AH | 12/11/2017 |          | 5,972      | 4,118    |            | 1,714      | 44            |
| OAK STATE UNIT 101AH | 12/12/2017 |          | 5,198      | 6,022    |            | 1,885      | 44            |
| OAK STATE UNIT 101AH | 12/13/2017 |          | 4,685      | 7,756    |            | 1,941      | 45            |
| OAK STATE UNIT 101AH | 12/14/2017 |          | 4,116      | 9,063    |            | 1,917      | 45            |
| OAK STATE UNIT 101AH | 12/15/2017 |          | 3,871      | 10,770   |            | 1,764      | 49            |
| OAK STATE UNIT 101AH | 12/16/2017 |          | 3,545      | 11,254   |            | 1,632      | 50            |
| OAK STATE UNIT 101AH | 12/17/2017 |          | 3,202      | 10,928   |            | 1,539      | 50            |
| OAK STATE UNIT 101AH | 12/18/2017 |          | 2,938      | 10,804   |            | 1,479      | 50            |
| OAK STATE UNIT 101AH | 12/19/2017 |          | 2,740      | 10,939   |            | 1,430      | 50            |
| OAK STATE UNIT 101AH | 12/20/2017 |          | 2,558      | 11,090   |            | 1,397      | 50            |
| OAK STATE UNIT 101AH | 12/21/2017 |          | 2,379      | 11,531   |            | 1,356      | 51            |
| OAK STATE UNIT 101AH | 12/22/2017 |          | 2,233      | 12,369   |            | 1,285      | 52            |
| OAK STATE UNIT 101AH | 12/23/2017 |          | 2,037      | 12,228   |            | 1,248      | 53            |
| OAK STATE UNIT 101AH | 12/24/2017 |          | 1,813      | 12,806   |            | 1,201      | 54            |
| OAK STATE UNIT 101AH | 12/25/2017 |          | 1,851      | 12,580   |            | 1,187      | 54            |
| OAK STATE UNIT 101AH | 12/26/2017 |          | 1,719      | 13,194   |            | 1,131      | 56            |
| OAK STATE UNIT 101AH | 12/27/2017 |          | 1,606      | 13,443   |            | 1,109      | 62            |
| OAK STATE UNIT 101AH | 12/28/2017 |          | 1,600      | 12,718   |            | 1,207      | 64            |
| OAK STATE UNIT 101AH | 12/29/2017 |          | 1,484      | 13,956   |            | 1,002      | 64            |
| OAK STATE UNIT 101AH | 12/30/2017 |          | 1,492      | 14,885   |            | 891        | 72            |
| OAK STATE UNIT 101AH | 12/31/2017 |          | 1,393      | 15,745   |            | 698        | 83            |
| OAK STATE UNIT 101AH | 1/1/2018   |          |            |          |            |            |               |



| COMPLETION       | PROD DATE  | GAS VOL  | OIL VOL | WATER VOL |
|------------------|------------|----------|---------|-----------|
| OAK ST UN #101AH | 11/30/2017 | 0.00     | 0.00    | 1963.00   |
| OAK ST UN #101AH | 12/01/2017 | 0.00     | 0.00    | 3149.00   |
| OAK ST UN #101AH | 12/02/2017 | 0.00     | 0.00    | 2957.00   |
| OAK ST UN #101AH | 12/03/2017 | 0.00     | 0.00    | 2854.00   |
| OAK ST UN #101AH | 12/04/2017 | 0.00     | 0.00    | 3363.00   |
| OAK ST UN #101AH | 12/05/2017 | 0.00     | 0.00    | 4828.00   |
| OAK ST UN #101AH | 12/06/2017 | 0.00     | 0.00    | 5697.00   |
| OAK ST UN #101AH | 12/07/2017 | 0.00     | 0.00    | 5824.00   |
| OAK ST UN #101AH | 12/08/2017 | 0.00     | 0.00    | 5561.00   |
| OAK ST UN #101AH | 12/09/2017 | 1274.00  | 0.00    | 6243.00   |
| OAK ST UN #101AH | 12/10/2017 | 2796.00  | 0.00    | 6936.00   |
| OAK ST UN #101AH | 12/11/2017 | 4687.00  | 0.00    | 4767.00   |
| OAK ST UN #101AH | 12/12/2017 | 12831.00 | 0.00    | 4933.00   |
| OAK ST UN #101AH | 12/13/2017 | 8814.50  | 0.00    | 4222.00   |
| OAK ST UN #101AH | 12/14/2017 | 9163.80  | 0.00    | 3970.00   |
| OAK ST UN #101AH | 12/15/2017 | 10693.70 | 0.00    | 3727.00   |
| OAK ST UN #101AH | 12/16/2017 | 10736.90 | 0.00    | 3388.00   |
| OAK ST UN #101AH | 12/17/2017 | 10570.40 | 0.00    | 3090.00   |
| OAK ST UN #101AH | 12/18/2017 | 10525.30 | 0.00    | 2841.00   |
| OAK ST UN #101AH | 12/19/2017 | 10682.60 | 0.00    | 2657.00   |
| OAK ST UN #101AH | 12/20/2017 | 10825.40 | 0.00    | 2467.00   |
| OAK ST UN #101AH | 12/21/2017 | 11748.00 | 0.00    | 2333.00   |
| OAK ST UN #101AH | 12/22/2017 | 11950.00 | 0.00    | 2166.00   |
| OAK ST UN #101AH | 12/23/2017 | 12210.00 | 0.00    | 1973.00   |
| OAK ST UN #101AH | 12/24/2017 | 12491.00 | 0.00    | 1782.00   |
| OAK ST UN #101AH | 12/25/2017 | 12386.00 | 0.00    | 1810.00   |
| OAK ST UN #101AH | 12/26/2017 | 13396.20 | 0.00    | 1689.00   |
| OAK ST UN #101AH | 12/27/2017 | 11782.20 | 0.00    | 1468.00   |
| OAK ST UN #101AH | 12/28/2017 | 13951.00 | 0.00    | 1678.00   |
| OAK ST UN #101AH | 12/29/2017 | 13766.00 | 0.00    | 1459.00   |
| OAK ST UN #101AH | 12/30/2017 | 15425.40 | 0.00    | 1475.00   |
| OAK ST UN #101AH | 12/31/2017 | 15991.60 | 0.00    | 1361.00   |
| OAK ST UN #101AH | 01/01/2018 | 15704.30 | 0.00    | 1361.00   |
| OAK ST UN #101AH | 01/02/2018 | 11768.00 | 0.00    | 1260.00   |
| OAK ST UN #101AH | 01/03/2018 | 7603.00  | 0.00    | 1205.00   |
| OAK ST UN #101AH | 01/04/2018 | 14360.00 | 0.00    | 1156.00   |
| OAK ST UN #101AH | 01/05/2018 | 14243.00 | 0.00    | 1076.00   |
| OAK ST UN #101AH | 01/06/2018 | 13612.60 | 0.00    | 1051.00   |
| OAK ST UN #101AH | 01/07/2018 | 13348.00 | 0.00    | 1022.00   |
| OAK ST UN #101AH | 01/08/2018 | 12803.00 | 0.00    | 1048.00   |
| OAK ST UN #101AH | 01/09/2018 | 12360.50 | 0.00    | 1081.00   |
| OAK ST UN #101AH | 01/10/2018 | 12191.70 | 0.00    | 1064.00   |
| OAK ST UN #101AH | 01/11/2018 | 12141.40 | 0.00    | 1023.00   |
| OAK ST UN #101AH | 01/12/2018 | 12110.50 | 0.00    | 973.00    |
| OAK ST UN #101AH | 01/13/2018 | 12062.60 | 0.00    | 924.00    |
| OAK ST UN #101AH | 01/14/2018 | 11993.90 | 0.00    | 892.00    |
| OAK ST UN #101AH | 01/15/2018 | 11883.20 | 0.00    | 872.00    |
| OAK ST UN #101AH | 01/16/2018 | 11788.40 | 0.00    | 855.00    |



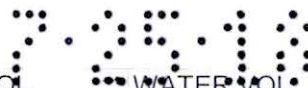


| COMPLETION       | PROD DATE  | GAS VOL  | OIL VOL | WATER VOL |
|------------------|------------|----------|---------|-----------|
| OAK ST UN #101AH | 01/17/2018 | 11721.40 | 0.00    | 837.00    |
| OAK ST UN #101AH | 01/18/2018 | 11698.60 | 0.00    | 820.00    |
| OAK ST UN #101AH | 01/19/2018 | 11728.30 | 0.00    | 797.00    |
| OAK ST UN #101AH | 01/20/2018 | 11828.70 | 0.00    | 767.00    |
| OAK ST UN #101AH | 01/21/2018 | 11900.10 | 0.00    | 739.00    |
| OAK ST UN #101AH | 01/22/2018 | 11996.50 | 0.00    | 710.00    |
| OAK ST UN #101AH | 01/23/2018 | 12082.00 | 0.00    | 767.00    |
| OAK ST UN #101AH | 01/24/2018 | 12154.50 | 0.00    | 669.00    |
| OAK ST UN #101AH | 01/25/2018 | 12222.00 | 0.00    | 653.00    |
| OAK ST UN #101AH | 01/26/2018 | 12387.80 | 0.00    | 639.00    |
| OAK ST UN #101AH | 01/27/2018 | 12418.90 | 0.00    | 628.00    |
| OAK ST UN #101AH | 01/28/2018 | 12380.40 | 0.00    | 619.00    |
| OAK ST UN #101AH | 01/29/2018 | 12359.00 | 0.00    | 615.00    |
| OAK ST UN #101AH | 01/30/2018 | 12361.90 | 0.00    | 612.00    |
| OAK ST UN #101AH | 01/31/2018 | 12352.70 | 0.00    | 609.00    |
| OAK ST UN #101AH | 02/01/2018 | 12340.40 | 0.00    | 601.00    |
| OAK ST UN #101AH | 02/02/2018 | 12332.40 | 0.00    | 596.00    |
| OAK ST UN #101AH | 02/03/2018 | 12315.00 | 0.00    | 591.00    |
| OAK ST UN #101AH | 02/04/2018 | 12326.90 | 0.00    | 581.00    |
| OAK ST UN #101AH | 02/05/2018 | 12335.00 | 0.00    | 569.00    |
| OAK ST UN #101AH | 02/06/2018 | 11884.00 | 0.00    | 522.00    |
| OAK ST UN #101AH | 02/07/2018 | 11746.50 | 0.00    | 534.00    |
| OAK ST UN #101AH | 02/08/2018 | 11689.90 | 0.00    | 538.00    |
| OAK ST UN #101AH | 02/09/2018 | 11658.20 | 0.00    | 530.00    |
| OAK ST UN #101AH | 02/10/2018 | 11619.80 | 0.00    | 514.00    |
| OAK ST UN #101AH | 02/11/2018 | 11918.10 | 0.00    | 522.00    |
| OAK ST UN #101AH | 02/12/2018 | 12003.50 | 0.00    | 500.00    |
| OAK ST UN #101AH | 02/13/2018 | 11999.70 | 0.00    | 486.00    |
| OAK ST UN #101AH | 02/14/2018 | 11986.50 | 0.00    | 475.00    |
| OAK ST UN #101AH | 02/15/2018 | 11968.40 | 0.00    | 465.00    |
| OAK ST UN #101AH | 02/16/2018 | 11760.90 | 0.00    | 450.00    |
| OAK ST UN #101AH | 02/17/2018 | 11943.40 | 0.00    | 439.40    |
| OAK ST UN #101AH | 02/18/2018 | 11916.90 | 0.00    | 431.40    |
| OAK ST UN #101AH | 02/19/2018 | 11908.00 | 0.00    | 421.30    |
| OAK ST UN #101AH | 02/20/2018 | 11897.00 | 0.00    | 410.00    |
| OAK ST UN #101AH | 02/21/2018 | 11566.00 | 0.00    | 401.00    |
| OAK ST UN #101AH | 02/22/2018 | 11923.00 | 0.00    | 393.00    |
| OAK ST UN #101AH | 02/23/2018 | 11821.00 | 0.00    | 388.00    |
| OAK ST UN #101AH | 02/24/2018 | 11808.00 | 0.00    | 380.00    |
| OAK ST UN #101AH | 02/25/2018 | 11777.00 | 0.00    | 373.00    |
| OAK ST UN #101AH | 02/26/2018 | 11757.00 | 0.00    | 366.00    |
| OAK ST UN #101AH | 02/27/2018 | 11734.00 | 0.00    | 360.00    |
| OAK ST UN #101AH | 02/28/2018 | 11700.00 | 0.00    | 352.00    |
| OAK ST UN #101AH | 03/01/2018 | 11650.00 | 0.00    | 345.00    |
| OAK ST UN #101AH | 03/02/2018 | 11643.00 | 0.00    | 341.00    |
| OAK ST UN #101AH | 03/03/2018 | 11627.00 | 0.00    | 335.00    |
| OAK ST UN #101AH | 03/04/2018 | 11605.00 | 0.00    | 330.00    |
| OAK ST UN #101AH | 03/05/2018 | 11585.00 | 0.00    | 324.00    |





| COMPLETION       | PROD DATE  | GAS VOL  | OIL VOL | WATER VOL |
|------------------|------------|----------|---------|-----------|
| OAK ST UN #101AH | 03/06/2018 | 11555.00 | 0.00    | 316.00    |
| OAK ST UN #101AH | 03/07/2018 | 11532.00 | 0.00    | 313.00    |
| OAK ST UN #101AH | 03/08/2018 | 11462.00 | 0.00    | 307.00    |
| OAK ST UN #101AH | 03/09/2018 | 11491.00 | 0.00    | 304.00    |
| OAK ST UN #101AH | 03/10/2018 | 11000.00 | 0.00    | 304.00    |
| OAK ST UN #101AH | 03/11/2018 | 11453.00 | 0.00    | 293.00    |
| OAK ST UN #101AH | 03/12/2018 | 11419.00 | 0.00    | 289.00    |
| OAK ST UN #101AH | 03/13/2018 | 11393.00 | 0.00    | 285.00    |
| OAK ST UN #101AH | 03/14/2018 | 11321.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 03/15/2018 | 4005.00  | 0.00    | 21.00     |
| OAK ST UN #101AH | 03/16/2018 | 11963.00 | 0.00    | 289.00    |
| OAK ST UN #101AH | 03/17/2018 | 11658.00 | 0.00    | 314.00    |
| OAK ST UN #101AH | 03/18/2018 | 12498.30 | 0.00    | 357.00    |
| OAK ST UN #101AH | 03/19/2018 | 12532.00 | 0.00    | 308.00    |
| OAK ST UN #101AH | 03/20/2018 | 12465.00 | 0.00    | 294.00    |
| OAK ST UN #101AH | 03/21/2018 | 12418.00 | 0.00    | 285.00    |
| OAK ST UN #101AH | 03/22/2018 | 12684.00 | 0.00    | 287.00    |
| OAK ST UN #101AH | 03/23/2018 | 12604.20 | 0.00    | 280.00    |
| OAK ST UN #101AH | 03/24/2018 | 12528.50 | 0.00    | 277.00    |
| OAK ST UN #101AH | 03/25/2018 | 9369.00  | 0.00    | 277.00    |
| OAK ST UN #101AH | 03/26/2018 | 8415.00  | 0.00    | 117.00    |
| OAK ST UN #101AH | 03/27/2018 | 10878.60 | 0.00    | 217.00    |
| OAK ST UN #101AH | 03/28/2018 | 13078.80 | 0.00    | 324.00    |
| OAK ST UN #101AH | 03/29/2018 | 12686.80 | 0.00    | 286.00    |
| OAK ST UN #101AH | 03/30/2018 | 12020.80 | 0.00    | 269.00    |
| OAK ST UN #101AH | 03/31/2018 | 12608.20 | 0.00    | 258.00    |
| OAK ST UN #101AH | 04/01/2018 | 12533.10 | 0.00    | 253.00    |
| OAK ST UN #101AH | 04/02/2018 | 11741.00 | 0.00    | 215.00    |
| OAK ST UN #101AH | 04/03/2018 | 11503.00 | 0.00    | 227.00    |
| OAK ST UN #101AH | 04/04/2018 | 11293.90 | 0.00    | 229.00    |
| OAK ST UN #101AH | 04/05/2018 | 11347.30 | 0.00    | 232.00    |
| OAK ST UN #101AH | 04/06/2018 | 10940.00 | 0.00    | 227.00    |
| OAK ST UN #101AH | 04/07/2018 | 11312.00 | 0.00    | 228.00    |
| OAK ST UN #101AH | 04/08/2018 | 10469.00 | 0.00    | 229.00    |
| OAK ST UN #101AH | 04/09/2018 | 11017.00 | 0.00    | 227.00    |
| OAK ST UN #101AH | 04/10/2018 | 11031.00 | 0.00    | 223.00    |
| OAK ST UN #101AH | 04/11/2018 | 166.00   | 0.00    | 6.00      |
| OAK ST UN #101AH | 04/12/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/13/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/14/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/15/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/16/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/17/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/18/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/19/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/20/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/21/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 04/22/2018 | 14461.00 | 0.00    | 187.00    |



| COMPLETION       | PROD DATE  | GAS VOL  | OIL VOL | WATER VOL |
|------------------|------------|----------|---------|-----------|
| OAK ST UN #101AH | 04/23/2018 | 15678.00 | 0.00    | 317.00    |
| OAK ST UN #101AH | 04/24/2018 | 13796.00 | 0.00    | 333.00    |
| OAK ST UN #101AH | 04/25/2018 | 12459.00 | 0.00    | 310.00    |
| OAK ST UN #101AH | 04/26/2018 | 11881.00 | 0.00    | 299.00    |
| OAK ST UN #101AH | 04/27/2018 | 11548.90 | 0.00    | 282.00    |
| OAK ST UN #101AH | 04/28/2018 | 11347.00 | 0.00    | 270.00    |
| OAK ST UN #101AH | 04/29/2018 | 11220.00 | 0.00    | 258.00    |
| OAK ST UN #101AH | 04/30/2018 | 11129.00 | 0.00    | 245.00    |
| OAK ST UN #101AH | 05/01/2018 | 11072.00 | 0.00    | 233.00    |
| OAK ST UN #101AH | 05/02/2018 | 11045.00 | 0.00    | 221.00    |
| OAK ST UN #101AH | 05/03/2018 | 11018.00 | 0.00    | 213.00    |
| OAK ST UN #101AH | 05/04/2018 | 10999.00 | 0.00    | 205.00    |
| OAK ST UN #101AH | 05/05/2018 | 10977.00 | 0.00    | 200.00    |
| OAK ST UN #101AH | 05/06/2018 | 10954.00 | 0.00    | 194.00    |
| OAK ST UN #101AH | 05/07/2018 | 10923.80 | 0.00    | 189.00    |
| OAK ST UN #101AH | 05/08/2018 | 10563.80 | 0.00    | 182.00    |
| OAK ST UN #101AH | 05/09/2018 | 10862.90 | 0.00    | 178.00    |
| OAK ST UN #101AH | 05/10/2018 | 10528.50 | 0.00    | 178.00    |
| OAK ST UN #101AH | 05/11/2018 | 10789.40 | 0.00    | 173.00    |
| OAK ST UN #101AH | 05/12/2018 | 10752.00 | 0.00    | 170.00    |
| OAK ST UN #101AH | 05/13/2018 | 10713.00 | 0.00    | 169.00    |
| OAK ST UN #101AH | 05/14/2018 | 10677.00 | 0.00    | 164.00    |
| OAK ST UN #101AH | 05/15/2018 | 10643.00 | 0.00    | 163.00    |
| OAK ST UN #101AH | 05/16/2018 | 9152.00  | 0.00    | 133.00    |
| OAK ST UN #101AH | 05/17/2018 | 11164.00 | 0.00    | 190.00    |
| OAK ST UN #101AH | 05/18/2018 | 10970.00 | 0.00    | 192.00    |
| OAK ST UN #101AH | 05/19/2018 | 10843.00 | 0.00    | 190.00    |
| OAK ST UN #101AH | 05/20/2018 | 0.00     | 0.00    | 11.00     |
| OAK ST UN #101AH | 05/21/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 05/22/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 05/23/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 05/24/2018 | 0.00     | 0.00    | 0.00      |
| OAK ST UN #101AH | 05/25/2018 | 12327.00 | 0.00    | 216.00    |
| OAK ST UN #101AH | 05/26/2018 | 13447.80 | 0.00    | 281.00    |
| OAK ST UN #101AH | 05/27/2018 | 11987.10 | 0.00    | 281.00    |
| OAK ST UN #101AH | 05/28/2018 | 11286.90 | 0.00    | 308.00    |
| OAK ST UN #101AH | 05/29/2018 | 10570.30 | 0.00    | 243.00    |
| OAK ST UN #101AH | 05/30/2018 | 10339.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 05/31/2018 | 10509.00 | 0.00    | 243.00    |
| OAK ST UN #101AH | 06/01/2018 | 10567.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/02/2018 | 10532.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/03/2018 | 10527.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/04/2018 | 10349.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/05/2018 | 9876.00  | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/06/2018 | 10220.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/07/2018 | 10827.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/08/2018 | 10700.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/09/2018 | 10627.00 | 0.00    | 281.00    |



7.25.10

| COMPLETION       | PROD DATE  | GAS VOL  | OIL VOL | WATER VOL |
|------------------|------------|----------|---------|-----------|
| OAK ST UN #101AH | 06/10/2018 | 10574.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/11/2018 | 10531.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/12/2018 | 10477.00 | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/13/2018 | 6501.00  | 0.00    | 281.00    |
| OAK ST UN #101AH | 06/14/2018 | 10373.00 | 0.00    | 180.00    |
| OAK ST UN #101AH | 06/15/2018 | 10327.00 | 0.00    | 145.00    |
| OAK ST UN #101AH | 06/16/2018 | 10284.00 | 0.00    | 122.00    |
| OAK ST UN #101AH | 06/17/2018 | 10284.00 | 0.00    | 146.00    |
| OAK ST UN #101AH | 06/18/2018 | 10237.00 | 0.00    | 119.00    |
| OAK ST UN #101AH | 06/19/2018 | 10189.00 | 0.00    | 181.00    |
| OAK ST UN #101AH | 06/20/2018 | 10143.00 | 0.00    | 116.00    |
| OAK ST UN #101AH | 06/21/2018 | 10100.00 | 0.00    | 115.00    |
| OAK ST UN #101AH | 06/22/2018 | 10053.00 | 0.00    | 115.00    |
| OAK ST UN #101AH | 06/23/2018 | 10015.00 | 0.00    | 114.00    |
| OAK ST UN #101AH | 06/24/2018 | 9977.00  | 0.00    | 114.00    |
| OAK ST UN #101AH | 06/25/2018 | 1190.00  | 0.00    | 13.50     |
| OAK ST UN #101AH | 06/26/2018 | 0.00     | 0.00    | 0.00      |





· Directional Drilling · Horizontal Drilling · MWD/LWD · Mud Motors

January 25, 2018

Railroad Commission of Texas  
Oil and Gas Division  
P.O. Box 12967  
Capitol Station  
Austin, Texas 78711

Attention: Pamela Johns

Re: Apache Corporation  
Oak State Unit #101CH (101AH)  
Reeves County, Texas  
API No. 42-389-35867

Enclosed, please find the original and one copy of the survey performed on the referenced well by Aim Directional Services, LLC (P-5 No. 009134). Other information required by your office is as follows:

| Name & Title                      |                         |                        |                       |                       |
|-----------------------------------|-------------------------|------------------------|-----------------------|-----------------------|
| <u>of Surveyor</u>                | <u>Drainhole Number</u> | <u>Surveyed Depths</u> | <u>Date Performed</u> | <u>Type of Survey</u> |
| Allison Reinert<br>VP Engineering | Original hole           | 2001' – 19587'         | 09/15/17 – 10/16/17   | MWD                   |

A certified plat on which the bottom hole location is oriented both to the surface location and the lease line (or unit lines in case of pooling) is attached to the survey report. If any other information is required, please contact the undersigned at the letterhead address and phone number.

Allison Reinert

Digitally signed by Allison Reinert  
DN: cn=Allison Reinert, o=Aim Directional Services,  
ou=VP Engineering,  
email=allison.reinert@aimdir.com, c=US  
Date: 2018.02.21 13:12:30 -0600

Allison Reinert  
VP Engineering

Enclosures  
cc:



· Directional Drilling · Horizontal Drilling · MWD/LWD · Mud Motors

January 25, 2018

State of Texas  
County of Reeves

I, Allison Reinert, certify that; I am employed by Aim Directional Services, LLC; that I did on the day(s) of September 15, 2017 through October 16, 2017 conduct or supervise the taking of a directional MWD survey from a depth of 2001 feet to a depth of 19587 feet; that the data is true, correct, complete and within the limitations of the tool as set forth by Aim Directional Services, LLC; that I am authorized and qualified to make this report; that this survey was conducted at the request of Apache Corporation for Oak State Unit #101CH (101AH) API No. 42-389-35867 in Reeves County, Texas; and that I have reviewed this report and find that it conforms to the principles and procedures as set forth by Aim Directional Services, LLC.

**Allison Reinert**

Digitally signed by Allison Reinert  
DN: cn=Allison Reinert, o=Aim Directional Services, ou=VP  
Engineering, email=allison.reinert@aimdr.com, c=US  
Date: 2018.02.21 13:13:00 -06:00

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Allison Reinert  
VP Engineering

# Aim Directional Services, LLC

## Survey Report

7.25.10

|                  |                       |                                     |                                          |
|------------------|-----------------------|-------------------------------------|------------------------------------------|
| <b>Company:</b>  | Apache Corporation    | <b>Local Co-ordinate Reference:</b> | Well #101AH                              |
| <b>Project:</b>  | Reeves County, Texas  | <b>TVD Reference:</b>               | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| <b>Site:</b>     | Oak State Unit #101AH | <b>MD Reference:</b>                | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| <b>Well:</b>     | #101AH                | <b>North Reference:</b>             | Grid                                     |
| <b>Wellbore:</b> | Aim MWD Surveys       | <b>Survey Calculation Method:</b>   | Minimum Curvature                        |
| <b>Design:</b>   | Aim MWD Surveys       | <b>Database:</b>                    | EDM 5000.14 Single User Db               |

|                    |                                      |                      |                |
|--------------------|--------------------------------------|----------------------|----------------|
| <b>Project</b>     | Reeves County, Texas                 |                      |                |
| <b>Map System:</b> | US State Plane 1927 (Exact solution) | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | NAD 1927 (NADCON CONUS)              |                      |                |
| <b>Map Zone:</b>   | Texas Central 4203                   |                      |                |

|                       |                       |              |                 |                   |                   |
|-----------------------|-----------------------|--------------|-----------------|-------------------|-------------------|
| Site                  | Oak State Unit #101AH |              |                 |                   |                   |
| Site Position:        |                       | Northing:    | 600,996.25 usft | Latitude:         | 31° 16' 3.342 N   |
| From:                 | Map                   | Easting:     | 858,195.44 usft | Longitude:        | 103° 59' 18.982 W |
| Position Uncertainty: | 0.00 usft             | Slot Radius: | 13-3/16 "       | Grid Convergence: | -1.88 °           |

|                      |        |           |                     |                 |               |                   |
|----------------------|--------|-----------|---------------------|-----------------|---------------|-------------------|
| Well                 | #101AH |           |                     |                 |               |                   |
| Well Position        | +N/-S  | 0.00 usft | Northing:           | 600,996.25 usft | Latitude:     | 31° 16' 3.342 N   |
|                      | +E/-W  | 0.00 usft | Easting:            | 858,195.44 usft | Longitude:    | 103° 59' 18.982 W |
| Position Uncertainty |        | 0.00 usft | Wellhead Elevation: | usft            | Ground Level: | 3,241.00 usft     |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | Aim MWD Surveys   |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | HDGM              | 9/21/2017          | 7.17                   | 59.22                | 47,287.20000000            |

|                          |                                |                     |                     |                      |          |
|--------------------------|--------------------------------|---------------------|---------------------|----------------------|----------|
| <b>Design</b>            | Aim MWD Surveys                |                     |                     |                      |          |
| <b>Audit Notes:</b>      |                                |                     |                     |                      |          |
| <b>Version:</b>          | 1.0                            | <b>Phase:</b>       | ACTUAL              | <b>Tie On Depth:</b> | 1,861.00 |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b> | <b>Direction (°)</b> |          |
|                          | 0.00                           | 0.00                | 0.00                | 181.77               |          |

|                       |                  |                                           |                  |                    |  |
|-----------------------|------------------|-------------------------------------------|------------------|--------------------|--|
| <b>Survey Program</b> | <b>Date</b>      | 10/19/2017                                |                  |                    |  |
| <b>From (usft)</b>    | <b>To (usft)</b> | <b>Survey (Wellbore)</b>                  | <b>Tool Name</b> | <b>Description</b> |  |
| 190.00                | 1,861.00         | Teledrift MWD Surveys (Teledrift Surveys) | MWD              | Std MWD            |  |
| 2,001.00              | 19,587.00        | Aim MWD Survey (Aim MWD Surveys)          | B001Mb_MWD+HRGM  | OWSG MWD + HRGM    |  |

|                                    |                        |                    |                              |                     |                     |                                |                                |                               |                              |  |
|------------------------------------|------------------------|--------------------|------------------------------|---------------------|---------------------|--------------------------------|--------------------------------|-------------------------------|------------------------------|--|
| <b>Survey</b>                      |                        |                    |                              |                     |                     |                                |                                |                               |                              |  |
| <b>Measured Depth (usft)</b>       | <b>Inclination (°)</b> | <b>Azimuth (°)</b> | <b>Vertical Depth (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b> | <b>Vertical Section (usft)</b> | <b>Dogleg Rate (°/100usft)</b> | <b>Build Rate (°/100usft)</b> | <b>Turn Rate (°/100usft)</b> |  |
| 1,861.00                           | 3.90                   | 297.00             | 1,860.03                     | 8.06                | -40.68              | -6.80                          | 0.00                           | 0.00                          | 0.00                         |  |
| <b>Tie-on to Teledrift Surveys</b> |                        |                    |                              |                     |                     |                                |                                |                               |                              |  |
| 2,001.00                           | 4.09                   | 272.02             | 1,999.70                     | 10.40               | -49.91              | -8.85                          | 1.24                           | 0.14                          | -17.84                       |  |
| <b>First Aim MWD Survey</b>        |                        |                    |                              |                     |                     |                                |                                |                               |                              |  |
| 2,193.00                           | 7.34                   | 186.76             | 2,190.99                     | -1.56               | -58.21              | 3.36                           | 4.22                           | 1.69                          | -44.41                       |  |
| 2,383.00                           | 8.48                   | 180.00             | 2,379.18                     | -27.62              | -59.64              | 29.45                          | 0.77                           | 0.60                          | -3.56                        |  |
| 2,572.00                           | 12.04                  | 188.43             | 2,565.14                     | -61.07              | -62.53              | 62.97                          | 2.04                           | 1.88                          | 4.46                         |  |
| 2,763.00                           | 8.97                   | 157.15             | 2,753.06                     | -94.53              | -59.67              | 96.33                          | 3.33                           | -1.61                         | -16.38                       |  |
| 2,954.00                           | 8.70                   | 163.65             | 2,941.80                     | -122.12             | -49.82              | 123.60                         | 0.54                           | -0.14                         | 3.40                         |  |



|           |                       |                              |                                          |
|-----------|-----------------------|------------------------------|------------------------------------------|
| Company:  | Apache Corporation    | Local Co-ordinate Reference: | Well #101AH                              |
| Project:  | Reeves County, Texas  | TVD Reference:               | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| Site:     | Oak State Unit #101AH | MD Reference:                | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| Well:     | #101AH                | North Reference:             | Grid                                     |
| Wellbore: | Aim MWD Surveys       | Survey Calculation Method:   | Minimum Curvature                        |
| Design:   | Aim MWD Surveys       | Database:                    | EDM 5000.14 Single User Db               |

| Survey                |                 |             |                       |              |              |                         |                         |                        |                       |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 3,145.00              | 6.02            | 156.88      | 3,131.21              | -145.19      | -41.82       | 146.42                  | 1.47                    | -1.40                  | -3.54                 |
| 3,336.00              | 5.89            | 156.53      | 3,321.18              | -163.39      | -33.98       | 164.37                  | 0.07                    | -0.07                  | -0.18                 |
| 3,526.00              | 5.41            | 152.75      | 3,510.26              | -180.30      | -26.00       | 181.02                  | 0.32                    | -0.25                  | -1.99                 |
| 3,716.00              | 4.84            | 151.26      | 3,699.50              | -195.29      | -18.04       | 195.76                  | 0.31                    | -0.30                  | -0.78                 |
| 3,907.00              | 5.10            | 148.36      | 3,889.78              | -209.58      | -9.71        | 209.78                  | 0.19                    | 0.14                   | -1.52                 |
| 4,098.00              | 5.10            | 152.49      | 4,080.03              | -224.34      | -1.34        | 224.28                  | 0.19                    | 0.00                   | 2.16                  |
| 4,289.00              | 5.32            | 158.90      | 4,270.24              | -240.13      | 5.77         | 239.84                  | 0.33                    | 0.12                   | 3.36                  |
| 4,480.00              | 2.68            | 181.32      | 4,460.77              | -252.86      | 8.86         | 252.47                  | 1.58                    | -1.38                  | 11.74                 |
| 4,671.00              | 2.42            | 175.25      | 4,651.58              | -261.34      | 9.09         | 260.94                  | 0.20                    | -0.14                  | -3.18                 |
| 4,862.00              | 2.33            | 173.49      | 4,842.41              | -269.22      | 9.86         | 268.79                  | 0.06                    | -0.05                  | -0.92                 |
| 5,052.00              | 1.58            | 184.04      | 5,032.30              | -275.67      | 10.11        | 275.22                  | 0.44                    | -0.39                  | 5.55                  |
| 5,243.00              | 0.48            | 197.66      | 5,223.27              | -279.06      | 9.69         | 278.63                  | 0.59                    | -0.58                  | 7.13                  |
| 5,434.00              | 0.40            | 209.44      | 5,414.26              | -280.40      | 9.12         | 279.99                  | 0.06                    | -0.04                  | 6.17                  |
| 5,625.00              | 0.53            | 241.08      | 5,605.26              | -281.41      | 8.02         | 281.03                  | 0.15                    | 0.07                   | 16.57                 |
| 5,816.00              | 0.53            | 261.38      | 5,796.25              | -281.97      | 6.37         | 281.64                  | 0.10                    | 0.00                   | 10.63                 |
| 6,007.00              | 0.70            | 287.05      | 5,987.24              | -281.76      | 4.38         | 281.49                  | 0.17                    | 0.09                   | 13.44                 |
| 6,197.00              | 0.75            | 316.49      | 6,177.22              | -280.52      | 2.41         | 280.31                  | 0.20                    | 0.03                   | 15.49                 |
| 6,388.00              | 0.75            | 325.54      | 6,368.21              | -278.58      | 0.85         | 278.42                  | 0.06                    | 0.00                   | 4.74                  |
| 6,579.00              | 1.10            | 334.77      | 6,559.18              | -275.89      | -0.64        | 275.78                  | 0.20                    | 0.18                   | 4.83                  |
| 6,770.00              | 1.71            | 344.00      | 6,750.12              | -271.49      | -2.21        | 271.43                  | 0.34                    | 0.32                   | 4.83                  |
| 6,961.00              | 1.41            | 4.22        | 6,941.05              | -266.41      | -2.82        | 266.37                  | 0.33                    | -0.16                  | 10.59                 |
| 7,152.00              | 1.98            | 359.12      | 7,131.97              | -260.77      | -2.70        | 260.72                  | 0.31                    | 0.30                   | -2.67                 |
| 7,343.00              | 1.85            | 333.19      | 7,322.87              | -254.72      | -4.14        | 254.72                  | 0.45                    | -0.07                  | -13.58                |
| 7,532.00              | 1.67            | 338.20      | 7,511.78              | -249.44      | -6.54        | 249.52                  | 0.13                    | -0.10                  | 2.65                  |
| 7,723.00              | 0.53            | 322.03      | 7,702.74              | -246.15      | -8.12        | 246.29                  | 0.61                    | -0.60                  | -8.47                 |
| 7,913.00              | 0.22            | 234.58      | 7,892.74              | -245.67      | -8.96        | 245.83                  | 0.30                    | -0.16                  | -46.03                |
| 8,104.00              | 0.57            | 298.12      | 8,083.73              | -245.44      | -10.09       | 245.63                  | 0.27                    | 0.18                   | 33.27                 |
| 8,295.00              | 0.70            | 300.50      | 8,274.72              | -244.40      | -11.94       | 244.65                  | 0.07                    | 0.07                   | 1.25                  |
| 8,486.00              | 1.01            | 344.88      | 8,465.70              | -242.18      | -13.38       | 242.48                  | 0.37                    | 0.16                   | 23.24                 |
| 8,677.00              | 1.27            | 20.48       | 8,656.67              | -238.57      | -13.08       | 238.86                  | 0.39                    | 0.14                   | 18.64                 |
| 8,868.00              | 1.80            | 34.19       | 8,847.60              | -234.11      | -10.65       | 234.33                  | 0.34                    | 0.28                   | 7.18                  |
| 9,059.00              | 1.63            | 57.74       | 9,038.51              | -230.18      | -6.67        | 230.27                  | 0.38                    | -0.09                  | 12.33                 |
| 9,250.00              | 2.24            | 61.70       | 9,229.40              | -226.96      | -1.09        | 226.88                  | 0.33                    | 0.32                   | 2.07                  |
| 9,440.00              | 1.36            | 69.17       | 9,419.31              | -224.40      | 4.29         | 224.16                  | 0.48                    | -0.46                  | 3.93                  |
| 9,632.00              | 0.53            | 193.71      | 9,611.29              | -224.45      | 6.21         | 224.15                  | 0.89                    | -0.43                  | 64.86                 |
| 9,823.00              | 0.22            | 117.68      | 9,802.29              | -225.48      | 6.33         | 225.17                  | 0.27                    | -0.16                  | -39.81                |
| 10,013.00             | 0.66            | 62.40       | 9,992.28              | -225.14      | 7.62         | 224.80                  | 0.30                    | 0.23                   | -29.09                |
| 10,204.00             | 1.63            | 59.32       | 10,183.24             | -223.24      | 10.93        | 222.80                  | 0.51                    | 0.51                   | -1.61                 |
| 10,267.00             | 1.76            | 54.05       | 10,246.22             | -222.22      | 12.48        | 221.73                  | 0.32                    | 0.21                   | -8.37                 |
| 10,406.00             | 1.71            | 48.25       | 10,385.15             | -219.58      | 15.76        | 218.99                  | 0.13                    | -0.04                  | -4.17                 |
| 10,598.00             | 0.75            | 6.59        | 10,577.11             | -216.43      | 18.04        | 215.77                  | 0.65                    | -0.50                  | -21.70                |
| 10,789.00             | 0.48            | 23.38       | 10,768.10             | -214.45      | 18.50        | 213.78                  | 0.17                    | -0.14                  | 8.79                  |
| 10,980.00             | 1.58            | 26.89       | 10,959.06             | -211.37      | 20.01        | 210.65                  | 0.58                    | 0.58                   | 1.84                  |

# Aim Directional Services, LLC

## Survey Report

7.25.18

|                  |                       |                                     |                                          |
|------------------|-----------------------|-------------------------------------|------------------------------------------|
| <b>Company:</b>  | Apache Corporation    | <b>Local Co-ordinate Reference:</b> | Well #101AH                              |
| <b>Project:</b>  | Reeves County, Texas  | <b>TVD Reference:</b>               | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| <b>Site:</b>     | Oak State Unit #101AH | <b>MD Reference:</b>                | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| <b>Well:</b>     | #101AH                | <b>North Reference:</b>             | Grid                                     |
| <b>Wellbore:</b> | Aim MWD Surveys       | <b>Survey Calculation Method:</b>   | Minimum Curvature                        |
| <b>Design:</b>   | Aim MWD Surveys       | <b>Database:</b>                    | EDM 5000.14 Single User Db               |

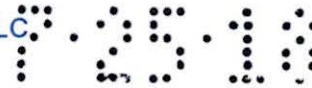
| Survey                |                 |             |                       |              |              |                         |                         |                        |                       |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 11,171.00             | 1.49            | 32.60       | 11,150.00             | -206.93      | 22.54        | 206.13                  | 0.09                    | -0.05                  | 2.99                  |
| 11,362.00             | 1.23            | 5.09        | 11,340.94             | -202.79      | 24.06        | 201.95                  | 0.36                    | -0.14                  | -14.40                |
| 11,553.00             | 1.10            | 51.33       | 11,531.91             | -199.61      | 25.67        | 198.72                  | 0.48                    | -0.07                  | 24.21                 |
| 11,744.00             | 1.19            | 56.16       | 11,722.87             | -197.36      | 28.75        | 196.37                  | 0.07                    | 0.05                   | 2.53                  |
| 11,935.00             | 0.57            | 44.91       | 11,913.85             | -195.58      | 31.07        | 194.53                  | 0.34                    | -0.32                  | -5.89                 |
| 12,011.00             | 0.53            | 57.65       | 11,989.84             | -195.12      | 31.63        | 194.05                  | 0.17                    | -0.05                  | 16.76                 |
| 12,202.00             | 0.57            | 22.94       | 12,180.83             | -193.78      | 32.75        | 192.67                  | 0.17                    | 0.02                   | -18.17                |
| 12,393.00             | 0.70            | 16.61       | 12,371.82             | -191.78      | 33.45        | 190.66                  | 0.08                    | 0.07                   | -3.31                 |
| 12,584.00             | 1.05            | 30.32       | 12,562.80             | -189.15      | 34.67        | 187.99                  | 0.21                    | 0.18                   | 7.18                  |
| 12,665.00             | 1.19            | 37.61       | 12,643.79             | -187.85      | 35.56        | 186.66                  | 0.25                    | 0.17                   | 9.00                  |
| 12,856.00             | 1.71            | 114.08      | 12,834.74             | -187.44      | 39.37        | 186.13                  | 0.96                    | 0.27                   | 40.04                 |
| 13,047.00             | 0.79            | 122.08      | 13,025.69             | -189.30      | 43.09        | 187.88                  | 0.49                    | -0.48                  | 4.19                  |
| 13,237.00             | 0.84            | 109.16      | 13,215.67             | -190.45      | 45.51        | 188.96                  | 0.10                    | 0.03                   | -6.80                 |
| 13,333.00             | 3.34            | 182.37      | 13,311.61             | -193.48      | 46.06        | 191.96                  | 3.33                    | 2.60                   | 76.26                 |
| 13,428.00             | 11.03           | 199.77      | 13,405.80             | -204.81      | 42.87        | 203.39                  | 8.32                    | 8.09                   | 18.32                 |
| 13,477.00             | 14.81           | 201.35      | 13,453.55             | -215.06      | 39.00        | 213.76                  | 7.75                    | 7.71                   | 3.22                  |
| 13,524.00             | 18.33           | 199.51      | 13,498.59             | -227.63      | 34.35        | 226.46                  | 7.57                    | 7.49                   | -3.91                 |
| 13,619.00             | 28.44           | 190.28      | 13,585.71             | -264.07      | 25.29        | 263.17                  | 11.29                   | 10.64                  | -9.72                 |
| 13,714.00             | 39.25           | 192.13      | 13,664.49             | -315.87      | 14.91        | 315.26                  | 11.43                   | 11.38                  | 1.95                  |
| 13,754.00             | 44.70           | 191.95      | 13,694.22             | -342.02      | 9.33         | 341.57                  | 13.63                   | 13.63                  | -0.45                 |
| 13,813.00             | 51.56           | 182.90      | 13,733.62             | -385.50      | 3.86         | 385.20                  | 16.28                   | 11.63                  | -15.34                |
| 13,908.00             | 56.35           | 178.33      | 13,789.52             | -462.25      | 3.13         | 461.94                  | 6.37                    | 5.04                   | -4.81                 |
| 13,956.00             | 63.47           | 181.67      | 13,813.58             | -503.75      | 3.08         | 503.41                  | 16.01                   | 14.83                  | 6.96                  |
| 14,004.00             | 69.89           | 182.28      | 13,832.57             | -547.78      | 1.56         | 547.47                  | 13.43                   | 13.38                  | 1.27                  |
| 14,052.00             | 74.99           | 181.05      | 13,847.05             | -593.51      | 0.24         | 593.22                  | 10.90                   | 10.63                  | -2.56                 |
| 14,099.00             | 79.56           | 185.45      | 13,857.40             | -639.25      | -2.38        | 639.02                  | 13.34                   | 9.72                   | 9.36                  |
| 14,148.00             | 83.60           | 183.78      | 13,864.58             | -687.56      | -6.27        | 687.42                  | 8.91                    | 8.24                   | -3.41                 |
| 14,195.00             | 85.54           | 186.06      | 13,869.02             | -734.17      | -10.29       | 734.14                  | 6.35                    | 4.13                   | 4.85                  |
| 14,290.00             | 91.56           | 180.79      | 13,871.43             | -828.89      | -15.95       | 828.99                  | 8.42                    | 6.34                   | -5.55                 |
| 14,386.00             | 94.42           | 177.98      | 13,866.42             | -924.74      | -14.92       | 924.76                  | 4.17                    | 2.98                   | -2.93                 |
| 14,481.00             | 94.37           | 176.13      | 13,859.14             | -1,019.33    | -10.06       | 1,019.15                | 1.94                    | -0.05                  | -1.95                 |
| 14,577.00             | 89.71           | 172.88      | 13,855.72             | -1,114.79    | -0.87        | 1,114.28                | 5.92                    | -4.85                  | -3.39                 |
| 14,673.00             | 85.23           | 173.23      | 13,859.96             | -1,209.96    | 10.72        | 1,209.06                | 4.68                    | -4.67                  | 0.36                  |
| 14,768.00             | 87.87           | 176.39      | 13,865.68             | -1,304.38    | 19.30        | 1,303.16                | 4.33                    | 2.78                   | 3.33                  |
| 14,863.00             | 89.80           | 180.17      | 13,867.61             | -1,399.30    | 22.14        | 1,397.95                | 4.47                    | 2.03                   | 3.98                  |
| 14,958.00             | 90.29           | 180.52      | 13,867.53             | -1,494.30    | 21.57        | 1,492.92                | 0.63                    | 0.52                   | 0.37                  |
| 15,054.00             | 89.63           | 181.32      | 13,867.60             | -1,590.28    | 20.03        | 1,588.91                | 1.08                    | -0.69                  | 0.83                  |
| 15,149.00             | 89.98           | 181.32      | 13,867.93             | -1,685.26    | 17.84        | 1,683.90                | 0.37                    | 0.37                   | 0.00                  |
| 15,244.00             | 89.36           | 182.99      | 13,868.47             | -1,780.18    | 14.27        | 1,778.89                | 1.88                    | -0.65                  | 1.76                  |
| 15,340.00             | 90.29           | 182.81      | 13,868.77             | -1,876.06    | 9.41         | 1,874.87                | 0.99                    | 0.97                   | -0.19                 |
| 15,435.00             | 88.62           | 182.99      | 13,869.67             | -1,970.93    | 4.61         | 1,969.85                | 1.77                    | -1.76                  | 0.19                  |
| 15,531.00             | 89.63           | 182.63      | 13,871.14             | -2,066.80    | -0.10        | 2,065.82                | 1.12                    | 1.05                   | -0.38                 |
| 15,626.00             | 90.33           | 183.34      | 13,871.17             | -2,161.67    | -5.04        | 2,160.80                | 1.05                    | 0.74                   | 0.75                  |
| 15,722.00             | 89.01           | 183.43      | 13,871.72             | -2,257.50    | -10.71       | 2,256.76                | 1.38                    | -1.38                  | 0.09                  |



|           |                       |                              |                                          |
|-----------|-----------------------|------------------------------|------------------------------------------|
| Company:  | Apache Corporation    | Local Co-ordinate Reference: | Well #101AH                              |
| Project:  | Reeves County, Texas  | TVD Reference:               | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| Site:     | Oak State Unit #101AH | MD Reference:                | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| Well:     | #101AH                | North Reference:             | Grid                                     |
| Wellbore: | Aim MWD Surveys       | Survey Calculation Method:   | Minimum Curvature                        |
| Design:   | Aim MWD Surveys       | Database:                    | EDM 5000.14 Single User Db               |

| Survey                            |                 |             |                       |              |              |                         |                         |                        |                       |  |
|-----------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft)             | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |  |
| 15,817.00                         | 89.14           | 183.07      | 13,873.25             | -2,352.34    | -16.10       | 2,351.71                | 0.40                    | 0.14                   | -0.38                 |  |
| 15,913.00                         | 89.45           | 183.16      | 13,874.44             | -2,448.19    | -21.31       | 2,447.68                | 0.34                    | 0.32                   | 0.09                  |  |
| 16,008.00                         | 88.44           | 181.49      | 13,876.19             | -2,543.09    | -25.17       | 2,542.65                | 2.05                    | -1.06                  | -1.76                 |  |
| 16,104.00                         | 90.24           | 182.81      | 13,877.29             | -2,639.01    | -28.77       | 2,638.64                | 2.33                    | 1.88                   | 1.38                  |  |
| 16,199.00                         | 90.33           | 182.19      | 13,876.82             | -2,733.92    | -32.91       | 2,733.63                | 0.66                    | 0.09                   | -0.65                 |  |
| 16,295.00                         | 91.43           | 182.28      | 13,875.34             | -2,829.83    | -36.66       | 2,829.61                | 1.15                    | 1.15                   | 0.09                  |  |
| 16,390.00                         | 90.59           | 183.42      | 13,873.67             | -2,924.70    | -41.38       | 2,924.58                | 1.49                    | -0.88                  | 1.20                  |  |
| 16,486.00                         | 89.32           | 183.16      | 13,873.74             | -3,020.54    | -46.89       | 3,020.54                | 1.35                    | -1.32                  | -0.27                 |  |
| 16,581.00                         | 89.32           | 182.63      | 13,874.87             | -3,115.41    | -51.69       | 3,115.52                | 0.56                    | 0.00                   | -0.56                 |  |
| 16,677.00                         | 87.78           | 182.99      | 13,877.30             | -3,211.26    | -56.39       | 3,211.47                | 1.65                    | -1.60                  | 0.38                  |  |
| 16,772.00                         | 88.44           | 182.72      | 13,880.43             | -3,306.09    | -61.12       | 3,306.40                | 0.75                    | 0.69                   | -0.28                 |  |
| 16,868.00                         | 88.40           | 183.34      | 13,883.08             | -3,401.92    | -66.19       | 3,402.34                | 0.65                    | -0.04                  | 0.65                  |  |
| 16,963.00                         | 88.44           | 183.07      | 13,885.70             | -3,496.73    | -71.50       | 3,497.27                | 0.29                    | 0.04                   | -0.28                 |  |
| 17,058.00                         | 88.48           | 183.43      | 13,888.25             | -3,591.54    | -76.89       | 3,592.21                | 0.38                    | 0.04                   | 0.38                  |  |
| 17,153.00                         | 90.42           | 185.18      | 13,889.17             | -3,686.26    | -84.02       | 3,687.10                | 2.75                    | 2.04                   | 1.84                  |  |
| 17,249.00                         | 91.38           | 184.74      | 13,887.66             | -3,781.89    | -92.31       | 3,782.94                | 1.10                    | 1.00                   | -0.46                 |  |
| 17,344.00                         | 91.82           | 185.53      | 13,885.01             | -3,876.47    | -100.81      | 3,877.74                | 0.95                    | 0.46                   | 0.83                  |  |
| 17,440.00                         | 90.86           | 183.16      | 13,882.76             | -3,972.16    | -108.08      | 3,973.61                | 2.66                    | -1.00                  | -2.47                 |  |
| 17,535.00                         | 91.30           | 182.90      | 13,880.97             | -4,067.01    | -113.10      | 4,068.57                | 0.54                    | 0.46                   | -0.27                 |  |
| 17,631.00                         | 90.37           | 182.55      | 13,879.57             | -4,162.89    | -117.67      | 4,164.54                | 1.04                    | -0.97                  | -0.36                 |  |
| 17,726.00                         | 89.05           | 182.46      | 13,880.05             | -4,257.80    | -121.82      | 4,259.53                | 1.39                    | -1.39                  | -0.09                 |  |
| 17,822.00                         | 90.37           | 182.63      | 13,880.54             | -4,353.70    | -126.08      | 4,355.52                | 1.39                    | 1.38                   | 0.18                  |  |
| 17,917.00                         | 90.46           | 182.19      | 13,879.85             | -4,448.61    | -130.08      | 4,450.51                | 0.47                    | 0.09                   | -0.46                 |  |
| 18,013.00                         | 92.09           | 183.25      | 13,877.71             | -4,544.48    | -134.63      | 4,546.47                | 2.03                    | 1.70                   | 1.10                  |  |
| 18,108.00                         | 93.27           | 182.37      | 13,873.27             | -4,639.26    | -139.28      | 4,641.34                | 1.55                    | 1.24                   | -0.93                 |  |
| 18,204.00                         | 91.52           | 181.05      | 13,869.26             | -4,735.12    | -142.15      | 4,737.25                | 2.28                    | -1.82                  | -1.38                 |  |
| 18,299.00                         | 89.71           | 180.88      | 13,868.24             | -4,830.10    | -143.75      | 4,832.24                | 1.91                    | -1.91                  | -0.18                 |  |
| 18,395.00                         | 90.11           | 181.32      | 13,868.39             | -4,926.08    | -145.59      | 4,928.23                | 0.62                    | 0.42                   | 0.46                  |  |
| 18,490.00                         | 91.96           | 181.32      | 13,866.67             | -5,021.04    | -147.78      | 5,023.21                | 1.95                    | 1.95                   | 0.00                  |  |
| 18,586.00                         | 92.79           | 181.58      | 13,862.70             | -5,116.92    | -150.20      | 5,119.12                | 0.91                    | 0.86                   | 0.27                  |  |
| 18,681.00                         | 93.41           | 180.70      | 13,857.56             | -5,211.76    | -152.09      | 5,213.98                | 1.13                    | 0.65                   | -0.93                 |  |
| 18,777.00                         | 90.95           | 180.00      | 13,853.91             | -5,307.69    | -152.68      | 5,309.87                | 2.66                    | -2.56                  | -0.73                 |  |
| 18,872.00                         | 89.98           | 179.47      | 13,853.14             | -5,402.68    | -152.24      | 5,404.80                | 1.16                    | -1.02                  | -0.56                 |  |
| 18,968.00                         | 90.15           | 179.47      | 13,853.03             | -5,498.68    | -151.35      | 5,500.73                | 0.18                    | 0.18                   | 0.00                  |  |
| 19,063.00                         | 89.76           | 178.85      | 13,853.10             | -5,593.66    | -149.96      | 5,595.63                | 0.77                    | -0.41                  | -0.65                 |  |
| 19,159.00                         | 89.36           | 180.17      | 13,853.84             | -5,689.66    | -149.14      | 5,691.55                | 1.44                    | -0.42                  | 1.38                  |  |
| 19,254.00                         | 88.92           | 181.05      | 13,855.27             | -5,784.64    | -150.15      | 5,786.52                | 1.04                    | -0.46                  | 0.93                  |  |
| 19,350.00                         | 87.74           | 183.51      | 13,858.06             | -5,880.51    | -153.96      | 5,882.46                | 2.84                    | -1.23                  | 2.56                  |  |
| 19,445.00                         | 87.16           | 184.04      | 13,862.29             | -5,975.21    | -160.21      | 5,977.31                | 0.83                    | -0.61                  | 0.56                  |  |
| 19,532.00                         | 90.77           | 185.80      | 13,863.86             | -6,061.86    | -167.67      | 6,064.15                | 4.62                    | 4.15                   | 2.02                  |  |
| Last Aim MWD Survey               |                 |             |                       |              |              |                         |                         |                        |                       |  |
| 19,587.00                         | 90.77           | 185.80      | 13,863.12             | -6,116.57    | -173.23      | 6,119.01                | 0.00                    | 0.00                   | 0.00                  |  |
| Projection to TD - BHL (Oak101CH) |                 |             |                       |              |              |                         |                         |                        |                       |  |





|                  |                       |                                     |                                          |
|------------------|-----------------------|-------------------------------------|------------------------------------------|
| <b>Company:</b>  | Apache Corporation    | <b>Local Co-ordinate Reference:</b> | Well #101AH                              |
| <b>Project:</b>  | Reeves County, Texas  | <b>TVD Reference:</b>               | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| <b>Site:</b>     | Oak State Unit #101AH | <b>MD Reference:</b>                | 3241'GL+27'KB @ 3268.00usft (Nabors 895) |
| <b>Well:</b>     | #101AH                | <b>North Reference:</b>             | Grid                                     |
| <b>Wellbore:</b> | Aim MWD Surveys       | <b>Survey Calculation Method:</b>   | Minimum Curvature                        |
| <b>Design:</b>   | Aim MWD Surveys       | <b>Database:</b>                    | EDM 5000.14 Single User Db               |

## Design Targets

## Target Name

| - hit/miss target           | Dip Angle | Dip Dir. | TVD           | +N/-S     | +E/-W   | Northing   | Easting    | Latitude        | Longitude         |
|-----------------------------|-----------|----------|---------------|-----------|---------|------------|------------|-----------------|-------------------|
| - Shape                     | (°)       | (°)      | (usft)        | (usft)    | (usft)  | (usft)     | (usft)     |                 |                   |
| BHL (Oak101CH)              | 0.00      | 0.00     | 13,863.1<br>2 | -6,116.57 | -173.23 | 594,879.68 | 858,022.21 | 31° 15' 2.776 N | 103° 59' 18.662 W |
| - survey hits target center |           |          |               |           |         |            |            |                 |                   |
| - Point                     |           |          |               |           |         |            |            |                 |                   |

## Survey Annotations

| Measured Depth | Vertical Depth | Local Coordinates |              | Comment                     |
|----------------|----------------|-------------------|--------------|-----------------------------|
| (usft)         | (usft)         | +N/-S (usft)      | +E/-W (usft) |                             |
| 1,861.00       | 1,860.03       | 8.06              | -40.68       | Tie-on to Teledrift Surveys |
| 2,001.00       | 1,999.70       | 10.40             | -49.91       | First Aim MWD Survey        |
| 19,532.00      | 13,863.86      | -6,061.86         | -167.67      | Last Aim MWD Survey         |
| 19,587.00      | 13,863.12      | -6,116.57         | -173.23      | Projection to TD            |

APACHE CORP.  
REDWOOD LEASE

PUBLIC  
SCHOOL LAND  
BLK. C-8

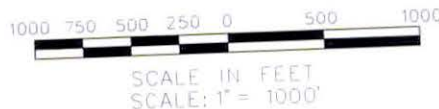
MINERAL OWNER:  
CMC/SC BECKHAM HOLDINGS.  
LP ET AL (STATE OF TEXAS)

APACHE CORP.  
OAK STATE UNIT

MINERAL OWNER:  
WELDON L. MOORE, III  
JUDITH S. MOORE  
(STATE OF TEXAS)

T. & P. R. R. CO.  
BLK. 57  
TSP. 7

Oak State Unit #101CH (101AH)  
MD = 19587.00' TVD = 13863.12'  
INC = 90.77° AZM = 185.80°  
N/-S = -6116.57' E/-W = -173.23'  
Closure = 6119.02' @ 181.62° Azm



SURFACE TO PENETRATION POINT -  
GRID BEARING N01°45'54"E -- 150'  
PENETRATION POINT TO FIRST TAKE POINT -  
GRID BEARING N01°45'54"E -- 0'  
FIRST TAKE POINT AND LAST TAKE POINT -  
GRID BEARING S01°45'54"W -- 7954'  
LAST TAKE POINT TO BOTTOMHOLE -  
GRID BEARING S01°45'54"W -- 50'

I, DENNIS W. HUGHES hereby certify that this plat,  
drawn to the scale indicated, accurately represents  
conditions as they actually exist on the property  
on which permit to drill is sought and correctly  
reflects all pertinent data required to be shown  
on such plat by orders of the Railroad Commission of Texas.

Date: 7/21/2017

| REVISED DATE: |  |
|---------------|--|
| 6-15-17       |  |
| 6-16-17       |  |

TOTAL UNIT AC. = 1058.68 AC.  
UNIT BOUNDARY - - - - -  
PRODUCING WELL - - - - -  
WELL LOCATIONS - - - - -

Apache

Unit Plat

OAK STATE UNIT  
No. 101CH

Reeves County, Texas

Scale: 1" = 1000' 7-21-2017 oak-state-unit.dgn  
Plat prepared by M&L  
for Horizon Survey, Inc.

Y=601258.59'  
X=857803.36'

Y=601101.50'  
X=857846.30'

(A-1089) 41 40 (A-3084)

Y=601084.30'  
X=863392.79'

Y=598685.45'  
X=863314.28'

Y=592826.37'  
X=863122.54'

APACHE CORP.  
DOGWOOD STATE  
LEASE

(A-3087) 48 1 (A-4051)

Y=598868.70'  
X=857729.29'

(A-3530) 6 5 (A-112)

(A-4420) 12  
Y=593009.21'  
X=857549.13'

(A-113) 7 8 (A-2701)

NEW DRILL  
LOCATION WELL NO. 101CH  
250' FNL x 400' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 858195.44'; Y= 600996.25'  
Lat.= 31°16'03.34"; Long.= -103°59'18.98"  
Lat.= 31.2675950°; Long.= -103.9886062°  
Ground Elevation: 3240.6'  
Approx. 12.1 miles Southwest of Toyah, TX

PENETRATION POINT WELL NO. 101CH  
100' FNL x 400' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 858200.06'; Y= 601146.18'  
Lat.= 31°16'04.83"; Long.= -103°59'18.99"  
Lat.= 31.2680074°; Long.= -103.9886072°

FIRST TAKE POINT WELL NO. 101CH  
100' FNL x 400' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 858200.06'; Y= 601146.18'  
Lat.= 31°16'04.83"; Long.= -103°59'18.99"  
Lat.= 31.2680074°; Long.= -103.9886072°

LAST TAKE POINT WELL NO. 101CH  
200' FNL x 400' FWL Section 6, Blk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 857953.07'; Y= 593196.00'  
Lat.= 31°14'46.10"; Long.= -103°59'18.80"  
Lat.= 31.2461383°; Long.= -103.9885549°

BOTTOMHOLE WELL NO. 101CH  
150' FNL x 400' FWL Section 6, Blk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 857953.53'; Y= 593146.02'  
Lat.= 31°14'46.60"; Long.= -103°59'18.80"  
Lat.= 31.2460008°; Long.= -103.9885546°





## RAILROAD COMMISSION OF TEXAS

1701 N. Congress  
P.O. Box 12967  
Austin, Texas 78711-2967

Form P-17

Rev. 04/2015

APPLICATION FOR EXCEPTION TO  
STATEWIDE RULES (SWR) 26 AND/OR 27

☐ New  
☒ Amended Existing Permit No. 7914  
Effective Month/Year of Requested  
Exception: January / 2018  
District 08  
County Reeves

## SECTION 1. OPERATOR INFORMATION

Operator Name: Apache Corporation

Operator P-5 No.: 027200

Operator Address: 17802 IH 10 West, Suite 300, San Antonio, Texas 78257

RECEIVED  
RRC OF TEXAS

## SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)

Gatherer Name: Trafalga Trading LLC

Gatherer P-5 No.: 864315

Gatherer Address: 1401 McKinney, Suite 1500, Houston TX 77010

MAR 07 2018

Gatherer E-mail Address:

(Optional - If provided, e-mail address will become part of this public record.)

O&G  
AUSTIN TX

## SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY):

☒ OIL☐ CASINGHEAD GAS☒ GAS WELL GAS☒ CONDENSATE

- a) ☐ Gas well full well stream into common separation and storage facility with liquids reported on Form PR.  
b) ☐ Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # \_\_\_\_\_ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)  
c) ☐ Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.  
d) ☒ This request is for off lease: ☒ Storage ☒ Separation ☒ Metering  
e) ☒ This exception is for common storage.  
f) ☐ This exception is for common separation.  
g) ☐ This exception is for casinghead gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other \_\_\_\_\_  
h) ☐ This exception is for gas well gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other \_\_\_\_\_

## SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY)

The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:

- a) ☒ The production is measured separately from all leases or individual wells before commingling. (Notice not required; Skip to Section 5)  
b) ☐ The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required)  
c) ☐ The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required)  
If b. or c. checked, production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☐ G-10 (gas)  
d) ☐ The wells produce from multiple reservoirs. (Notice required unless 4e. or 4f. apply; see instructions for additional requirements)  
e) ☐ The wells produce from multiple reservoirs and have SWR10 exceptions. (Notice not required)  
f) ☐ The wells produce from multiple reservoirs and are measured separately from each reservoir. (Notice not required)  
g) ☐ Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted. (Notice required)

SECTION 5. ☐ Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)SECTION 6. ☐ For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

## SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

| DISTRICT | RRC IDENTIFIER | ACTION                                                                                                    | LEASE AND FIELD NAME         | WELL NO. |
|----------|----------------|-----------------------------------------------------------------------------------------------------------|------------------------------|----------|
| 08       | 816431         | <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete | Redwood / Wildcat            | 1H       |
| 08       | 816458         | <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete | Redwood / Wildcat            | 2H       |
| 08       | 816475         | <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Add <input type="checkbox"/> Delete | Redwood / Wildcat            | 3H       |
| 08       | 816476         | <input type="checkbox"/> Existing <input type="checkbox"/> Add <input checked="" type="checkbox"/> Delete | Redwood / Phantom (Wolfcamp) | 4H       |

ATTACH ADDITIONAL PAGES AS NEEDED. ☐ No additional pages ☒ Additional pages 1 (# of additional pages)

FEE: \$150 Filing Fee + \$225 Surcharge = \$375 total remittance required (See Statewide Rule 78)

**CERTIFICATE:** I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.

Signature

Title Sr. Regulatory Analyst

Date 2/21/2018

Operator E-mail Address: paul.williams@apachecorp.com

Operator Phone No. 210-445-5757

(Optional - If provided, e-mail address will become part of this public record.)

Commingling Permit No.

Approval date:

RRC USE ONLY

Approved by:

145452 375<sup>00</sup>



[illegible]

Date:    mo.    day    yr.



Date:    mo.    day    yr.





# RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

7.25.18

Form W-15

Rev. 08/2014

## CEMENTING REPORT

Cementer: Fill in shaded areas.

Operator: Fill in other items.

### OPERATOR INFORMATION

|                |                        |                   |        |
|----------------|------------------------|-------------------|--------|
| Operator Name: | Apache Corp            | Operator P-5 No.: | 027200 |
| Cementer Name: | Quasar Energy Services | Cementer P-5 No.: | 684563 |

### WELL INFORMATION

|               |                    |            |              |                      |        |
|---------------|--------------------|------------|--------------|----------------------|--------|
| District No.: | 08                 | County:    | Reeves       |                      |        |
| Well No.:     | 101AH              | API No.:   | 42-389-35867 | Drilling Permit No.: | 825160 |
| Lease Name:   | Oak State          | Lease No.: |              |                      |        |
| Field Name:   | Alpine High (Cons) | Field No.: | 01942500     |                      |        |

### I. CASING CEMENT DATA

|                                                                               |                                    |                                                                                                                  |                                                |                                      |                                     |
|-------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------|-------------------------------------|
| Type of casing:                                                               | <input type="checkbox"/> Conductor | <input checked="" type="checkbox"/> Surface                                                                      | <input type="checkbox"/> Intermediate          | <input type="checkbox"/> Liner       | <input type="checkbox"/> Production |
| Size of hole                                                                  | 17 1/2                             | Depth of drilled hole (ft.):                                                                                     | 1,906                                          | Est. % wash-out or hole enlargement: | 25                                  |
| Size of casing in O.D. (in.):                                                 | 13 3/8                             | Casing weight (lbs/ft) and grade:                                                                                | 54.5#/J-55                                     | No. of centralizers used:            | 11                                  |
| Was cement circulated to ground surface (or bottom of cellar) outside casing? |                                    | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If no for surface casing, explain in remarks |                                                | Setting depth shoe (ft.):            | Top of liner (ft.):                 |
|                                                                               |                                    |                                                                                                                  |                                                | 1,906                                | Setting depth liner (ft)            |
| Hrs. waiting on cement before drill-out:                                      | 146                                | Calculated top of cement (ft.):                                                                                  | 0                                              | Cementing date:                      | 5/19/2017                           |
| SLURRY                                                                        |                                    |                                                                                                                  |                                                |                                      |                                     |
| Slurry No.                                                                    | No. of Sacks                       | Class                                                                                                            | Additives                                      | Volume (cu. ft.)                     | Height (ft.)                        |
| 1                                                                             | 1290                               | C                                                                                                                | 3% Salt, .5% SMS, .05 C-20, 1/4pps Celloflakes | 2657                                 | 3825                                |
| 2                                                                             | 300                                | C                                                                                                                |                                                | 402                                  | 579                                 |
| 3                                                                             |                                    |                                                                                                                  |                                                |                                      |                                     |
| Total                                                                         | 515                                |                                                                                                                  |                                                | 3059                                 | 4404                                |

### II. CASING CEMENT DATA

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

### III. CASING CEMENT DATA

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



## CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON

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

## REMARKS

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

John Mosman Cementer

Quasar Energy Services

Name and title of cementer's representative

Cementing Company

Signature

1811 ECR 140

Midland, Texas, 79706

(432) 687-3336

August 7, 2017

Address

City, State, Zip Code

Tel: Area Code Number

Date: Month/Day/Year

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

James Bujanos

Regulatory Tech

James Bujanos

Typed or printed name of operator's representative

Title

Signature

17802 IH-10 West, Suite 300

San Antonio TX 78257

(210) 572-8282

5/30/2018

Address

City, State, Zip Code

Tel: Area Code Number

Date: Month/Day/Year

## Instructions for Form W-15, Cementing Report

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

- A. **What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- B. **How to file:** An Oil and Gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- C. **Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission. To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac5ext.TacPage?si=R&app=9&p\\_dir=&p\\_rloc=&p\\_tloc=&p\\_ploc=&pg=1&p\\_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac5ext.TacPage?si=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- D. **Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a calliper log to show how the estimated % wash-out was obtained.
- E. **Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- F. **Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion, required to submit multiple Form W-15s to show all data for multiple parallel strings.
- G. **Slurry Data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cement Data box.





## RAILROAD COMMISSION OF TEXAS

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

2510

Form W-15

Rev. 08/2014

## CEMENTING REPORT

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

## OPERATOR INFORMATION

Operator Name: Apache Corp Operator P-5 No.: 027200  
Cementer Name: C&J Energy Cementer P-5 No.: 120532

## WELL INFORMATION

District No.: 08 County: REEVES  
Well No.: 101AH API No.: 42-389-35867 Drilling Permit No.: 825160  
Lease Name: OAK STATE Lease No.:  
Field Name: Alpine High (Cons) Field No.: 01942500

## I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☒ Intermediate ☐ Liner ☐ Production  
Drilled hole size (in.): 12 1/4 Depth of drilled hole (ft.): 10,331 Est. % wash-out or hole enlargement: 25  
Size of casing in O.D. (in.): 9 5/8 Casing weight (lbs/ft) and grade: 40 / L-80 No. of centralizers used: 57  
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO If no for surface casing, explain in Remarks. Setting depth shoe (ft.): 10,321 Top of liner (ft.):  
Setting depth liner (ft.):  
Hrs. waiting on cement before drill-out: 24.75 Calculated top of cement (ft.): 1,750 Cementing date: 9/26/2017

## SLURRY

| Slurry No. | No. of Sacks | Class     | Additives   | Volume (cu. ft.) | Height (ft.) |
|------------|--------------|-----------|-------------|------------------|--------------|
| 1          | 350          | WTX LW II | SEE REMARKS | 3640             | 11622        |
| 2          | 530          | C         | SEE REMARKS | 1341             | 4282         |
| 3          | 310          | WTX LW II | SEE REMARKS | 431              | 1376         |
| Total      | 1190         |           |             | 5412             | 17280        |

## II. CASING CEMENTING DATA

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

## SLURRY

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

## III. CASING CEMENTING DATA

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

## SLURRY

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



# CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON

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

## REMARKS

LEAD: CJWTX LWII+.5% CJ529+.4% CJ725+.35% CJ240 2ND LEAD: CJ912+3% CJ111+1% CJ031+.25% CJ725+.2% CJX157011+.3% ICA-5+.2% CJ212 TAIL: CJ951+.3% CJ511+.2% CJ725+.3% CJ240

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

**JAMES PAYNE, SRVICE SUPERVISOR**

**C&J Energy Services**

Name and title of cementer's representative

Cementing Company

Signature

8001 W Industrial Ave Midland, TX 79706

432.561.5822

9/26/2017

Address

City,

State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

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

James Bujanos

Regulatory Tech

Signature

Typed or printed name of operator's representative

Title

Signature

17802 IH-10 West, Suite 300

San Antonio

TX 78257

(210) 572-8282

5/30/2018

Address

City,

State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

## Instructions for Form W-15, Cementing Report

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

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





## RAILROAD COMMISSION OF TEXAS

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

7.25.10

Form W-15

Rev. 08/2014

## CEMENTING REPORT

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

## OPERATOR INFORMATION

Operator Name: Apache Corp. Operator P-5 No.: 027200  
Cementer Name: C&J Well Services Cementer P-5 No.: 120532

## WELL INFORMATION

District No.: 08 County: REEVES  
Well No.: 101AH API No.: 42-389-35867 Drilling Permit No.: 825160  
Lease Name: OAK STATE Lease No.:  
Field Name: Alpine High (Cons) Field No.: 01942500

## I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☒ Liner ☐ Production  
Drilled hole size (in.): 8 3/4 Depth of drilled hole (ft.): 11,996 Est. % wash-out or hole enlargement: 25  
Size of casing in O.D. (in.): 7 5/8 Casing weight (lbs/ft) and grade: 29.7 / P-110 No. of centralizers used: 0  
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks. Setting depth shoe (ft.): 11,993 Top of liner (ft.):  
Setting depth liner (ft.):  
Hrs. waiting on cement before drill-out: Calculated top of cement (ft.): 0 Cementing date: 09-30-17

## SLURRY

| Slurry No. | No. of Sacks | Class | Additives     | Volume (cu. ft.) | Height (ft.) |
|------------|--------------|-------|---------------|------------------|--------------|
| 1          | 240          | CJ951 | SEE ADDITIVES | 278              | 3841         |
| 2          |              |       |               |                  |              |
| 3          |              |       |               |                  |              |
| Total      | 240          |       |               | 278              | 3841         |

## II. CASING CEMENTING DATA

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

## SLURRY

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

## III. CASING CEMENTING DATA

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

## SLURRY

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



# CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON

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

## REMARKS

CJ951+.4%CJ511+.2%CJ725+6LB/SK CJ052B+.3%CJ415+.4%CJ212 circulated 69 sacks off top of the liner.

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

**MARCUS CORTEZ** Service Supervisor

**C&J Well Services**



Name and title of cementer's representative

Cementing Company

Signature

8001 W. Industrial Ave, Midland, TX. 79706

432.561.5822

09-30-17

Address

City,

State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

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

James Bujanos

Regulatory Tech



Typed or printed name of operator's representative

Title

Signature

17802 IH-10 West, Suite 300

San Antonio

TX 78257

(210) 572-8282

10/16/2017

Address

City,

State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

## Instructions for Form W-15, Cementing Report

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

- A. What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.

The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

- B. How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).

- C. Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p\\_dir=&p\\_rloc=&p\\_tloc=&p\\_ploc=&pg=1&p\\_tac=&ti=16&pt=1&ch=3&rl=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

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





## RAILROAD COMMISSION OF TEXAS

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

7.25.18

Form W-15

Rev. 08/2014

## CEMENTING REPORT

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

## OPERATOR INFORMATION

Operator Name: Apache Corp. Operator P-5 No.: 027200  
Cementer Name: C&J Well Services Cementer P-5 No.: 120532

## WELL INFORMATION

District No.: 08 County: Reeves  
Well No.: 101 AH API No.: 42-389-35867 Drilling Permit No.: 825160  
Lease Name: Oak State Lease No.:  
Field Name: Alpine High (Cons) Field No.: 01942500

## I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☒ Production  
Drilled hole size (in.): 8 3/4 Depth of drilled hole (ft.): 19,587 Est. % wash-out or hole enlargement: 25  
Size of casing in O.D. (in.): 5 1/2 Casing weight (lbs/ft) and grade: 20 / P-110 EC No. of centralizers used: 0  
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO If no for surface casing, explain in Remarks. Setting depth shoe (ft.): 19,577 Top of liner (ft.):  
Setting depth liner (ft.):  
Hrs. waiting on cement before drill-out: Calculated top of cement (ft.): 9,962.1 Cementing date: 10-19-17

## SLURRY

| Slurry No. | No. of Sacks | Class | Additives   | Volume (cu. ft.) | Height (ft.) |
|------------|--------------|-------|-------------|------------------|--------------|
| 1          | 870          | CJ010 | See Remarks | 2610             | 31197.38     |
| 2          | 690          | CJ951 | See Remarks | 1076.4           | 589.15       |
| 3          |              |       |             |                  |              |
| Total      | 1560         |       |             | 3686.4           | 31786.53     |

## II. CASING CEMENTING DATA

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

## SLURRY

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

## III. CASING CEMENTING DATA

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

## SLURRY

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



**CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON**

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

**REMARKS**

Slurry 1: CJ010 + 7% CJ020 + 0.5% CJ701 + 35 LB/SK CJ300 + 0.45% CJX157011 + 0.8% ICA-5 + 0.4% CJ212    Slurry 2: CJ951 + 0.3% CJ511 + 0.3% CJ725 + 0.3% CJ212

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

**Robert Gressett - Service supervisor**

**C&J Well Services**

Name and title of cementer's representative

Cementing Company

Signature

8001 W. Industrial Ave, Midland, TX. 79706

432.561.5822

10-19-17

Address

City,

State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

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James Bujanos

Regulatory Tech

Typed or printed name of operator's representative

Title

Signature

17802 IH-10 West, Suite 300

San Antonio

TX 78257

(210) 572-8282

11/1/2017

Address

City,

State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

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APACHE CORP.  
REDWOOD LEASE

Y=601101.50'  
X=862846.30'

(A-168) 41 40 (A-3084)

PUBLIC  
SCHOOL LAND  
BLK. C-8

MINERAL OWNER:  
CMC/SC BECKHAM HOLDINGS.  
LP ET AL (STATE OF TEXAS)

Y=601084.61'  
X=863384.14'

(A-3087) 48 1 (A-4051)

Y=598868.28'  
X=857745.25'

(A-3530) 6 5 (A-112)

Y=598685.89'  
X=863305.65'

APACHE CORP.  
OAK STATE UNIT

MINERAL OWNER:  
WELDON L. MOORE, III  
JUDITH S. MOORE  
(STATE OF TEXAS)

T. & P.R.R.CO.  
BLK. 57  
TSP. 7

(LTP) 403 \* LTP 18,817' MD

(BHL) 408 \* BHL 19,587' MD

Y=593036.37'  
X=857553.48'

(A-4420) 12

Y=592853.95'  
X=863114.82'

(A-113) 7 8 (A-2701)

SURFACE TO PENETRATION POINT -  
GRID BEARING S10°20'07"E -- 193'  
PENETRATION POINT TO FIRST TAKE POINT  
GRID BEARING S04°51'12"W -- 406'  
FIRST TAKE POINT TO LAST TAKE POINT  
GRID BEARING S01°50'24"W -- 4757'  
LAST TAKE POINT TO BOTTOMHOLE -  
GRID BEARING S01°32'42"W -- 769'

1000 750 500 250 0 500 1000

SCALE IN FEET  
SCALE: 1" = 1000'

REVISED DATE:

I, DENNIS W. HUGHES hereby certify that this plat,  
drawn to the scale indicated, accurately represents  
conditions as they actually exist on the property  
on which permit to drill is sought and correctly  
reflects all pertinent data required to be shown on  
such plat by orders of the Railroad Commission of Texas.

Date: 12/14/2017

Firm # 10041700  
For R.R.C Use Only



GRID  
NAD27 TCZ  
USFT

TOTAL UNIT AC. = 1051.25 AC.  
UNIT BOUNDARY -----  
PRODUCING WELL - - - ●  
WELL LOCATIONS - - - ○

Apache

Unit Plat

OAK STATE UNIT  
No. 101AH

As Completed

Reeves County, Texas

Scale: 1" = 1000' 12-14-2017 ocr\_state\_unit.dgn  
Plat prepared by MSL  
for Horizon Survey, Inc.

AS COMPLETED  
LOCATION WELL NO. 101AH  
250' FNL x 380' FWL Section 1, Bk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 858195.44'; Y= 600996.25'  
Lat.= 31°16'03.34"; Long.= -103°59'18.98"  
Lat.= 31.2675950°; Long.= -103.9886062°  
Ground Elevation: 3240.6'  
Approx. 12.1 miles Southwest of Toyah, TX

@ 12,564' MD PENETRATION POINT WELL NO. 101AH  
438' FNL x 421' FWL Section 1, Bk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 858229.98'; Y= 600806.82'  
Lat.= 31°16'01.48"; Long.= -103°59'18.51"  
Lat.= 31.2670775°; Long.= -103.9884758°

@ 14,052' MD FIRST TAKE POINT WELL NO. 101AH  
843' FNL x 400' FWL Section 1, Bk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 858195.67'; Y= 600402.74'  
Lat.= 31°15'57.47"; Long.= -103°59'18.75"  
Lat.= 31.2659640°; Long.= -103.9885430°

@ 18,817' MD LAST TAKE POINT WELL NO. 101AH  
2627' FSL x 403' FWL Section 6, Bk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 858042.94'; Y= 595648.57'  
Lat.= 31°15'10.39"; Long.= -103°59'18.71"  
Lat.= 31.2528859°; Long.= -103.9885317°

@ 19,587' MD BOTTOMHOLE WELL NO. 101AH  
1858' FSL x 408' FWL Section 6, Bk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC)  
X= 858022.20'; Y= 594879.68'  
Lat.= 31°15'02.78"; Long.= -103°59'18.66"  
Lat.= 31.2507711°; Long.= -103.9885172°



File No. MF 117024

Rooves County

Amended Drilling Permit API 389-35867

Date Filed: 09/06/2018

George P. Bush, Commissioner

By Jm



# OIL AND GAS DIVISION ORDER

Date: 07/12/2018

TO: APACHE CORPORATION ("Payor")  
ONE POST OAK CENTRAL  
2000 POST OAK  
BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400

MF117024  
MF117112 Unit 8453

See 'Exhibit A'  
Attached hereto

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and for gross production, severance or other similar taxes on production or the proceeds thereof, as allowed by applicable law.

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

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

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

**NOTICES:** The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

**FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.**

**NOTE:** (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.

\_\_\_\_\_  
WITNESS NAME

\_\_\_\_\_  
SIGNATURE OF INTEREST OWNER

\_\_\_\_\_  
WITNESS NAME  
STATE OF TEXAS

\_\_\_\_\_  
SOCIAL SECURITY OR TAX ID NUMBER

\_\_\_\_\_  
COMMISSIONER OF THE GENERAL LAND OF  
STEPHEN F AUSTIN BUILDING 0085439001  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701

4326844404  
\_\_\_\_\_  
OWNER TELEPHONE NUMBER

\_\_\_\_\_  
OWNER EMAIL ID

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

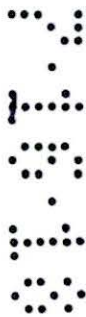
DATE: 7/12/2018

Property: 01847401/00001 OAK STATE UNIT 102BH      Venture Number: 032355  
State: TEXAS County/Parish: REEVES      389-36938

| OWNER      |                | INTEREST TYPE           | EXC | INTEREST   | EFF DATE |
|------------|----------------|-------------------------|-----|------------|----------|
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 01  | 0.03637812 | 6/1/2017 |
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 02  | 0.08862188 | 6/1/2017 |

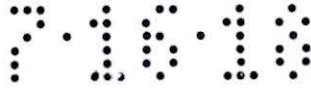
Legal Description:

TX REEVES      T&P RR CO ABST/ID# 3530 Twsp 7 Blk 57 Sec 6





APACHE CORPORATION  
2000 Post Oak Blvd, Suite 100  
Houston, TX 77056-4400  
ATTN: OWNER RELATIONS  
FAX # 713-296-6470



Dear Interest Owner:

If you have not previously elected to do so, Apache Corporation would like you to participate in our Direct Deposit program. This program is part of our continuing evaluation of our owner relations services that provide a benefit to our owners. Some benefits of direct deposit are the elimination of mailing delays, lost or stolen checks and receipt delays related to address changes.

The Direct Deposit program will allow our interest owners to receive an electronic funds transfer (EFT) to their designated financial institution (bank, credit union or savings and loan). The EFT will deposit the cash value of your monthly payment into your designated account and will eliminate the need for a negotiable printed check. Instead, you will receive a non-negotiable check notice that will accompany the associated check detail statements. The EFT deposit will be posted to your account on or before the last business day of the month. The Direct Deposit program will not be changing any terms related to payments as stated in your lease or other agreements with Apache.

Please read, sign and return the EFT authorization form on the reverse side of this letter. It is important that the authorization signature be that of the actual interest owner that is listed on the checks you now receive from Apache. If the EFT is to be deposited to an account that is not Apache's interest owner, we will need an additional authorization signature allowing the EFT deposit.

Please note that to ensure proper crediting of the EFT payment, Apache requires that you include a voided check or provide a letter from your financial institution with the required ABA routing numbers and your account number. Prior to returning the signed EFT authorization agreement form, please verify with your financial institution that they can accept EFT payments.

Return the completed form with required documentation to the attention of Owner Relations at the address shown above.

If you have any questions or need additional information related to Direct Deposit (EFT) Payments, please call 1-800-272-2434, 713-296-6970 or fax to 713-296-6470.

Apache Corporation  
Owner Relations

APACHE CORPORATION  
2000 Post Oak Blvd, Suite 100  
Houston, TX 77056-4400  
ATTN: OWNER RELATIONS  
FAX # 713-296-6470



### AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT

The undersigned, hereinafter called "owner", is representing that they are the owners of an oil, gas and/or mineral interest that is currently paid by Apache Corporation. Owner is now authorizing Apache Corporation to make direct deposit (EFT) payments for their owned interest to the financial institution and owner account as designated below.

Owner agrees that electing to participate in EFT payments will not amend any lease agreements between Apache Corporation and Owner. This agreement simply allows for EFT payments in lieu of paper check payments.

Owner agrees to give at least thirty (30) days advance written notice of any change in the payment instructions shown below. Owner agrees that any changes to their mailing address will continue to be submitted in writing to Apache. This is required so that the EFT payment details are delivered to the correct mailing address. Owner agrees that Apache Corporation will not be held liable for any interest or other claim arising as the result of Owner's failure to provide written notice of any payment instruction changes. Owner also releases and agrees to indemnify and hold Apache Corporation harmless for any loss, claim, damage or interest incurred as the result of Owner's depository institution's failure to properly or promptly post any EFT payment and/or as a result of any error or omission in the payment instructions provided by or on behalf of Owner. Owner understands and agrees that Apache will have up to sixty (60) days after receipt of the authorization form to process the EFT request.

### PLEASE COMPLETE THE ENTIRE FORM TO AVOID DELAYS

|                                                       |
|-------------------------------------------------------|
| DEPOSITORY INSTITUTION:                               |
| DEPOSITORY ADDRESS:                                   |
| NAME ON ACCOUNT:                                      |
| DEPOSITORY INSTITUTION ABA ROUTING NUMBER (9 DIGITS): |
| ACCOUNT NUMBER: (MAXIMUM 18 DIGITS)                   |
| ACCOUNT TYPE: ____ SAVINGS ____ CHECKING              |

\_\_\_\_\_  
Your Owner Number on Apache Issued Checks

\_\_\_\_\_  
Tax Identification or Social Security Number

\_\_\_\_\_  
Name of Owner

\_\_\_\_\_  
Signature of Owner(s) or Authorized Representative

\_\_\_\_\_  
Street Address or P.O. Box

\_\_\_\_\_  
Title (If Corporation or Business Association)

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
Daytime Phone Number (Including Area Code)

\_\_\_\_\_  
Date:

**PLEASE ATTACH A VOIDED CHECK FOR THE ACCOUNT  
TO WHICH PAYMENTS WILL BE DEPOSITED**



# Apache Corporation

PHONE: (713)-296-6000

FAX: (713)-296-6453

07/12/2018



Apache Corporation  
One Post Oak Central  
2000 Post Oak Blvd  
Suite 100  
Houston, TX 77056-4400

Owner Number: 0085439001 STATE OF TEXAS

RE: Property: 01847401 - OAK STATE UNIT 102BH

Dear Interest Owner:

Enclosed is Apache Corporation's Division Order or Transfer Order in duplicate for your review and signature. Please ensure the Division Order or Transfer Order correctly reflects the following information:

- Your name and address for contact purposes and mailing of checks and payment information.
- Your social security or tax identification number.
- Property legal description(s), including county and state.
- Your ownership and decimal interest in the described property(ies).

The Property and Division Order Number(s) will be on your check detail to identify payments for your interest(s). The Owner Number is your identifying number with Apache. Please refer to your Owner Number and provide the last four digits of your tax ID when making inquiries about your payments or your interest(s).

Unless otherwise instructed by the owner, Apache's payments are issued once each month for proceeds with a minimum accumulated amount of \$100 as allowed by State statute. Apache issues annual minimum payment checks for owners where the accumulated amounts are \$5 or greater. If Apache is no longer responsible for distributing proceeds or the well ceases production, accumulated funds will be released to the owner and included with the minimum payment check cycle.

## INSTRUCTIONS FOR EXECUTION OF DIVISION ORDER OR TRANSFER ORDER:

1. Sign your name as it is shown on the Division Order or Transfer Order. Type or print your name legibly under your signature and return one original to Apache. If Transferor is deceased, disregard.
  - a. Division Orders and Transfer Orders for corporations must be executed by an authorized officer, attested by the secretary or assistant secretary and the corporate seal affixed thereto, or by an authorized attorney-in-fact.
  - b. Division Orders and Transfer Orders for individuals should be witnessed by two (2) disinterested third parties in the space provided.
  - c. If the Division Order or Transfer Order is signed by an agent, attorney-in-fact, guardian or any other party than the named interest owner, please furnish evidence of the rights vested in the signatory party.
2. Federal regulations require that we report payments of this nature to the Internal Revenue Service. Type or print your social security or tax identification number by your signature if not already shown. If shown incorrectly, please strike through the incorrect number and correct the number. If this number is not provided, federal law requires Apache to withhold 24% for taxes.
3. Return one original to Apache in the envelope provided and retain one original for your records.

For all questions concerning the Division Order or Transfer Order, please contact the analyst whose name is shown on the enclosed return envelope or call our Inquiry Line at 1-800-272-2434 or 713-296-6000.

APACHE CORPORATION  
Corporate I and Administration

STATE OF TEXAS

COMMISSIONER OF THE GENERAL LAND OFFICE

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701

do\_divord\_cover\_letter v 1.1





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

September 12, 2018

Cynthia Hyson  
Division Order Analyst  
Apache Corporation  
One Post Oak Central  
2000 Post Oak Blvd, Suite 100  
Houston, Texas 77056

Re: State Lease No. MF117024 and MF117112 Oak State Unit 102BH Unit 8453

Dear Ms. Hyson:

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 Zamora  
Landman, Energy Resources  
512-475-0428  
512-475-1404 (fax)  
[vivian.zamora@glo.texas.gov](mailto:vivian.zamora@glo.texas.gov)

File No. MF 117024Division OrderDate Filed: 9-12-18

George P. Bush, Col

By VZ

**Apache Corporation**

PHONE: (713)-296-6000

FAX: (713)-296-6453

08/08/2018

Apache Corporation

One Post Oak Central

2000 Post Oak Blvd

Suite 100

Houston, TX 77056-4400

✓ MF117024, MF117112 - Unit 8453

Owner Number: 0085439001

STATE OF TEXAS

RE: Property: 01847401 - OAK STATE 102BH

389-36938

Dear Interest Owner:

Enclosed is Apache Corporation's Division Order or Transfer Order in duplicate for your review and signature. Please ensure the Division Order or Transfer Order correctly reflects the following information:

- Your name and address for contact purposes and mailing of checks and payment information.
- Your social security or tax identification number.
- Property legal description(s), including county and state.
- Your ownership and decimal interest in the described property(ies).

The Property and Division Order Number(s) will be on your check detail to identify payments for your interest(s). The Owner Number is your identifying number with Apache. Please refer to your Owner Number and provide the last four digits of your tax ID when making inquiries about your payments or your interest(s).

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1. Sign your name as it is shown on the Division Order or Transfer Order. Type or print your name legibly under your signature and return one original to Apache. If Transferor is deceased, disregard.
  - a. Division Orders and Transfer Orders for corporations must be executed by an authorized officer, attested by the secretary or assistant secretary and the corporate seal affixed thereto, or by an authorized attorney-in-fact.
  - b. Division Orders and Transfer Orders for individuals should be witnessed by two (2) disinterested third parties in the space provided.
  - c. If the Division Order or Transfer Order is signed by an agent, attorney-in-fact, guardian or any other party than the named interest owner, please furnish evidence of the rights vested in the signatory party.
2. Federal regulations require that we report payments of this nature to the Internal Revenue Service. Type or print your social security or tax identification number by your signature if not already shown. If shown incorrectly, please strike through the incorrect number and correct the number. If this number is not provided, federal law requires Apache to withhold 24% for taxes.
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APACHE CORPORATION  
Corporate and Administration

STATE OF TEXAS

COMMISSIONER OF THE GENERAL LAND OFFICE

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701

do\_divord\_cover\_letter v 1.1



OIL AND GAS DIVISION ORDER

Date: 08/08/2018

TO: APACHE CORPORATION ("Payor")  
ONE POST OAK CENTRAL  
2000 POST OAK  
BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400

See 'Exhibit A'  
Attached hereto

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocrabons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and for gross production, severance or other similar taxes on production or the proceeds thereof, as allowed by applicable law.

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

DISPUTE: WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

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

NOTICES: The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.

NOTE: (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.

THIS COPY FOR YOUR FILE

WITNESS NAME

SIGNATURE OF INTEREST OWNER

WITNESS NAME  
STATE OF TEXAS

SOCIAL SECURITY OR TAX ID NUMBER

COMMISSIONER OF THE GENERAL LAND OF  
STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701  
0085439001

4326844404  
OWNER TELEPHONE NUMBER

OWNER EMAIL ID

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 8/8/2018

Property: 01847401/00001 OAK STATE 102BH  
State: TEXAS County/Parish: REEVES

Venture Number: 032355

| OWNER      |                | INTEREST TYPE           | EXC | INTEREST   | EFF DATE |
|------------|----------------|-------------------------|-----|------------|----------|
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 01  | 0.03637812 | 6/1/2017 |
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 02  | 0.08862188 | 6/1/2017 |

Legal Description:

TX REEVES T&P RR CO ABST/ID# 3530 Twsp 7 Blk 57 Sec 6





APACHE CORPORATION  
2000 Post Oak Blvd, Suite 100  
Houston, TX 77056-4400  
ATTN: OWNER RELATIONS  
FAX # 713-296-6470



Dear Interest Owner:

If you have not previously elected to do so, Apache Corporation would like you to participate in our Direct Deposit program. This program is part of our continuing evaluation of our owner relations services that provide a benefit to our owners. Some benefits of direct deposit are the elimination of mailing delays, lost or stolen checks and receipt delays related to address changes.

The Direct Deposit program will allow our interest owners to receive an electronic funds transfer (EFT) to their designated financial institution (bank, credit union or savings and loan). The EFT will deposit the cash value of your monthly payment into your designated account and will eliminate the need for a negotiable printed check. Instead, you will receive a non-negotiable check notice that will accompany the associated check detail statements. The EFT deposit will be posted to your account on or before the last business day of the month. The Direct Deposit program will not be changing any terms related to payments as stated in your lease or other agreements with Apache.

Please read, sign and return the EFT authorization form on the reverse side of this letter. It is important that the authorization signature be that of the actual interest owner that is listed on the checks you now receive from Apache. If the EFT is to be deposited to an account that is not Apache's interest owner, we will need an additional authorization signature allowing the EFT deposit.

Please note that to ensure proper crediting of the EFT payment, Apache requires that you include a voided check or provide a letter from your financial institution with the required ABA routing numbers and your account number. Prior to returning the signed EFT authorization agreement form, please verify with your financial institution that they can accept EFT payments.

Return the completed form with required documentation to the attention of Owner Relations at the address shown above.

If you have any questions or need additional information related to Direct Deposit (EFT) Payments, please call 1-800-272-2434, 713-296-6970 or fax to 713-296-6470.

Apache Corporation  
Owner Relations





APACHE CORPORATION  
2000 Post Oak Blvd, Suite 100  
Houston, TX 77056-4400  
ATTN: OWNER RELATIONS  
FAX # 713-296-6470



### AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT

The undersigned, hereinafter called "owner", is representing that they are the owners of an oil, gas and/or mineral interest that is currently paid by Apache Corporation. Owner is now authorizing Apache Corporation to make direct deposit (EFT) payments for their owned interest to the financial institution and owner account as designated below.

Owner agrees that electing to participate in EFT payments will not amend any lease agreements between Apache Corporation and Owner. This agreement simply allows for EFT payments in lieu of paper check payments.

Owner agrees to give at least thirty (30) days advance written notice of any change in the payment instructions shown below. Owner agrees that any changes to their mailing address will continue to be submitted in writing to Apache. This is required so that the EFT payment details are delivered to the correct mailing address. Owner agrees that Apache Corporation will not be held liable for any interest or other claim arising as the result of Owner's failure to provide written notice of any payment instruction changes. Owner also releases and agrees to indemnify and hold Apache Corporation harmless for any loss, claim, damage or interest incurred as the result of Owner's depository institution's failure to properly or promptly post any EFT payment and/or as a result of any error or omission in the payment instructions provided by or on behalf of Owner. Owner understands and agrees that Apache will have up to sixty (60) days after receipt of the authorization form to process the EFT request.

### PLEASE COMPLETE THE ENTIRE FORM TO AVOID DELAYS

|                                                       |
|-------------------------------------------------------|
| DEPOSITORY INSTITUTION:                               |
| DEPOSITORY ADDRESS:                                   |
| NAME ON ACCOUNT:                                      |
| DEPOSITORY INSTITUTION ABA ROUTING NUMBER (9 DIGITS): |
| ACCOUNT NUMBER: (MAXIMUM 18 DIGITS)                   |
| ACCOUNT TYPE: ____ SAVINGS ____ CHECKING              |

\_\_\_\_\_  
Your Owner Number on Apache Issued Checks

\_\_\_\_\_  
Tax Identification or Social Security Number

\_\_\_\_\_  
Name of Owner

\_\_\_\_\_  
Signature of Owner(s) or Authorized Representative

\_\_\_\_\_  
Street Address or P.O. Box

\_\_\_\_\_  
Title (If Corporation or Business Association)

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
Daytime Phone Number (Including Area Code)

Date: \_\_\_\_\_

**PLEASE ATTACH A VOIDED CHECK FOR THE ACCOUNT  
TO WHICH PAYMENTS WILL BE DEPOSITED**



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

October 22, 2018

Cynthia Hyson  
Division Order Analyst  
Apache Corporation  
One Post Oak Central  
2000 Post Oak Blvd, Suite 100  
Houston, Texas 77056

Re: State Lease Nos. MF117024 and MF117112 Oak State Unit 102BH Unit 8453

Dear Mrs. Hyson:

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 Zamora  
Landman, Energy Resources  
512-475-0428  
512-475-1404 (fax)  
[vivian.zamora@glo.texas.gov](mailto:vivian.zamora@glo.texas.gov)

File No. MF 117024Reeves CountyDivision OrderDate Filed: 10/24/2018

George P. Bush, Commissioner

By VR





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

January 9, 2019

CERTIFIED MAIL: 7011 1150 0001 2420 7855

Mr. Glenn Moore  
Regulatory Manager  
Apache Corporation  
17802 IH-10 West, Suite 300  
San Antonio, TX 78257

RE: Application to Amend Terms of Approval to Surface Commingle Oil and Gas Production from State Mineral Leases MF116970, MF117024, MF117112, MF116963, MF118227, MF118632 and MF117809 (Dogwood State, Oak State Unit, Spruce State, Mohican Unit, Elbert State) in Conjunction with Railroad Commission of Texas Commingling Permit 08-7914, 08-8394, and 08-8267 in Reeves County, Texas

Dear Mr. Moore

The Texas General Land Office (GLO) received your application, dated December 13, 2018, to amend the terms of surface commingling approval for the above State Mineral Leases. GLO staff have performed an administrative and technical review of your application.

The surface commingling approvals for the above State Mineral Leases that were issued on June 28, 2018, August 29, 2018, and November 9, 2018 are hereby amended as follows:

1. Add wells to scope of commingling approval

New Leases and Wells Added to Scope of Surface Commingling Approval for State Mineral Leases MF116970, MF117024, MF117112, and MF116963 (Dogwood State, Oak State Unit, Spruce State) in Conjunction with Railroad Commission of Texas Commingling Permit 08-7914 in Reeves County, Texas

| RRC Lease Name | RRC Well Number   | Wellbore API Number | State Mineral Lease Number | GLO Unit Number | State Mineral Lease or Unit Net Royalty Interest |
|----------------|-------------------|---------------------|----------------------------|-----------------|--------------------------------------------------|
| Oak State      | 102BH             | 42-389-36938        | 117024, 117112             | TBD             | 0.1250000                                        |
| Oak State      | 202AH<br>(P105BH) | 42-389-37503        | 117024, 117112             | TBD             | 0.1250000                                        |

New Leases and Wells Added to Scope of Surface Commingling Approval for State Mineral Leases MF118227, and MF118632 (Mohican Unit) in Conjunction with Railroad Commission of Texas Commingling Permit 08-8394 in Reeves County, Texas

| RRC Lease Name | RRC Well Number   | Wellbore API Number | State Mineral Lease Number | GLO Unit Number | State Mineral Lease or Unit Net Royalty Interest |
|----------------|-------------------|---------------------|----------------------------|-----------------|--------------------------------------------------|
| Mohican Unit   | 103BH<br>(P105CH) | 42-389-37179        | 118227, 118632             | 8255            | 0.01485105                                       |

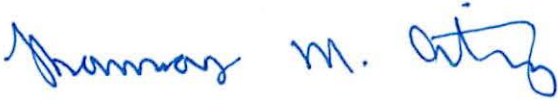
New Leases and Wells Added to Scope of Surface Commingling Approval for State Mineral Leases MF117809 (Elbert State) in Conjunction with Railroad Commission of Texas Commingling Permit 08-8267 in Reeves County, Texas

| RRC Lease Name | RRC Well Number | Wellbore API Number | State Mineral Lease Number | GLO Unit Number | State Mineral Lease or Unit Net Royalty Interest |
|----------------|-----------------|---------------------|----------------------------|-----------------|--------------------------------------------------|
| Elbert State   | 106AH           | 42-389-37637        | 117809                     | 8548            | 0.20015590                                       |

Mr. Glenn Moore  
January 9, 2019  
Page #3

If you have questions, please feel free to contact me at [tom.ortiz@glo.texas.gov](mailto:tom.ortiz@glo.texas.gov) or 512-463-5296.

Sincerely

A handwritten signature in blue ink that reads "Thomas M. Ortiz". The signature is fluid and cursive, with the first name "Thomas" being the most prominent.

Thomas Manuel Ortiz, Ph.D., P.E.  
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit



File No. MF 117024Reeves CountyCommingle AmendmentDate Filed: 11/9/2019

George P. Bush, Commissioner

By: Monica M. City

**RAILROAD COMMISSION OF TEXAS**  
**OIL & GAS DIVISION**

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                      |                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERMIT NUMBER<br><b>843806</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DATE PERMIT ISSUED OR AMENDED<br><b>Aug 22, 2018</b> | DISTRICT<br><b>* 08</b>                                                                                                                                                                                  |
| API NUMBER<br><b>42-389-37503</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | FORM W-1 RECEIVED<br><b>Aug 20, 2018</b>             | COUNTY<br><b>REEVES</b>                                                                                                                                                                                  |
| TYPE OF OPERATION<br><b>NEW DRILL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | WELLBORE PROFILE(S)<br><b>Horizontal</b>             | ACRES<br><b>1051.25</b>                                                                                                                                                                                  |
| OPERATOR<br><b>APACHE CORPORATION</b><br>ATTN REGULATORY STE 3000<br>303 VETERANS AIRPARK LN<br>MIDLAND, TX 79705-0000                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                      | NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br><b>District Office Telephone No:</b><br><b>(432) 684-5581</b> |
| LEASE NAME<br><b>OAK STATE UNIT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                      | WELL NUMBER<br><b>202AH</b>                                                                                                                                                                              |
| LOCATION<br><b>11.9 miles SW direction from TOYAH</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                      | TOTAL DEPTH<br><b>16000</b>                                                                                                                                                                              |
| Section, Block and/or Survey<br>SECTION <b>1</b> BLOCK <b>C8</b> ABSTRACT <b>4051</b><br>SURVEY <b>PSL/SMITH, I E</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                      |                                                                                                                                                                                                          |
| DISTANCE TO SURVEY LINES<br><b>270 ft. N    1125 ft. W</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                      | DISTANCE TO NEAREST LEASE LINE<br><b>100 ft.</b>                                                                                                                                                         |
| DISTANCE TO LEASE LINES<br><b>270 ft. N    1125 ft. W</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                      | DISTANCE TO NEAREST WELL ON LEASE<br><b>See FIELD(s) Below</b>                                                                                                                                           |
| FIELD(s) and LIMITATIONS:<br><p align="center"><b>* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                      |                                                                                                                                                                                                          |
| FIELD NAME<br>LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                      | ACRES      DEPTH      WELL #      DIST<br>NEAREST LEASE      NEAREST WE                                                                                                                                  |
| ALPINE HIGH (CONS)<br>OAK STATE UNIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                      | 1051.25      16,000      202AH      08<br>100                      197                                                                                                                                   |
| WELLBORE PROFILE(s) FOR FIELD: <b>Horizontal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                      |                                                                                                                                                                                                          |
| RESTRICTIONS:    Lateral: TH1<br>Penetration Point Location<br>Lease Lines:            100.0 F N L<br>1221.0 F W L<br>Terminus Location<br>BH County: REEVES<br>Section: 6                      Block: 57 T7S                      Abstract: 3530<br>Survey: T&P RR CO/BROOKS, J C<br>Lease Lines:            2302.0 F S L<br>1221.0 F W L<br>Survey Lines:            2302.0 F S L<br>1221.0 F W L                                                                                                                                                                      |                                                      |                                                                                                                                                                                                          |
| <p align="center"><b>THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</b></p> <p>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.</p> |                                                      |                                                                                                                                                                                                          |



**RAILROAD COMMISSION OF TEXAS**  
**OIL & GAS DIVISION**

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

|                                                                                                                                                                                                                                                                                       |                                                      |                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERMIT NUMBER<br><b>843806</b>                                                                                                                                                                                                                                                        | DATE PERMIT ISSUED OR AMENDED<br><b>Aug 22, 2018</b> | DISTRICT<br><b>* 08</b>                                                                                                                                                                                  |
| API NUMBER<br><b>42-389-37503</b>                                                                                                                                                                                                                                                     | FORM W-1 RECEIVED<br><b>Aug 20, 2018</b>             | COUNTY<br><b>REEVES</b>                                                                                                                                                                                  |
| TYPE OF OPERATION<br><b>NEW DRILL</b>                                                                                                                                                                                                                                                 | WELLBORE PROFILE(S)<br><b>Horizontal</b>             | ACRES<br><b>1051.25</b>                                                                                                                                                                                  |
| OPERATOR<br><b>APACHE CORPORATION</b><br>ATTN REGULATORY STE 3000<br>303 VETERANS AIRPARK LN<br>MIDLAND, TX 79705-0000                                                                                                                                                                |                                                      | NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br><b>District Office Telephone No:</b><br><b>(432) 684-5581</b> |
| LEASE NAME<br><b>OAK STATE UNIT</b>                                                                                                                                                                                                                                                   |                                                      | WELL NUMBER<br><b>202AH</b>                                                                                                                                                                              |
| LOCATION<br><b>11.9 miles SW direction from TOYAH</b>                                                                                                                                                                                                                                 |                                                      | TOTAL DEPTH<br><b>16000</b>                                                                                                                                                                              |
| Section, Block and/or Survey<br>SECTION <b>1</b> BLOCK <b>C8</b> ABSTRACT <b>4051</b><br>SURVEY <b>PSL/SMITH, I E</b>                                                                                                                                                                 |                                                      |                                                                                                                                                                                                          |
| DISTANCE TO SURVEY LINES<br><b>270 ft. N 1125 ft. W</b>                                                                                                                                                                                                                               |                                                      | DISTANCE TO NEAREST LEASE LINE<br><b>100 ft.</b>                                                                                                                                                         |
| DISTANCE TO LEASE LINES<br><b>270 ft. N 1125 ft. W</b>                                                                                                                                                                                                                                |                                                      | DISTANCE TO NEAREST WELL ON LEASE<br><b>See FIELD(s) Below</b>                                                                                                                                           |
| FIELD(s) and LIMITATIONS:<br><p align="center"><b>* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</b></p>                                                                                                                                                                               |                                                      |                                                                                                                                                                                                          |
| FIELD NAME<br>LEASE NAME                                                                                                                                                                                                                                                              | ACRES<br>NEAREST LEASE                               | DEPTH<br>NEAREST WE                                                                                                                                                                                      |
| This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with<br>corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are<br>drilling the well in. |                                                      |                                                                                                                                                                                                          |





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

**REEVES (389) County**

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

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



|                                                                                                                                                                                                                                                                                                                                                               |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--|
| API No. <u>42-389-37503</u><br>Drilling Permit # <u>843806</u><br>SWR Exception Case/Docket No. _____                                                                                                                                                                                                                                                         |                     | <b>RAILROAD COMMISSION OF TEXAS</b><br><b>OIL &amp; GAS DIVISION</b><br><b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b><br><i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i><br><i>A certification of the automated data is available in the RRC's Austin office.</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               | <b>FORM W-1</b> 07/2004<br>Permit Status: <b>Approved</b>                               |  |
| 1. RRC Operator No. <u>027200</u>                                                                                                                                                                                                                                                                                                                             |                     | 2. Operator's Name (as shown on form P-5, Organization Report)<br><b>APACHE CORPORATION</b>                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3. Operator Address (include street, city, state, zip):<br><b>ATTN REGULATORY STE 3000</b><br><b>303 VETERANS AIRPARK LN</b><br><b>MIDLAND, TX 79705-0000</b>                 |                                                                                         |  |
| 4. Lease Name<br><b>OAK STATE UNIT</b>                                                                                                                                                                                                                                                                                                                        |                     | 5. Well No. <u>202AH</u>                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| <b>GENERAL INFORMATION</b>                                                                                                                                                                                                                                                                                                                                    |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter<br><input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack                                                                                                        |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 8. Total Depth<br><u>16000</u>                                                                                                                                                                                                                                                                                                                                |                     | 9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                    |                                                                                         |  |
| <b>SURFACE LOCATION AND ACREAGE INFORMATION</b>                                                                                                                                                                                                                                                                                                               |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 11. RRC District No. <u>08</u>                                                                                                                                                                                                                                                                                                                                |                     | 12. County <u>REEVES</u>                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore |                                                                                         |  |
| 14. This well is to be located <u>11.9</u> miles in a <u>SW</u> direction from <u>TOYAH</u> which is the nearest town in the county of the well site.                                                                                                                                                                                                         |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 15. Section <u>1</u>                                                                                                                                                                                                                                                                                                                                          | 16. Block <u>C8</u> | 17. Survey <u>PSL/SMITH, I E</u>                                                                                                                                                                                                                                                                                           | 18. Abstract No. <u>A-4051</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 19. Distance to nearest lease line: <u>100</u> ft                                                                                                                             | 20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1051.25</u> |  |
| 21. Lease Perpendiculars: <u>270</u> ft from the <u>N</u> line and <u>1125</u> ft from the <u>W</u> line.                                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 22. Survey Perpendiculars: <u>270</u> ft from the <u>N</u> line and <u>1125</u> ft from the <u>W</u> line.                                                                                                                                                                                                                                                    |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                |                     | 24. Unitization Docket No. _____                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No                                    |                                                                                         |  |
| <b>FIELD INFORMATION</b> List all fields of anticipated completion including Wildcat. List one zone per line.                                                                                                                                                                                                                                                 |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 26. RRC District No.                                                                                                                                                                                                                                                                                                                                          | 27. Field No.       | 28. Field Name (exactly as shown in RRC records)                                                                                                                                                                                                                                                                           | 29. Well Type                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 30. Completion Depth                                                                                                                                                          | 31. Distance to Nearest Well in this Reservoir                                          |  |
| 08                                                                                                                                                                                                                                                                                                                                                            | 01942500            | ALPINE HIGH (CONS)                                                                                                                                                                                                                                                                                                         | Oil or Gas Well                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 16000                                                                                                                                                                         | 197.00                                                                                  |  |
|                                                                                                                                                                                                                                                                                                                                                               |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                               |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                               |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| <b>BOTTOMHOLE LOCATION INFORMATION</b> is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)                                                                                                                                                                                                              |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| <b>Remarks</b><br>[FILER Aug 20, 2018 6:18 PM]: EXPEDITED PERMIT                                                                                                                                                                                                                                                                                              |                     |                                                                                                                                                                                                                                                                                                                            | <b>Certificate:</b><br>I certify that information stated in this application is true and complete, to the best of my knowledge.<br><br><div style="display: flex; justify-content: space-between;"> <div> <u>Denise Guerra</u><br/>           Name of filer         </div> <div> <u>Aug 20, 2018</u><br/>           Date submitted         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(210)4475693</u><br/>           Phone         </div> <div> <u>denise.guerra@apachecorp.com</u><br/>           E-mail Address (OPTIONAL)         </div> </div> |                                                                                                                                                                               |                                                                                         |  |
| <b>RRC Use Only</b> Data Validation Time Stamp: Aug 22, 2018 3:32 PM( Current Version )                                                                                                                                                                                                                                                                       |                     |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |



|                                                                                                                                                   |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Permit Status:                                                                                                                                    | Approved |
| <i>The RRC has not approved this application.<br/>         Duplication or distribution of information is<br/>         at the user's own risk.</i> |          |

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

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

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

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

|                |              |
|----------------|--------------|
| Permit #       | 843806       |
| Approved Date: | Aug 22, 2018 |

|                                                                                                          |                                                                                              |                                    |                      |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------|----------------------|
| 1. RRC Operator No.<br>027200                                                                            | 2. Operator's Name (exactly as shown on form P-5, Organization Report)<br>APACHE CORPORATION | 3. Lease Name<br>OAK STATE UNIT    | 4. Well No.<br>202AH |
| <b>Lateral Drainhole Location Information</b>                                                            |                                                                                              |                                    |                      |
| 5. Field as shown on Form W-1 ALPINE HIGH (CONS) (Field # 01942500, RRC District 08)                     |                                                                                              |                                    |                      |
| 6. Section<br>6                                                                                          | 7. Block<br>57 T7S                                                                           | 8. Survey<br>T&P RR CO/BROOKS, J C | 9. Abstract<br>3530  |
| 10. County of BHL<br>REEVES                                                                              |                                                                                              |                                    |                      |
| 11. Terminus Lease Line Perpendiculars<br>2302 ft. from the S line. and 1221 ft. from the W line         |                                                                                              |                                    |                      |
| 12. Terminus Survey Line Perpendiculars<br>2302 ft. from the S line. and 1221 ft. from the W line        |                                                                                              |                                    |                      |
| 13. Penetration Point Lease Line Perpendiculars<br>100 ft. from the N line. and 1221 ft. from the W line |                                                                                              |                                    |                      |



## GROUNDWATER PROTECTION DETERMINATION

Form GW-2



## Groundwater Advisory Unit

Date Issued: 10 April 2017

GAU Number: 170240

Attention: APACHE CORPORATION  
ATTN ELAINE RUEDA  
HOUSTON, TX 77056

API Number:  
County: REEVES  
Lease Name: Oak State Unit

Operator No.: 027200

Lease Number:  
Well Number: 101H  
Total Vertical Depth: 16000  
Latitude: 31.267594  
Longitude: -103.989544  
Datum: NAD27

Purpose: New Drill

Location: Survey-PSL; Abstract-4051; Block-C8; Section-1

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

The interval from the land surface to a depth of 1025 feet, and the Rustler, the top of which is estimated to occur from 1250 to 1300 feet depth and the base of which is estimated to occur from 1700 to 1750 feet depth by reconnaissance-level evaluation, must be protected.

This recommendation is applicable to all wells within a radius of 1200 feet of this location.

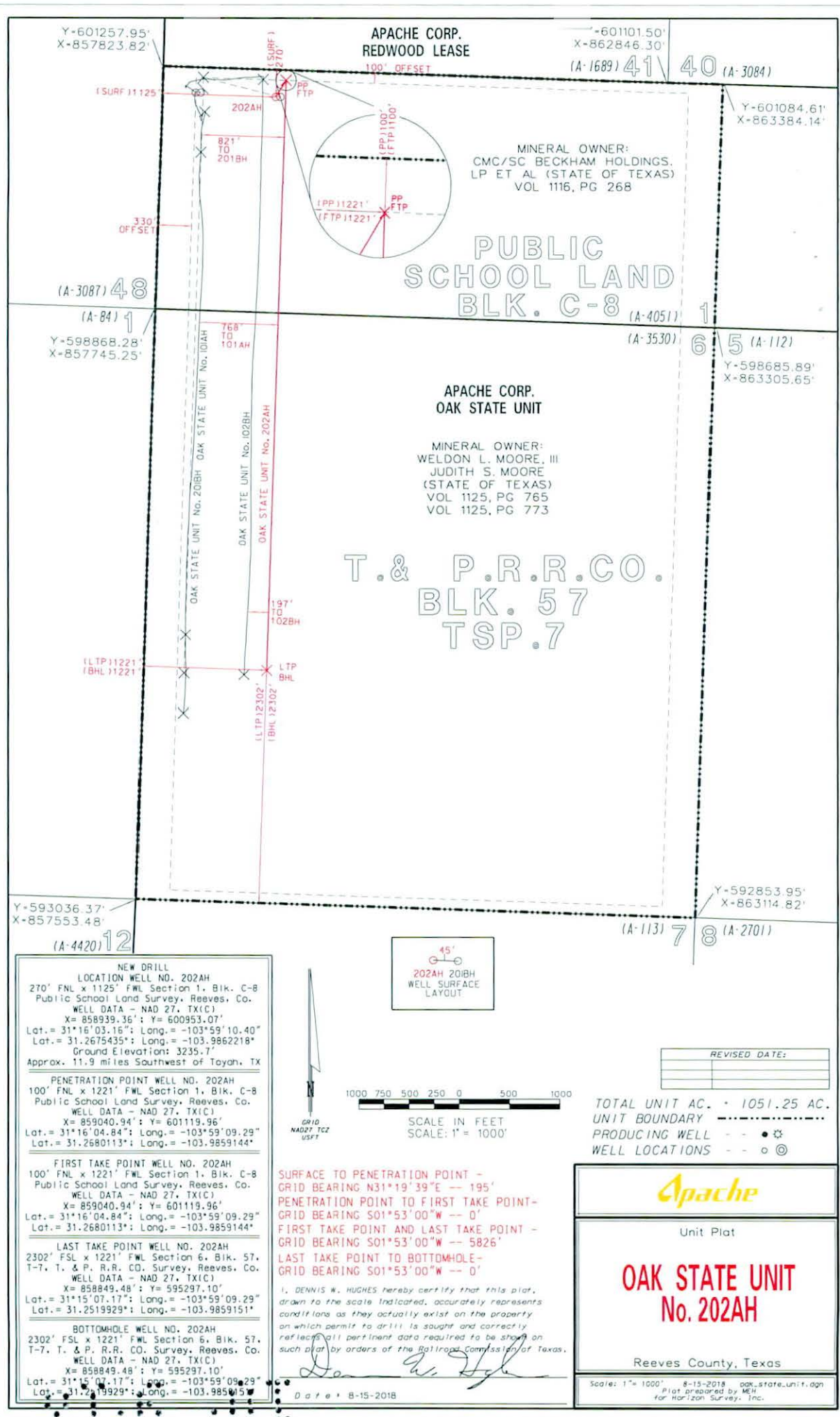
Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 04/10/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov  
Rev. 02/2014

01.6 01



34.

File No. MF117024

Reeves County

Drilling Permit API 389-37503 Unit 84

Date Filed: 01/10/2019

George P. Bush, Commissioner

By Jm



**RAILROAD COMMISSION OF TEXAS**  
OIL & GAS DIVISION

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

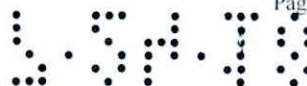
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                      |                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERMIT NUMBER<br><b>841878</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DATE PERMIT ISSUED OR AMENDED<br><b>Jun 29, 2018</b> | DISTRICT<br><b>* 08</b>                                                                                                                                                                                  |
| API NUMBER<br><b>42-389-37326</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | FORM W-1 RECEIVED<br><b>Jun 29, 2018</b>             | COUNTY<br><b>REEVES</b>                                                                                                                                                                                  |
| TYPE OF OPERATION<br><b>NEW DRILL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | WELLBORE PROFILE(S)<br><b>Horizontal</b>             | ACRES<br><b>1051.25</b>                                                                                                                                                                                  |
| OPERATOR<br><br><b>APACHE CORPORATION</b><br><br>ATTN REGULATORY STE 3000<br>303 VETERANS AIRPARK LN<br>MIDLAND, TX 79705-0000                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                      | NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br><b>District Office Telephone No:</b><br><b>(432) 684-5581</b> |
| LEASE NAME<br><b>OAK STATE UNIT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                      | WELL NUMBER<br><b>103AH</b>                                                                                                                                                                              |
| LOCATION<br><b>11.9 miles SW direction from TOYAH</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                      | TOTAL DEPTH<br><b>16000</b>                                                                                                                                                                              |
| Section, Block and/or Survey<br>SECTION <b>1</b> BLOCK <b>C8</b> ABSTRACT <b>4051</b><br>SURVEY <b>PSL/SMITH, I E</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                      |                                                                                                                                                                                                          |
| DISTANCE TO SURVEY LINES<br><b>270 ft. N    1170 ft. W</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                      | DISTANCE TO NEAREST LEASE LINE<br><b>100 ft.</b>                                                                                                                                                         |
| DISTANCE TO LEASE LINES<br><b>270 ft. N    1170 ft. W</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                      | DISTANCE TO NEAREST WELL ON LEASE<br><b>See FIELD(s) Below</b>                                                                                                                                           |
| FIELD(s) and LIMITATIONS:<br><p align="center"><b>* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                      |                                                                                                                                                                                                          |
| FIELD NAME<br>LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ACRES<br>NEAREST LEASE                               | DEPTH<br>NEAREST LEASE                                                                                                                                                                                   |
| ALPINE HIGH (CONS)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1051.25                                              | 16,000                                                                                                                                                                                                   |
| OAK STATE UNIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 100                                                  | 526                                                                                                                                                                                                      |
| WELLBORE PROFILE(s) FOR FIELD: <b>Horizontal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                      |                                                                                                                                                                                                          |
| RESTRICTIONS:    Lateral: TH1<br>Penetration Point Location<br>Lease Lines:            100.0 F N L<br>1550.0 F W L<br>Terminus Location<br>BH County: REEVES<br>Section: 6                      Block: 57 T7S                      Abstract: 3530<br>Survey: T&P RR CO/BROOKS, J C<br>Lease Lines:            2400.0 F S L<br>1550.0 F W L<br>Survey Lines:        2400.0 F S L<br>1550.0 F W L                                                                                                                                                                          |                                                      |                                                                                                                                                                                                          |
| <p align="center"><b>THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</b></p> <p>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.</p> |                                                      |                                                                                                                                                                                                          |



**RAILROAD COMMISSION OF TEXAS**  
OIL & GAS DIVISION

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

|                                                                                                                                                                                                                                                                                 |                                               |                                                                                                                                                                                                      |            |       |       |        |      |            |               |  |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------|-------|--------|------|------------|---------------|--|------------|--|
| PERMIT NUMBER<br>841878                                                                                                                                                                                                                                                         | DATE PERMIT ISSUED OR AMENDED<br>Jun 29, 2018 | DISTRICT<br>* 08                                                                                                                                                                                     |            |       |       |        |      |            |               |  |            |  |
| API NUMBER<br>42-389-37326                                                                                                                                                                                                                                                      | FORM W-1 RECEIVED<br>Jun 29, 2018             | COUNTY<br>REEVES                                                                                                                                                                                     |            |       |       |        |      |            |               |  |            |  |
| TYPE OF OPERATION<br>NEW DRILL                                                                                                                                                                                                                                                  | WELLBORE PROFILE(S)<br>Horizontal             | ACRES<br>1051.25                                                                                                                                                                                     |            |       |       |        |      |            |               |  |            |  |
| OPERATOR<br>APACHE CORPORATION<br>ATTN REGULATORY STE 3000<br>303 VETERANS AIRPARK LN<br>MIDLAND, TX 79705-0000                                                                                                                                                                 |                                               | 027200<br>NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br>District Office Telephone No:<br>(432) 684-5581 |            |       |       |        |      |            |               |  |            |  |
| LEASE NAME<br>OAK STATE UNIT                                                                                                                                                                                                                                                    |                                               | WELL NUMBER<br>103AH                                                                                                                                                                                 |            |       |       |        |      |            |               |  |            |  |
| LOCATION<br>11.9 miles SW direction from TOYAH                                                                                                                                                                                                                                  |                                               | TOTAL DEPTH<br>16000                                                                                                                                                                                 |            |       |       |        |      |            |               |  |            |  |
| Section, Block and/or Survey<br>SECTION ◀ 1                      BLOCK ◀ C8                      ABSTRACT ◀ 4051<br>SURVEY ◀ PSL/SMITH, I E                                                                                                                                     |                                               |                                                                                                                                                                                                      |            |       |       |        |      |            |               |  |            |  |
| DISTANCE TO SURVEY LINES<br>270 ft. N    1170 ft. W                                                                                                                                                                                                                             |                                               | DISTANCE TO NEAREST LEASE LINE<br>100 ft.                                                                                                                                                            |            |       |       |        |      |            |               |  |            |  |
| DISTANCE TO LEASE LINES<br>270 ft. N    1170 ft. W                                                                                                                                                                                                                              |                                               | DISTANCE TO NEAREST WELL ON LEASE<br>See FIELD(s) Below                                                                                                                                              |            |       |       |        |      |            |               |  |            |  |
| FIELD(s) and LIMITATIONS:<br><p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>                                                                                                                                                                                |                                               |                                                                                                                                                                                                      |            |       |       |        |      |            |               |  |            |  |
| <table border="0"> <tr> <td>FIELD NAME</td> <td>ACRES</td> <td>DEPTH</td> <td>WELL #</td> <td>DIST</td> </tr> <tr> <td>LEASE NAME</td> <td>NEAREST LEASE</td> <td></td> <td>NEAREST WE</td> <td></td> </tr> </table>                                                            |                                               |                                                                                                                                                                                                      | FIELD NAME | ACRES | DEPTH | WELL # | DIST | LEASE NAME | NEAREST LEASE |  | NEAREST WE |  |
| FIELD NAME                                                                                                                                                                                                                                                                      | ACRES                                         | DEPTH                                                                                                                                                                                                | WELL #     | DIST  |       |        |      |            |               |  |            |  |
| LEASE NAME                                                                                                                                                                                                                                                                      | NEAREST LEASE                                 |                                                                                                                                                                                                      | NEAREST WE |       |       |        |      |            |               |  |            |  |
| This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in. |                                               |                                                                                                                                                                                                      |            |       |       |        |      |            |               |  |            |  |



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

**REEVES (389) County**

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

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





|                                                                                                                                                                                                                                                                                                                                                               |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--|
| API No. <u>42-389-37326</u><br>Drilling Permit # <u>841878</u><br>SWR Exception Case/Docket No. _____                                                                                                                                                                                                                                                         |                        | <b>RAILROAD COMMISSION OF TEXAS</b><br><b>OIL &amp; GAS DIVISION</b><br><b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b><br><i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i><br><i>A certification of the automated data is available in the RRC's Austin office.</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               | <b>FORM W-1</b> 07/2004<br>Permit Status: <b>Approved</b>                               |  |
| 1. RRC Operator No. <u>027200</u>                                                                                                                                                                                                                                                                                                                             |                        | 2. Operator's Name (as shown on form P-5, Organization Report)<br><b>APACHE CORPORATION</b>                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3. Operator Address (include street, city, state, zip):<br><b>ATTN REGULATORY STE 3000</b><br><b>303 VETERANS AIRPARK LN</b><br><b>MIDLAND, TX 79705-0000</b>                 |                                                                                         |  |
| 4. Lease Name<br><b>OAK STATE UNIT</b>                                                                                                                                                                                                                                                                                                                        |                        | 5. Well No. <u>103AH</u>                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| <b>GENERAL INFORMATION</b>                                                                                                                                                                                                                                                                                                                                    |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter<br><input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack                                                                                                        |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 8. Total Depth<br><u>16000</u>                                                                                                                                                                                                                                                                                                                                |                        | 9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                    |                                                                                         |  |
| <b>SURFACE LOCATION AND ACREAGE INFORMATION</b>                                                                                                                                                                                                                                                                                                               |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 11. RRC District No. <u>08</u>                                                                                                                                                                                                                                                                                                                                |                        | 12. County <u>REEVES</u>                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore |                                                                                         |  |
| 14. This well is to be located <u>11.9</u> miles in a <u>SW</u> direction from <u>TOYAH</u> which is the nearest town in the county of the well site.                                                                                                                                                                                                         |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 15. Section<br><u>1</u>                                                                                                                                                                                                                                                                                                                                       | 16. Block<br><u>C8</u> | 17. Survey<br><u>PSL/SMITH, I E</u>                                                                                                                                                                                                                                                                                        | 18. Abstract No.<br><u>A-4051</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 19. Distance to nearest lease line:<br><u>100</u> ft.                                                                                                                         | 20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1051.25</u> |  |
| 21. Lease Perpendiculars: <u>270</u> ft from the <u>N</u> line and <u>1170</u> ft from the <u>W</u> line.                                                                                                                                                                                                                                                     |                        | 22. Survey Perpendiculars: <u>270</u> ft from the <u>N</u> line and <u>1170</u> ft from the <u>W</u> line.                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                |                        | 24. Unitization Docket No. _____                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No                                    |                                                                                         |  |
| <b>FIELD INFORMATION</b> List all fields of anticipated completion including Wildcat. List one zone per line.                                                                                                                                                                                                                                                 |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| 26. RRC District No.                                                                                                                                                                                                                                                                                                                                          | 27. Field No.          | 28. Field Name (exactly as shown in RRC records)                                                                                                                                                                                                                                                                           | 29. Well Type                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 30. Completion Depth                                                                                                                                                          | 31. Distance to Nearest Well in this Reservoir                                          |  |
| <u>08</u>                                                                                                                                                                                                                                                                                                                                                     | <u>01942500</u>        | <u>ALPINE HIGH (CONS)</u>                                                                                                                                                                                                                                                                                                  | <u>Oil or Gas Well</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <u>16000</u>                                                                                                                                                                  | <u>526.00</u>                                                                           |  |
|                                                                                                                                                                                                                                                                                                                                                               |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                               |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                               |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| <b>BOTTOMHOLE LOCATION INFORMATION</b> is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)                                                                                                                                                                                                              |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |
| <b>Remarks</b><br>[FILER Jun 29, 2018 1:06 PM]: EXPEDITED PERMIT                                                                                                                                                                                                                                                                                              |                        |                                                                                                                                                                                                                                                                                                                            | <b>Certificate:</b><br>I certify that information stated in this application is true and complete, to the best of my knowledge.<br><br><div style="display: flex; justify-content: space-between;"> <div> <u>Denise Guerra</u><br/>           Name of filer         </div> <div> <u>Jun 29, 2018</u><br/>           Date submitted         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(210)4475693</u><br/>           Phone         </div> <div> <u>denise.guerra@apachecorp.com</u><br/>           E-mail Address (OPTIONAL)         </div> </div> |                                                                                                                                                                               |                                                                                         |  |
| <b>RRC Use Only</b> Data Validation Time Stamp: <u>Jul 2, 2018 7:29 AM( Current Version )</u>                                                                                                                                                                                                                                                                 |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                         |  |

|                                                                                                                                                   |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Permit Status:                                                                                                                                    | Approved |
| <i>The RRC has not approved this application.<br/>         Duplication or distribution of information is<br/>         at the user's own risk.</i> |          |

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

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

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

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

|                |              |
|----------------|--------------|
| Permit #       | 841878       |
| Approved Date: | Jun 29, 2018 |

|                                                                                                          |                                                                                              |                                    |                      |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------|----------------------|
| 1. RRC Operator No.<br>027200                                                                            | 2. Operator's Name (exactly as shown on form P-5, Organization Report)<br>APACHE CORPORATION | 3. Lease Name<br>OAK STATE UNIT    | 4. Well No.<br>103AH |
| <b>Lateral Drainhole Location Information</b>                                                            |                                                                                              |                                    |                      |
| 5. Field as shown on Form W-1 ALPINE HIGH (CONS) (Field # 01942500, RRC District 08)                     |                                                                                              |                                    |                      |
| 6. Section<br>6                                                                                          | 7. Block<br>57 T7S                                                                           | 8. Survey<br>T&P RR CO/BROOKS, J C | 9. Abstract<br>3530  |
| 10. County of BHL<br>REEVES                                                                              |                                                                                              |                                    |                      |
| 11. Terminus Lease Line Perpendiculars<br>2400 ft. from the S line. and 1550 ft. from the W line         |                                                                                              |                                    |                      |
| 12. Terminus Survey Line Perpendiculars<br>2400 ft. from the S line. and 1550 ft. from the W line        |                                                                                              |                                    |                      |
| 13. Penetration Point Lease Line Perpendiculars<br>100 ft. from the N line. and 1550 ft. from the W line |                                                                                              |                                    |                      |



## GROUNDWATER PROTECTION DETERMINATION

Form GW-2



## Groundwater Advisory Unit

**Date Issued:** 10 April 2017**GAU Number:** 170240**Attention:** APACHE CORPORATION  
ATTN ELAINE RUEDA  
HOUSTON, TX 77056**API Number:**  
**County:** REEVES  
**Lease Name:** Oak State Unit**Operator No.:** 027200**Lease Number:**  
**Well Number:** 101H  
**Total Vertical Depth:** 16000  
**Latitude:** 31.267594  
**Longitude:** -103.989544  
**Datum:** NAD27**Purpose:** New Drill**Location:** Survey-PSL; Abstract-4051; Block-C8; Section-1

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

The interval from the land surface to a depth of 1025 feet, and the Rustler, the top of which is estimated to occur from 1250 to 1300 feet depth and the base of which is estimated to occur from 1700 to 1750 feet depth by reconnaissance-level evaluation, must be protected.

This recommendation is applicable to all wells within a radius of 1200 feet of this location.

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

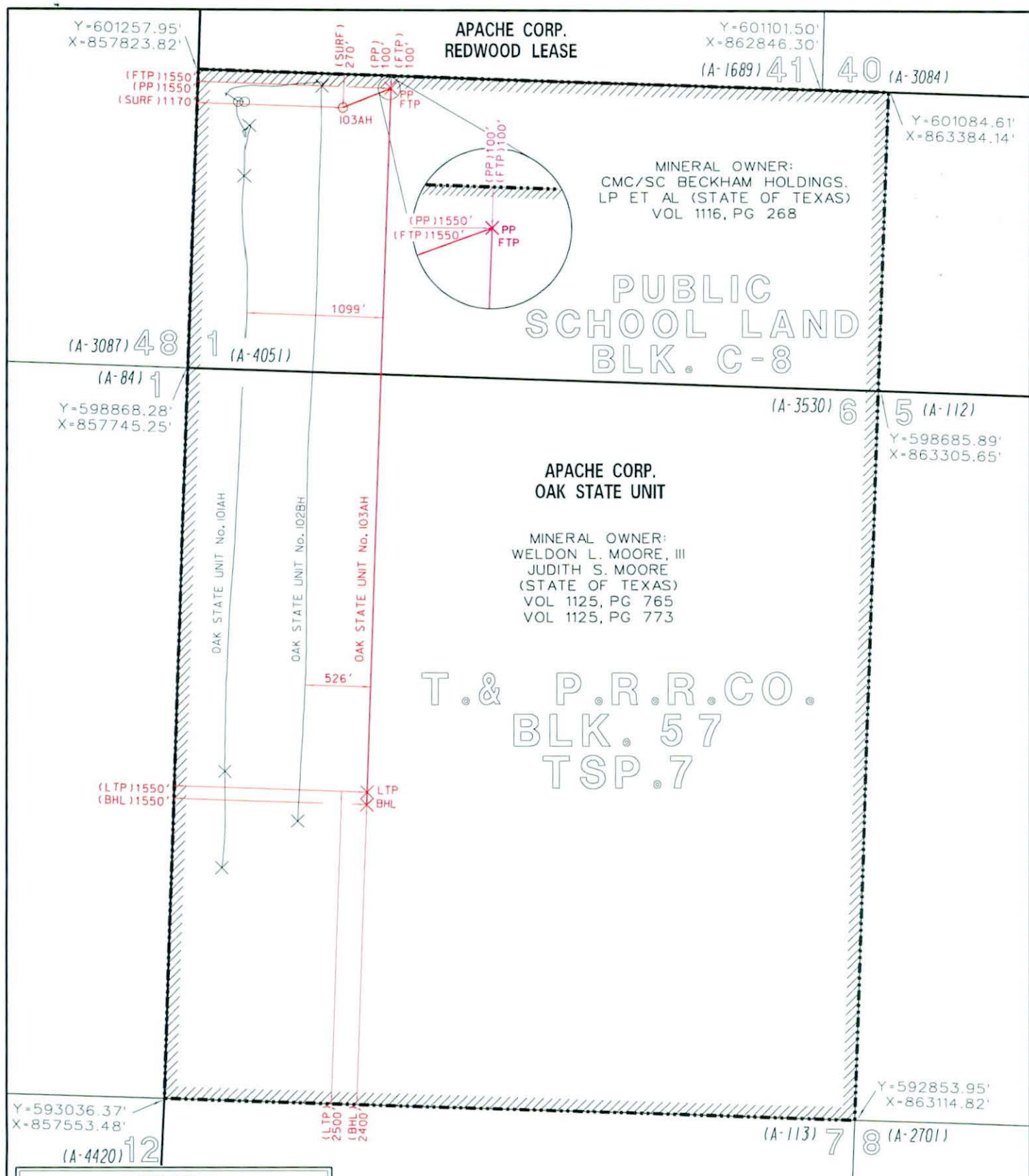
This determination is based on information provided when the application was submitted on 04/10/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or [gau@rrc.texas.gov](mailto:gau@rrc.texas.gov).

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: [www.rrc.texas.gov](http://www.rrc.texas.gov)  
Rev. 02/2014

01401





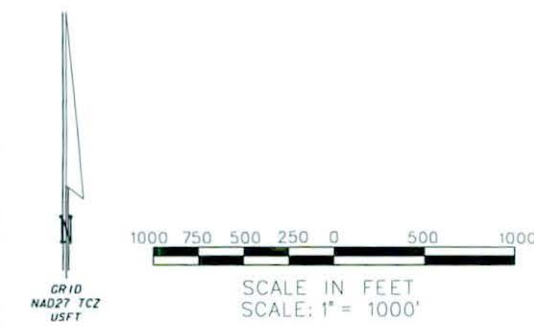
**NEW DRILL**  
LOCATION WELL NO. 103AH  
270' FNL x 1170' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 858984.37'; Y= 600951.64'  
Lat.= 31°16'03.16"; Long.= -103°59'09.88"  
Lat.= 31.2675436°; Long.= -103.9860777°  
Ground Elevation: 3236.7'  
Approx. 11.9 miles Southwest of Toyah, TX

**PENETRATION POINT WELL NO. 103AH**  
100' FNL x 1550' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 859369.78'; Y= 601109.64'  
Lat.= 31°16'04.85"; Long.= -103°59'05.50"  
Lat.= 31.2680126°; Long.= -103.9848614°

**FIRST TAKE POINT WELL NO. 103AH**  
100' FNL x 1550' FWL Section 1, Blk. C-8  
Public School Land Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 859369.78'; Y= 601109.64'  
Lat.= 31°16'04.85"; Long.= -103°59'05.50"  
Lat.= 31.2680126°; Long.= -103.9848614°

**LAST TAKE POINT WELL NO. 103AH**  
2500' FSL x 1550' FWL Section 6, Blk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 859184.81'; Y= 595484.21'  
Lat.= 31°15'09.13"; Long.= -103°59'05.50"  
Lat.= 31.2525373°; Long.= -103.9848622°

**BOTTOMHOLE WELL NO. 103AH**  
2400' FSL x 1550' FWL Section 6, Blk. 57,  
T-7, T. & P. R. R. CO. Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
X= 859181.52'; Y= 595384.26'  
Lat.= 31°15'08.14"; Long.= -103°59'05.50"  
Lat.= 31.2522624°; Long.= -103.9848622°



SURFACE TO PENETRATION POINT -  
GRID BEARING N67°42'33"E -- 417'  
PENETRATION POINT TO FIRST TAKE POINT-  
GRID BEARING N67°42'33"E -- 0'  
FIRST TAKE POINT AND LAST TAKE POINT -  
GRID BEARING S01°53'00"W -- 5628'  
LAST TAKE POINT TO BOTTOMHOLE-  
GRID BEARING S01°53'00"W -- 100'

I, DENNIS W. HUGHES hereby certify that this plat,  
drawn to the scale indicated, accurately represents  
conditions as they actually exist on the property  
on which permit to drill is sought and correctly  
reflects all pertinent data required to be shown on  
such plat by orders of the Railroad Commission of Texas.

*Dennis W. Hughes*

Date: 6-25-2018

REVISED DATE:  
05-31-18  
06-22-18

TOTAL UNIT AC. = 1051.25 AC.  
UNIT BOUNDARY - - - - -  
PRODUCING WELL - - - - -  
WELL LOCATIONS - - - - -

Unit Plat

**OAK STATE UNIT  
No. 103AH**

Reeves County, Texas

Scale: 1"= 1000' 6-25-2018 oak\_state\_unit.dgn  
Plat prepared by MEH  
for Horizon Survey, Inc.

File No. MF11702.4 35.  
Reeves County  
Drilling Permit API 389-37326 Unit 8453  
Date Filed: 01/10/2019  
George P. Bush, Commissioner  
By: gm

5



# OIL AND GAS DIVISION ORDER

Date: 12/06/2018

TO: APACHE CORPORATION ("Payor")  
ONE POST OAK CENTRAL  
2000 POST OAK  
BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400

MF117024 Unit 8453  
MF117112

See 'Exhibit A'  
Attached hereto

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and for gross production, severance or other similar taxes on production or the proceeds thereof, as allowed by applicable law.

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

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

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

**NOTICES:** The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

**FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.**

**NOTE:** (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.

WITNESS NAME

SIGNATURE OF INTEREST OWNER

WITNESS NAME  
STATE OF TEXAS

SOCIAL SECURITY OR TAX ID NUMBER

COMMISSIONER OF THE GENERAL LAND OF

4326844404

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701

0085439001

OWNER TELEPHONE NUMBER

OWNER EMAIL ID

SIGN AND RETURN COPY



APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 12/6/2018

Property: 01873501/00001 OAK STATE UNIT 202AH  
State: TEXAS County/Parish: REEVES

Venture Number: 032787

| OWNER      |                | INTEREST TYPE           | EXC | INTEREST   | EFF DATE  |
|------------|----------------|-------------------------|-----|------------|-----------|
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 01  | 0.03637812 | 12/1/2017 |
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 02  | 0.08862188 | 12/1/2017 |

Legal Description:

TX REEVES T&P RR CO ABST/ID# 3530 Twsp 7 Blk 57 Sec 6



APACHE CORPORATION  
2000 Post Oak Blvd, Suite 100  
Houston, TX 77056-4400  
ATTN: OWNER RELATIONS  
FAX # 713-296-6470



Dear Interest Owner:

If you have not previously elected to do so, Apache Corporation would like you to participate in our Direct Deposit program. This program is part of our continuing evaluation of our owner relations services that provide a benefit to our owners. Some benefits of direct deposit are the elimination of mailing delays, lost or stolen checks and receipt delays related to address changes.

The Direct Deposit program will allow our interest owners to receive an electronic funds transfer (EFT) to their designated financial institution (bank, credit union or savings and loan). The EFT will deposit the cash value of your monthly payment into your designated account and will eliminate the need for a negotiable printed check. Instead, you will receive a non-negotiable check notice that will accompany the associated check detail statements. The EFT deposit will be posted to your account on or before the last business day of the month. The Direct Deposit program will not be changing any terms related to payments as stated in your lease or other agreements with Apache.

Please read, sign and return the EFT authorization form on the reverse side of this letter. It is important that the authorization signature be that of the actual interest owner that is listed on the checks you now receive from Apache. If the EFT is to be deposited to an account that is not Apache's interest owner, we will need an additional authorization signature allowing the EFT deposit.

Please note that to ensure proper crediting of the EFT payment, Apache requires that you include a voided check or provide a letter from your financial institution with the required ABA routing numbers and your account number. Prior to returning the signed EFT authorization agreement form, please verify with your financial institution that they can accept EFT payments.

Return the completed form with required documentation to the attention of Owner Relations at the address shown above.

If you have any questions or need additional information related to Direct Deposit (EFT) Payments, please call 1-800-272-2434, 713-296-6970 or fax to 713-296-6470.

Apache Corporation  
Owner Relations





APACHE CORPORATION  
2000 Post Oak Blvd, Suite 100  
Houston, TX 77056-4400  
ATTN: OWNER RELATIONS  
FAX # 713-296-6470



#### AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT

The undersigned, hereinafter called "owner", is representing that they are the owners of an oil, gas and/or mineral interest that is currently paid by Apache Corporation. Owner is now authorizing Apache Corporation to make direct deposit (EFT) payments for their owned interest to the financial institution and owner account as designated below.

Owner agrees that electing to participate in EFT payments will not amend any lease agreements between Apache Corporation and Owner. This agreement simply allows for EFT payments in lieu of paper check payments.

Owner agrees to give at least thirty (30) days advance written notice of any change in the payment instructions shown below. Owner agrees that any changes to their mailing address will continue to be submitted in writing to Apache. This is required so that the EFT payment details are delivered to the correct mailing address. Owner agrees that Apache Corporation will not be held liable for any interest or other claim arising as the result of Owner's failure to provide written notice of any payment instruction changes. Owner also releases and agrees to indemnify and hold Apache Corporation harmless for any loss, claim, damage or interest incurred as the result of Owner's depository institution's failure to properly or promptly post any EFT payment and/or as a result of any error or omission in the payment instructions provided by or on behalf of Owner. Owner understands and agrees that Apache will have up to sixty (60) days after receipt of the authorization form to process the EFT request.

#### PLEASE COMPLETE THE ENTIRE FORM TO AVOID DELAYS

DEPOSITORY INSTITUTION:

DEPOSITORY ADDRESS:

NAME ON ACCOUNT:

DEPOSITORY INSTITUTION ABA ROUTING NUMBER (9 DIGITS):

ACCOUNT NUMBER: (MAXIMUM 18 DIGITS)

ACCOUNT TYPE: ☐ SAVINGS ☐ CHECKING

Your Owner Number on Apache Issued Checks

Tax Identification or Social Security Number

Name of Owner

Signature of Owner(s) or Authorized Representative

Street Address or P.O. Box

Title (If Corporation or Business Association)

City

State

Zip Code

Daytime Phone Number (Including Area Code)

Date: \_\_\_\_\_

**PLEASE ATTACH A VOIDED CHECK FOR THE ACCOUNT  
TO WHICH PAYMENTS WILL BE DEPOSITED**



# Apache Corporation

PHONE: (713)-296-6000

FAX: (713)-296-6453

12/10/2018

Apache Corporation  
One Post Oak Central  
2000 Post Oak Blvd  
Suite 100  
Houston, TX 77056-4400

Owner Number: 0085439001 STATE OF TEXAS

RE: Property: 01873501 - OAK STATE UNIT 202AH

Dear Interest Owner:

Enclosed is Apache Corporation's Division Order or Transfer Order in duplicate for your review and signature. Please ensure the Division Order or Transfer Order correctly reflects the following information:

- Your name and address for contact purposes and mailing of checks and payment information.
- Your social security or tax identification number.
- Property legal description(s), including county and state.
- Your ownership and decimal interest in the described property(ies).

The Property and Division Order Number(s) will be on your check detail to identify payments for your interest(s). The Owner Number is your identifying number with Apache. Please refer to your Owner Number and provide the last four digits of your tax ID when making inquiries about your payments or your interest(s).

Unless otherwise instructed by the owner, Apache's payments are issued once each month for proceeds with a minimum accumulated amount of \$100 as allowed by State statute. Apache issues annual minimum payment checks for owners where the accumulated amounts are \$5 or greater. If Apache is no longer responsible for distributing proceeds or the well ceases production, accumulated funds will be released to the owner and included with the minimum payment check cycle.

## INSTRUCTIONS FOR EXECUTION OF DIVISION ORDER OR TRANSFER ORDER:

1. Sign your name as it is shown on the Division Order or Transfer Order. Type or print your name legibly under your signature and return one original to Apache. If Transferor is deceased, disregard.

a. Division Orders and Transfer Orders for corporations must be executed by an authorized officer, attested by the secretary or assistant secretary and the corporate seal affixed thereto, or by an authorized attorney-in-fact.

b. Division Orders and Transfer Orders for individuals should be witnessed by two (2) disinterested third parties in the space provided.

c. If the Division Order or Transfer Order is signed by an agent, attorney-in-fact, guardian or any other party than the named interest owner, please furnish evidence of the rights vested in the signatory party.

2. Federal regulations require that we report payments of this nature to the Internal Revenue Service. Type or print your social security or tax identification number by your signature if not already shown. If shown incorrectly, please strike through the incorrect number and correct the number. If this number is not provided, federal law requires Apache to withhold 24% for taxes.

3. Return one original to Apache in the envelope provided and retain one original for your records.

For all questions concerning the Division Order or Transfer Order, please contact the analyst whose name is shown on the enclosed return envelope or call our Inquiry Line at 1-800-272-2434 or 713-296-6000.

APACHE CORPORATION  
Corporate Land Administration

STATE OF TEXAS

COMMISSIONER OF THE GENERAL LAND OFFICE

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701

do\_divord\_cover\_letter v 1.1



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

March 18, 2019

Cynthia Hyson  
Division Order Analyst  
Apache Corporation  
One Post Oak Central  
2000 Post Oak Blvd, Suite 100  
Houston, Texas 77056

Re: State Lease Nos. MF117024 and MF117112 Oak State Unit 202AH Unit 8453

Dear Mrs. Hyson:

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 Zamora  
Landman, Energy Resources  
512-475-0428  
512-475-1404 (fax)  
[vivian.zamora@glo.texas.gov](mailto:vivian.zamora@glo.texas.gov)

File No. MF 117024Reeves CountyDivision OrderDate Filed: 3-19-19By VZ George P. Bush, Commissioner



If correspondence is required, please make reference to the identified Lease Number

| Lease Date | Lessor                         | Freq | Start Date | Lease Number/Suffix |
|------------|--------------------------------|------|------------|---------------------|
| 08-29-2014 | CMC/SC BECKHAM HOLDINGS ETAL&S | 00   | 06-01-2019 | 7010034             |

AGENCY LEASE NUMBER: 117024

IN PAYMENT OF: SHUT-IN

FOR: OAK STATE UNIT SI PYMT

Operating Compa: APACHE OPC

19710564

REMARKS: OAK STATE UNIT SHUT-IN PYMT

RECORDED: Book 1116 Page 268 Reception # 14-10010

TRACT: 2 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES  
Prospect: UTAH 98.740

Region: NAUR

District: ALPINE HIGH

LEGAL (Part of): PUBLIC SCHOOL LAND ABST/ID# 4051 Grantee Blk C8 Sec 1

TRACT: 3 COUNTRY: US STATE: TX COUNTY: REEVES NET ACRES  
Prospect: UTAH 208.700

Region: NAUR

District: ALPINE HIGH

PUBLIC SCHOOL LAND ABST/ID# 4051 Grantee Blk C8 Sec 1

FOR THE CREDIT OF:

PAYMENT

COMMISSIONER OF THE GENERAL

(BA# 9527869501)

\$2,400.00

LAND OFFICE

STATE OF TEXAS

1700 NORTH CONGRESS AVE

AUSTIN

TX 78701

ACCT:

(DPS# 9527869501)

TOTAL BANK SERVICE CHARGE

\$ .00

TOTAL AMOUNT PAID

\$2,400.00

APACHE CORPORATION  
ONE POST OAK CENTRAL  
2000 POST OAK BLVD. HOUSTON, TX 77056-4400

PLEASE SIGN THE RECEIPT COPY AND RETURN  
DETACH STATEMENT BEFORE DEPOSITING

CHECK NO.  
108743

**Apache**

The amount of this check is in payment of SHUT-IN  
due party or parties under O / G  
lease described for period specified

APACHE CORPORATION  
ONE POST OAK CENTRAL  
2000 POST OAK BLVD. HOUSTON, TX 77056-4400  
Phone 1800-272-2434

| Lease Date | Lessor                         | Freq | Start Date | Lease Number/Suffix | CHECK NO: |
|------------|--------------------------------|------|------------|---------------------|-----------|
| 08-29-2014 | CMC/SC BECKHAM HOLDINGS ETAL&S | 00   | 06-01-2019 | 7010034             | 108744    |

DATE 05-13-2019

Wells Fargo Bank, N.A.  
115 Hospital Drive  
Van Wert, OH 45891

56-382/412

\*\*\*\*\*2,400\*DOLLARS AND\* 00\*CENTS

| AMOUNT          |
|-----------------|
| *****\$2,400.00 |

PAY  
TO  
THE  
ORDER OF

COMMISSIONER OF THE GENERAL  
LAND OFFICE  
STATE OF TEXAS  
1700 NORTH CONGRESS AVE  
AUSTIN

TX 78701

LEASE RENTAL ACCOUNT

*B. C. R. R.*

VICE PRESIDENT & TREASURER  
FACSIMILE SIGNATURE

00108744



May 14, 2019

Re: Oak State Unit Lease  
Apache lease number 7010034

Dear COMMISSIONER OF THE GENERAL LAND OFFICE:

Production from some wells in the above referenced lease have been shut-in and/or may be shut-in in the near future. The enclosed check, numbered 108744, is hereby tendered as Shut-in Royalty payment in accordance with applicable lease terms.

If you have questions about the status of this well, please contact Dion Alaniz, the Landman for the area by phone at (210) 678-3908 or by email [Dion.Alaniz@apachecorp.com](mailto:Dion.Alaniz@apachecorp.com).

Sincerely,

Apache Corporation

**AMANDA VALVERDE**  
LEASE PAYMENT ADMINISTRATOR  
Corporate Land Administration – Leasehold Operations  
direct 713-296-6266  
[amanda.valverde@apachecorp.com](mailto:amanda.valverde@apachecorp.com)

38.

File No. MF117024  
Shut in payment County  
No affidavit  
Date Filed: 5/28/19  
George P. Bush, Commissioner  
By SSD

27214





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

May 28, 2019

Mr. Dion Alaniz  
Apache Corporation  
2000 Post Oak Blvd., Suite 100  
Houston, TX 77056

Re: **State Lease MF117024** – Relinquishment Act Lease  
305.94 acres, Section 1, Block 57, Township T7-S, T&P R.R. Co., Reeves County.  
Shut-In: Oak State 101AH, API 42-389-35867  
Oak State 102BH, API 42-389-36938  
Oak State 201AH, API 42-389-37326  
Oak State 202AH, API 42-389-37503

Dear Mr. Alaniz,

This acknowledges receipt of shut-in payment in the total amount of \$2,400.00 as payment out of an abundance of caution for the possibility of shutting in the Oak State wells. Please provide a shut-in affidavit should these wells shut in.

Yours truly,

Susan Draughn, Landman  
Energy Resources/ Mineral Leasing  
Direct: 512.463.6521 / Email: [susan.draughn@glo.texas.gov](mailto:susan.draughn@glo.texas.gov)  
Website: [www.glo.texas.gov](http://www.glo.texas.gov)

39.

File No. MF117024

Letter accepting County

Shut in

Date Filed: 5/28/19

George P. Bush, Commissioner

By SSD



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

May 31, 2019

CERTIFIED MAIL: 7011 1150 0001 2420 8296

Mr. Glenn Moore  
Regulatory Manager  
Apache Corporation  
17802 IH-10 West, Suite 300  
San Antonio, TX 78257

RE: Application to Surface Commingle Oil and Gas Production from State Mineral Leases MF116968, MF118357, MF117024, MF118227, and MF118632 (Blackfoot State Unit, Cherokee, Mohican Unit) in Conjunction with Railroad Commission of Texas Commingling Permit Pending in Reeves County, Texas

Dear Mr. Moore

The Texas General Land Office (GLO) received your application, dated May 13, 2019 as revised on May 23, 2019, to surface commingle oil and gas production from and to utilize gas lift with recycled gas on the above State Mineral Leases. GLO staff have performed an administrative and technical review of your application.

On the condition that Apache Corporation first satisfies all of the requirements set out in #1 - #12 on p.1 - 3 of this letter, then, in that event, the application is approved.

1. Per 31 Texas Administrative Code (TAC) §9.35(a)(2), all fluids produced from the wells to be commingled must flow "through oil and gas separators of ample capacity and in good working order...before sale or surface commingling with production from any other lease and/or pooled unit". All production shall be measured by single-phase oil, gas, and water meters installed at the separator outlets prior to sale or surface commingling.



2. Per 31 TAC §9.35(a)(2), you are required to conduct all measurement “in accordance with the American Gas Association (AGA) standards and all applicable chapters of the American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS)”. Measurement shall be conducted, per those standards, for both the quantity and quality of all fluid streams.
3. Sampling frequency shall be equal to or greater than the recommendation in MPMS 20.1 §1.11.3, as required for accurate allocation. Samples shall be taken at the outlets of each first separator stage, at each gas lift supply and distribution meter, and at all points of custody transfer. Industry standard laboratory analysis shall be performed on each sample, with sampling and analysis performed in compliance with MPMS 8.1, 8.2, 9.1, 14.1 and any other applicable chapters.
4. Meter proving, testing and calibration plans as required per MPMS 20.2 §5, §6.5.1, §7.5.1 and §7.5.3 shall be made available to GLO staff for inspection upon request.
5. All lease oil and gas production royalties shall be due based upon the terms in your lease, and royalty payments shall be made per 31 TAC §9.51. Note that royalty is also due on all non-sales hydrocarbon dispositions (e.g. flare, fuel, instrument, lift, and vent gas).
6. Processed gas allocation factors shall be calculated on a mass (molecular) balance basis, i.e. each processed gas component shall be allocated individually in accordance with the requirements in MPMS 20.1 §1.15.3. Non-processed gas allocation factors shall be calculated on an energy balance basis.
7. You shall retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas sample/stream analysis reports, shrinkage/flash calculation reports, and any other documents within the scope of this commingling approval for a period of at least seven (7) years after creation of each document.
8. You shall obtain permission from GLO before making any changes to the flow process or metering scheme, adding leases or wells to the list of those being commingled, or making any other material change to the commingling application as approved by this letter.
9. You shall obtain approval of your pending surface commingling permit application from the Railroad Commission of Texas, if applicable, and provide GLO with a copy within ten days of its approval.
10. You shall calculate all allocation factors on a proportional basis. You shall not allocate by difference.

11. You shall continuously meter the gas lift supply to each well and the gas that passes through any other gas lift supply and distribution meter.
12. You shall account for the presence of any lift and/or buyback gas that is produced along with in situ reservoir gas at the allocation meters when calculating gas allocation factors: this accounting shall be by mass balance (processed gas) and by energy balance (non-processed gas) as appropriate (see also Condition 6).

Please be advised that you have an ongoing obligation to maintain compliance with these standards and conditions. GLO staff will verify compliance during periodic financial audits, which will include, but are not limited to, independent allocation verification studies. GLO reserves the right to validate or question your measurement and detailed allocation methodology based on our own analysis.

If you have further questions, please feel free to contact me at [tom.ortiz@glo.texas.gov](mailto:tom.ortiz@glo.texas.gov) or 512-463-5296.

Sincerely

A handwritten signature in blue ink that reads "Thomas M. Ortiz". The signature is fluid and cursive, with the first name "Thomas" being the most prominent.

Thomas Manuel Ortiz, Ph.D., P.E.  
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit

File No. MF117024

Reeves County

Commingling Approval

Date Filed: 6/3/2019

George P. Bush, Commissioner  
By Thomas M. Atz





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

*Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.*

|                                                     |           |                                                                                                                                              |               |
|-----------------------------------------------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| State Lease No. MF 117024                           |           | Operator APACHE CORPORATION                                                                                                                  |               |
| Lease Name CMC/SC BECKHAM HOLDINGS LP, ET AL        |           | Field Name ALPINE HIGH (CONS)                                                                                                                |               |
| Area                                                | Tract     | Part                                                                                                                                         | Acres 305.94  |
| Section 1                                           | Block C-8 | Survey PUBLIC SCHOOL LAND                                                                                                                    | County REEVES |
| State's NRI in Lease: 0.12500000                    |           |                                                                                                                                              |               |
| Unit Name (if applicable)<br>OAK STATE              |           | State's Unit NRI (if applicable)<br>0.12500000                                                                                               |               |
| Total Shut-In Due:<br>NONE DUE. PAID IN<br>ADVANCE. |           | Explain how payment was calculated:<br>SHUT-IN ROYALTIES HAVE ALREADY BEEN PAID IN<br>ANTICIPATION OF FUTURE SHUT-INS.                       |               |
| SHUT-IN PAYMENTS                                    |           | Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required. |               |

Reason for Shut-In – Be Specific—(Add page as needed)

INVERTED WAHA GAS MARKET.

Explain when and how shut-in is expected to be resolved (Add page as needed)

OPENING OF NEW GAS MARKET VIA KPMG PIPELINE TO GULF COAST IN  
OCTOBER 2019.

Add Pages as need for additional wells.

| WELL INFORMATION                                                                                                                                                                                                                                                                                                           |                                     |                            |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------|-------------------|
| <input type="radio"/> OIL <input checked="" type="radio"/> GAS                                                                                                                                                                                                                                                             | Well Name:<br>OAK STATE UNIT #101AH | API:<br>42389358670000     | RRC: Dist#-Lease# |
| Produced in Past:<br><input checked="" type="radio"/> Yes <input type="radio"/> No                                                                                                                                                                                                                                         | Completion Date:<br>11/17/2017      | Shut-In Date:<br>5/29/2019 |                   |
| Provide average daily production rate.<br>Define basis for production report (prior or current) from monthly production report or well test data.<br>Basis for production report of average: <input type="checkbox"/> Well Test <input checked="" type="checkbox"/> Monthly Average <input type="checkbox"/> RRC Well Test |                                     |                            |                   |
| GAS<br>3387 mcf/d                                                                                                                                                                                                                                                                                                          | OIL<br>0 bbls/d                     | WATER<br>66 bbls/d         |                   |

|                                                                                                                                                                                                                                                                                                                 |                  |                 |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|-------------------|
| <input type="radio"/> OIL <input type="radio"/> GAS                                                                                                                                                                                                                                                             | Well Name:       | API:            | RRC: Dist#-Lease# |
| Produced in Past:<br><input type="radio"/> Yes <input type="radio"/> No                                                                                                                                                                                                                                         | Completion Date: | Shut-In Date:   |                   |
| Provide average daily production rate.<br>Define basis for production report (prior or current) from monthly production report or well test data.<br>Basis for production report of average: <input type="checkbox"/> Well Test <input type="checkbox"/> Monthly Average <input type="checkbox"/> RRC Well Test |                  |                 |                   |
| GAS<br>mcf/d                                                                                                                                                                                                                                                                                                    | OIL<br>bbls/d    | WATER<br>bbls/d |                   |

|                                                                                                                                                                                                                                                                                                                 |                  |                 |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|-------------------|
| <input type="radio"/> OIL <input type="radio"/> GAS                                                                                                                                                                                                                                                             | Well Name:       | API:            | RRC: Dist#-Lease# |
| Produced in Past:<br><input type="radio"/> Yes <input type="radio"/> No                                                                                                                                                                                                                                         | Completion Date: | Shut-In Date:   |                   |
| Provide average daily production rate.<br>Define basis for production report (prior or current) from monthly production report or well test data.<br>Basis for production report of average: <input type="checkbox"/> Well Test <input type="checkbox"/> Monthly Average <input type="checkbox"/> RRC Well Test |                  |                 |                   |
| GAS<br>mcf/d                                                                                                                                                                                                                                                                                                    | OIL<br>bbls/d    | WATER<br>bbls/d |                   |

|                                                                                                                                                                                                                                                                                                                 |                  |                 |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|-------------------|
| <input type="radio"/> OIL <input type="radio"/> GAS                                                                                                                                                                                                                                                             | Well Name:       | API:            | RRC: Dist#-Lease# |
| Produced in Past:<br><input type="radio"/> Yes <input type="radio"/> No                                                                                                                                                                                                                                         | Completion Date: | Shut-In Date:   |                   |
| Provide average daily production rate.<br>Define basis for production report (prior or current) from monthly production report or well test data.<br>Basis for production report of average: <input type="checkbox"/> Well Test <input type="checkbox"/> Monthly Average <input type="checkbox"/> RRC Well Test |                  |                 |                   |
| GAS<br>mcf/d                                                                                                                                                                                                                                                                                                    | OIL<br>bbls/d    | WATER<br>bbls/d |                   |



List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

|                                                   |                                            |                             |                   |
|---------------------------------------------------|--------------------------------------------|-----------------------------|-------------------|
| Operator<br>APACHE CORPORATION                    | Lease Name & Well #<br>SPRUCE STATE #103BH | API<br>42389376010000       | RRC: Dist#-Lease# |
| RRC Field & Reservoir Name:<br>ALPINE HIGH (CONS) |                                            | RRC Field Code:<br>01942500 |                   |
| Distance                                          | Completion Interval                        | Status                      |                   |

|                                                   |                                            |                             |                   |
|---------------------------------------------------|--------------------------------------------|-----------------------------|-------------------|
| Operator<br>APACHE CORPORATION                    | Lease Name & Well #<br>SPRUCE STATE #201AH | API<br>42389352750000       | RRC: Dist#-Lease# |
| RRC Field & Reservoir Name:<br>ALPINE HIGH (CONS) |                                            | RRC Field Code:<br>01942500 |                   |
| Distance                                          | Completion Interval                        | Status                      |                   |

|                             |                     |                 |                   |
|-----------------------------|---------------------|-----------------|-------------------|
| Operator                    | Lease Name & Well # | API             | RRC: Dist#-Lease# |
| RRC Field & Reservoir Name: |                     | RRC Field Code: |                   |
| Distance                    | Completion Interval | Status          |                   |

Contact for Shut-in: \_\_\_\_\_

Operator's Representative

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

I certify that this statement is true and correct.

Signature: Dion Alaniz Print Name: Dion Alaniz

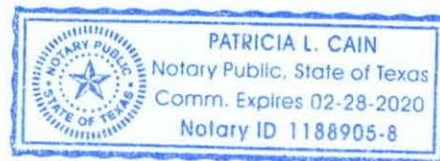
Title: Senior Landman

Sworn and subscribed to before me, the undersigned authority this 19 day of JUNE, 2019.

Patricia L. Cain

Notary Public in and for

BEXAR County, State of TEXAS



Revised 4/12/2017



01190

41.

File No. MF 117024  
Shut-in affidavit County

Date Filed: ~~SSD~~ 6/24/19

George P. Bush, Commissioner

By SSD

OIL AND GAS DIVISION ORDER

Date: 04/01/2019

MF 117024

TO: APACHE CORPORATION ("Payor")  
ONE POST OAK CENTRAL  
2000 POST OAK  
BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400

See 'Exhibit A'  
Attached hereto

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocrabons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and for gross production, severance or other similar taxes on production or the proceeds thereof, as allowed by applicable law.

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

DISPUTE: WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

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

NOTICES: The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.

NOTE: (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.



ORIGINAL COPY

WITNESS NAME

SIGNATURE OF INTEREST OWNER

WITNESS NAME  
STATE OF TEXAS

SOCIAL SECURITY OR TAX ID NUMBER

COMMISSIONER OF THE GENERAL LAND OF  
STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701  
0085439001

4326844404  
OWNER TELEPHONE NUMBER

OWNER EMAIL ID

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 4/1/2019

Property: 01806701/00002 SPRUCE STATE UNIT 201AH  
State: TEXAS County/Parish: REEVES

Venture Number: 031035

| <u>OWNER</u> |                | <u>INTEREST TYPE</u>    | <u>EXC</u> | <u>INTEREST</u> | <u>EFF DATE</u> |
|--------------|----------------|-------------------------|------------|-----------------|-----------------|
| 0085439001   | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 01         | 0.07336358      | 4/1/2019        |
| 0085439001   | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 02         | 0.00480383      | 4/1/2019        |

Legal Description:

TX REEVES PUBLIC SCHOOL LAND ABST/ID# 3084 Blk 71 Sec 40





APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 4/1/2019

Property: 01846801/00003 SPRUCE STATE UNIT 102CH  
State: TEXAS County/Parish: REEVES

Venture Number: 032347

| OWNER      |                | INTEREST TYPE           | EXC | INTEREST   | EFF DATE |
|------------|----------------|-------------------------|-----|------------|----------|
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 01  | 0.07336358 | 4/1/2019 |
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 02  | 0.00480383 | 4/1/2019 |

Legal Description:

TX REEVES PUBLIC SCHOOL LAND ABST/ID# 3084 Blk 71 Sec 40  
TX REEVES PUBLIC SCHOOL LAND ABST/ID# 3085 Blk 71 Sec 19



APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 4/1/2019

Property: 01848701/00002 SPRUCE STATE UNIT 101AH  
State: TEXAS County/Parish: REEVES

Venture Number: 032369

| <u>OWNER</u>              | <u>INTEREST TYPE</u>    | <u>EXC</u> | <u>INTEREST</u> | <u>EFF DATE</u> |
|---------------------------|-------------------------|------------|-----------------|-----------------|
| 0085439001 STATE OF TEXAS | (RI) - ROYALTY INTEREST | 01         | 0.07336358      | 4/1/2019        |
| 0085439001 STATE OF TEXAS | (RI) - ROYALTY INTEREST | 02         | 0.00480383      | 4/1/2019        |

Legal Description:

TX REEVES PUBLIC SCHOOL LAND ABST/ID# 3084 Blk 71 Sec 40



APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 4/1/2019

Property: 01877201/00002 SPRUCE STATE UNIT 103BH  
State: TEXAS County/Parish: REEVES

Venture Number: 032839

| <u>OWNER</u>              | <u>INTEREST TYPE</u>    | <u>EXC</u> | <u>INTEREST</u> | <u>EFF DATE</u> |
|---------------------------|-------------------------|------------|-----------------|-----------------|
| 0085439001 STATE OF TEXAS | (RI) - ROYALTY INTEREST | 01         | 0.07336358      | 4/1/2019        |
| 0085439001 STATE OF TEXAS | (RI) - ROYALTY INTEREST | 02         | 0.00480383      | 4/1/2019        |

Legal Description:

TX REEVES PUBLIC SCHOOL LAND ABST/ID# 3084 Blk 71 Sec 40  
TX REEVES PUBLIC SCHOOL LAND ABST/ID# 3085 Blk 71 Sec 19





APACHE CORPORATION

OIL AND GAS DIVISION ORDER

DATE: 4/1/2019

Property: 01877301/00002    SPRUCE STATE UNIT 202AH    Venture Number: 032840

State: TEXAS    County/Parish: REEVES

| OWNER      |                | INTEREST TYPE           | EXC | INTEREST   | EFF DATE |
|------------|----------------|-------------------------|-----|------------|----------|
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 01  | 0.07336358 | 4/1/2019 |
| 0085439001 | STATE OF TEXAS | (RI) - ROYALTY INTEREST | 02  | 0.00480383 | 4/1/2019 |

Legal Description:

TX    REEVES    PUBLIC SCHOOL LAND ABST/ID# 3084 Blk 71    Sec 40

TX    REEVES    PUBLIC SCHOOL LAND ABST/ID# 3085 Blk 71    Sec 19





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

July 23, 2019

Cynthia Hynson  
Division Order Analyst  
Apache Corporation  
2000 Post Oak Blvd, Suite 100  
Houston, Texas 77056

Re: State Lease Nos. MF116963 and MF117024 Spruce State Unit 101AH, 102CH, 103BH,  
201AH and 202AH Unit 9862

Dear Mrs. Hynson:

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

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

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

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

Thank you,

Vivian Zamora  
Landman, Energy Resources  
512-475-0428  
512-475-1543 (fax)  
[vivian.zamora@glo.texas.gov](mailto:vivian.zamora@glo.texas.gov)

File No. MF 117024Reeves CountyDivision OrderDate Filed: 7/25/19

George P. Bush, Commissioner

By VR





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

September 16, 2019

CERTIFIED MAIL: 7011 1150 0001 2420 8739

Mr. Glenn Moore  
Regulatory Manager  
Apache Corporation  
17802 IH-10 West, Suite 300  
San Antonio, TX 78257

RE: Notification of Requirement to Amend Terms of All GLO-Issued Alpine High Surface  
Commingling Approvals in the Event of Altus Midstream Majority Ownership Divestment

Dear Mr. Moore

The Texas General Land Office (GLO) has approved multiple requests by Apache Corporation to surface commingle State oil and gas leases located in the Alpine High discovery area. These approvals have been granted pursuant to the GLO understanding that Apache owns and controls the midstream assets used to process gas from the affected State leases. Wherever natural gas is processed by multiple unaffiliated midstream providers, additional physical and financial data are needed by GLO to independently audit royalty payments due to variability of contract terms.

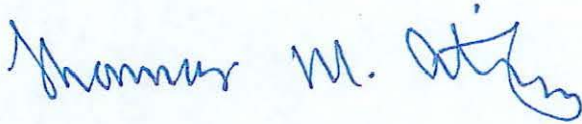
Please recall that the scope of commingling extends from the wellhead up to and including the point(s) of final title or custody transfer to a non-affiliated third party. On November 12, 2018 Apache issued a press release announcing the formation of a new company, Altus Midstream, to hold the midstream assets in question. At that time, Apache owned 79 percent of Altus. Should Apache's ownership stake in Altus fall below 51%, or if the point(s) of final title or custody transfer to a non-affiliated third party are otherwise altered due to changes in asset ownership, GLO would consider such an event a "material change" to the terms of commingling approval.

Your commingling approval letters all require you to obtain GLO permission before making such material changes, and your approvals are contingent upon you adhering to that condition (among others) on an ongoing basis. Failure to do so would result in your approvals being voided. Since any commingling permit granted by the Railroad Commission of Texas for Exception to Statewide Rules (SWR) 26 and/or 27 associated with the above leases is contingent upon you obtaining necessary GLO commingling approvals, your RRC permits may also be deemed voided under those circumstances.

Therefore, we are sending you this letter as a courtesy reminder to contact us in advance of any midstream asset ownership changes that would trigger the voiding of your commingling approvals.

If you have further questions, please feel free to contact me at [tom.ortiz@glo.texas.gov](mailto:tom.ortiz@glo.texas.gov) or 512-463-5296.

Sincerely

A handwritten signature in blue ink, appearing to read "Thomas M. Ortiz", with a stylized flourish at the end.

Thomas Manuel Ortiz, Ph.D., P.E.  
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit

File No. MF 117024

Reeves County

Notification Letter

Date Filed: 9/16/2019

George P. Bush, Commissioner  
By Thomas M. Atz





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

October 11, 2019

CERTIFIED MAIL: 7011 1150 0001 2420 8777

Mr. Glenn Moore  
Regulatory Manager  
Apache Corporation  
17802 IH-10 West, Suite 300  
San Antonio, TX 78257

RE: Application to Amend Terms of Approval to Surface Commingle Oil and Gas Production from MF116970, MF117024, MF117112 and MF116963 (Dogwood State, Oak State Unit, Spruce State) in Conjunction with Railroad Commission of Texas Commingling Permit 08-7914 in Reeves County, Texas

Dear Mr. Moore

The Texas General Land Office (GLO) received your application, dated July 25, 2019 as revised on September 30, 2019 and October 8, 2019, to amend the terms of surface commingling approval for the above State Mineral Leases. GLO staff have performed an administrative and technical review of your application.

The surface commingling approval for the above State Mineral Leases that was issued on June 28, 2018 is hereby amended as follows:

1. Add wells to scope of commingling
2. Revise process flow diagrams to indicate water system repair plans

Commingle Permit Applicant: Apache Corp  
RRC District: 8  
RRC Form P-17 Permit No.: 7914  
RRC P-17 Application Date: 2/28/2018

ITEMS IN RED HAVE BEEN UPDATED

REPORTS OIL PRODUCTION ON FORM PR AND EACH STATE LEASE IS EQUIPPED WITH AN OIL AND GAS SEPARATOR WITH OIL AND GAS SEPARATELY METERED BEFORE COMMINGLING WITH OTHER LEASES.

| 1/22/2018               |                               |                    |                |                                |                  |                           |                            |                          |                 |                         |                                        |              |                                                  |
|-------------------------|-------------------------------|--------------------|----------------|--------------------------------|------------------|---------------------------|----------------------------|--------------------------|-----------------|-------------------------|----------------------------------------|--------------|--------------------------------------------------|
| P-17 RRC Request Status | Lease Commingle Facility Name | RRC Field Name     | RRC Lease Name | RRC Well No.                   | SEE NOTE 3       | Wellbore 10 Digit API No. | RRC Lease Form P4 Operator | RRC Lease Type (Oil/Gas) | RRC Well Status | SEE NOTE 1              | GLO or Private Unit Name (if Utilized) | GLO Unit No. | SEE NOTE 2                                       |
|                         |                               |                    |                |                                | RRC Lease/ID No. |                           |                            |                          |                 | State Mineral Lease No. |                                        |              | State Mineral Lease or Unit Net Royalty Interest |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Dogwood State  | 105AH Fka:5H                   | DP-819969        | 42-389-35515              | Apache Corporation         |                          | Active          | 116970                  | N/A                                    | N/A          | 0.12500000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Dogwood State  | 107AH Fka:7H                   | DP-819970        | 42-389-35516              | Apache Corporation         |                          | Active          | 116970                  | N/A                                    | N/A          | 0.12500000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Dogwood State  | 109AH Fka:9H                   | DP-819971        | 42-389-35517              | Apache Corporation         |                          | Active          | 116970                  | N/A                                    | N/A          | 0.12500000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Dogwood State  | 201AH Fka:108CH Fka:8H         | DP-820642        | 42-389-35537              | Apache Corporation         |                          | Active          | 116970                  | N/A                                    | N/A          | 0.12500000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Dogwood State  | 202AH Fka:104CH Fka:4H Fka:4H  | DP-820637        | 42-389-35536              | Apache Corporation         |                          | Active          | 116970                  | N/A                                    | N/A          | 0.12500000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Dogwood State  | 203AH Fka:106CH Fka:11H Fka:6H | DP-819972        | 42-389-35518              | Apache Corporation         |                          | Active          | 116970                  | N/A                                    | N/A          | 0.12500000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Phantom (Wolfcamp) | Dogwood State  | 401CH                          | DP-831961        | 42-389-35472              | Apache Corporation         |                          | Active          | 116970                  | N/A                                    | N/A          | 0.12500000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Oak State Unit | 101CH Fka:101H                 | DP-825160        | 42-389-35867              | Apache Corporation         |                          | Active          | 117024 117112A 117112B  | Oak State Unit                         | 8453         | 0.12500000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Oak State Unit | 102BH                          | DP-837610        | 42-389-35838              | Apache Corporation         |                          | Active          | 117024 117112A 117112B  | Oak State Unit                         | 8453         | 0.12500000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Oak State Unit | 201AH Fka:103AH                | DP-841878        | 42-389-37326              | Apache Corporation         |                          | Active          | 117024 117112A 117112B  | Oak State Unit                         | 8453         | 0.12500000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Oak State Unit | 202AH Fka:106BH                | DP-843896        | 42-389-37503              | Apache Corporation         |                          | Active          | 117024 117112A 117112B  | Oak State Unit                         | 8453         | 0.12500000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Redwood        | 101BH Fka:1H                   | 204841           | 42-389-35274              | Apache Corporation         | Gas                      | Active          | N/A                     | N/A                                    | N/A          | 0.00000000                                       |



| 1/22/2018               |                               |                    |                |                           | SEE NOTE 3       |                           |                            |                          |                 | SEE NOTE 1              |                                        |              | SEE NOTE 2                                       |
|-------------------------|-------------------------------|--------------------|----------------|---------------------------|------------------|---------------------------|----------------------------|--------------------------|-----------------|-------------------------|----------------------------------------|--------------|--------------------------------------------------|
| P-17 RRC Request Status | Lease Commingle Facility Name | RRC Field Name     | RRC Lease Name | RRC Well No.              | RRC Lease/ID No. | Wellbore 10 Digit API No. | RRC Lease Form P4 Operator | RRC Lease Type (Oil/Gas) | RRC Well Status | State Mineral Lease No. | GLO or Private Unit Name (If Unitized) | GLO Unit No. | State Mineral Lease or Unit Net Royalty Interest |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Redwood        | 103BH Fka:103CH           | DP-841303        | 42-389-37274              | Apache Corporation         |                          | SI              | N/A                     | N/A                                    | N/A          | 0.00000000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Redwood        | 104BH                     | DP-841304        | 42-389-37275              | Apache Corporation         |                          | SI              | N/A                     | N/A                                    | N/A          | 0.00000000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Redwood        | 105BH                     | DP-841640        | 42-389-37304              | Apache Corporation         |                          | SI              | N/A                     | N/A                                    | N/A          | 0.00000000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Redwood        | 106BH                     | DP-841641        | 42-389-37305              | Apache Corporation         |                          | SI              | N/A                     | N/A                                    | N/A          | 0.00000000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Redwood        | 201AH Fka:3H              | 204056           | 42-389-35277              | Apache Corporation         | Gas                      | Active          | N/A                     | N/A                                    | N/A          | 0.00000000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Wildcat            | Redwood        | 301BH Fka:2H              | 284917           | 42-389-35276              | Apache Corporation         | Gas                      | Active          | N/A                     | N/A                                    | N/A          | 0.00000000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Phantom (Wolfcamp) | Redwood        | 401DH Fka:401BH Fka:4H    | 285127           | 42-389-35279              | Apache Corporation         |                          | TA              | N/A                     | N/A                                    | N/A          | 0.00000000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Wildcat            | Redwood        | 201AH Fka:3H              | DP-816475        | 42-389-35277              | Apache Corporation         |                          | Active          | N/A                     | N/A                                    | N/A          | 0.00000000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Spruce State   | 101AH                     | DP-823528        | 42-389-35733              | Apache Corporation         |                          | Active          | 116963                  | Spruce State Unit                      | 9862         | 0.12500000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Spruce State   | 102CH Fka:102AH Fka:102CH | DP-823530        | 42-389-35734              | Apache Corporation         |                          | SI              | 116963                  | Spruce State Unit                      | 9862         | 0.12500000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Spruce State   | 103BH Fka:103CH           | DP-842407        | 42-389-37379              | Apache Corporation         |                          | Active          | 116963                  | Spruce State Unit                      | 9862         | 0.12500000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Spruce State   | 105AH Fka:5H              | DP-841483        | 42-389-38234              | Apache Corporation         |                          |                 | 116963                  | Spruce State Unit                      | 9862         | 0.12500000                                       |
| Approved 3-9-18 (7914)  | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Spruce State   | 201AH Fka:1H              | DP-816443        | 42-389-35275              | Apache Corporation         |                          | Active          | 116963                  | Spruce State Unit                      | 9862         | 0.12500000                                       |
| Amending                | Redwood CPF/Redwood CTB       | Alpine High (Cons) | Spruce State   | 202AH Fka:202BH           | DP-844476        | 42-389-37647              | Apache Corporation         |                          | Active          | 116963                  | Spruce State Unit                      | 9862         | 0.12500000                                       |

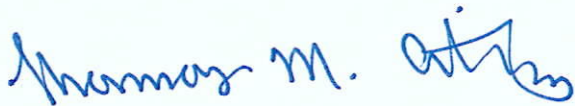


New Leases and Wells Added to Scope of Surface Commingling Approval

See enclosed lease table, which supersedes all prior lists of commingled wells.

If you have questions, please feel free to contact me at [tom.ortiz@glo.texas.gov](mailto:tom.ortiz@glo.texas.gov) or 512-463-5296.

Sincerely

A handwritten signature in blue ink, appearing to read "Thomas M. Ortiz".

Thomas Manuel Ortiz, Ph.D., P.E.  
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit

Enclosure: GLO Lease Table

File No. MF 117024

Reeves County

Commingling Amendment

Date Filed: 10/14/2019

George P. Bush, Commissioner  
By Thomas M. Ortiz

USPS TRACKING#



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

9590 9402 1972 6123 7484 02

United States  
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box •



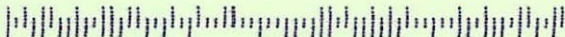
**Texas General Land Office**

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

MF117 024  
MF117 112  
ENERGY  
8th FLR  
Verdis





# SENDER: COMPLETE THIS SECTION

# COMPLETE THIS SECTION ON DELIVERY

- 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.

A. Signature

**X**

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

MF117024

1. Article Addressed to:

Apache Corporation  
Attn: Josh Perez  
2000 Post Oak Blvd, Ste 100  
Houston, Tx 77056-4400



9590 9402 1972 6123 7484 02

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Registered Mail®
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

il Restricted Delivery

2. Article Number (Transfer from service label)

7011 1150 0001 2420 2898

U.S. Postal Service™

# CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)®

OFFICIAL USE

Postage

\$

Certified Fee

Return Receipt Fee  
(Endorsement Required)

Restricted Delivery Fee  
(Endorsement Required)

Total Postage & Fees

\$

MP117024

Postmark  
Here

E

MP117112

Attn: Josh Perez

Sent To

Apache Corporation

Street, Apt. No.;

or PO Box No.

2000 Post Oak Blvd Ste 100

City, State, ZIP+4

Houston, TX 77056-4400

7011 1150 0001 2420 2898

## Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

### *Important Reminders:*

- Certified Mail may **ONLY** be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- **NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

**IMPORTANT: Save this receipt and present it when making an inquiry.**





# Texas General Land Office

## Reconciliation Billing

George P. Bush, Commissioner

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

Apache Corporation  
Attn: Josh Perez  
2000 Post Oak Blvd Suite 100  
Houston, TX 77056-4400

Billing Date: 11/15/2019  
**Billing Due Date: 12/15/2019**  
Customer Number: C000023272

| Invoice   | Mineral File | Gas Royalty | Oil Royalty | Penalty    | Interest   | Total Due          |
|-----------|--------------|-------------|-------------|------------|------------|--------------------|
| 20I00155  | MF117024     | \$8,129.86  | \$0.00      | \$812.99   | \$557.80   | \$9,500.65         |
| 20I00156  | MF117112     | \$17,973.97 | \$0.00      | \$1,797.39 | \$1,253.46 | \$21,024.82        |
| Total Due |              | \$26,103.83 | \$0.00      | \$2,610.38 | \$1,811.26 | <b>\$30,525.47</b> |

Penalty and interest have been calculated thru 11/30/2019. Payment remitted after 11/30/2019 will result in additional penalty and interest charges.

Contact Info: David Jacquet (512) 463-5262 or david.jacquet@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

**Apache Corporation**

Billing Date: 11/15/2019

Billing Due Date: 12/15/2019

**Customer Number: C000023272**

**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          |
|-----------|--------------|-------------|-------------|------------|------------|--------------------|
| 20I00155  | MF117024     | \$8,129.86  | \$0.00      | \$812.99   | \$557.80   | \$9,500.65         |
| 20I00156  | MF117112     | \$17,973.97 | \$0.00      | \$1,797.39 | \$1,253.46 | \$21,024.82        |
| Total Due |              | \$26,103.83 | \$0.00      | \$2,610.38 | \$1,811.26 | <b>\$30,525.47</b> |
| Amt. Paid |              |             |             |            |            |                    |

Customer ID: C000023272  
 Invoice Number:  
 GLO Lease: MF117112  
 GLO Review: APACHE CORPORATION  
 Review Period: SEPT 2017 - AUG 2018

Category Gas  
 Auditor/AE: DJACQUET  
 Billing Date: 11/1/2019  
 P&I Calculation Date: 11/30/2019  
 Royalty Rate: 12.50%

| (1)           | (2)        | (3)            | (4)                      | (5)    | (6)    | (7)                 | (8)                | (9)           | (10)                   | (11)                | (12)                                 | (13)                                 | (14)                                   | (15)               |
|---------------|------------|----------------|--------------------------|--------|--------|---------------------|--------------------|---------------|------------------------|---------------------|--------------------------------------|--------------------------------------|----------------------------------------|--------------------|
| Month / Year  | RRC Number | Gas/Oil Volume | Tract Participation Rate | Price  | BTU    | Gross Value         | Royalty Due        | Royalty Paid  | Additional Royalty Due | Number of Days Late | Interest Rate For Additional Royalty | Penalty Rate From Additional Royalty | Interest Rate From Additional Royalty2 | Revenue Due        |
| Dec-17        | 08-285230  | 6,245          | 1                        | \$1.99 | 0.9689 | \$12,051.37         | \$1,506.42         | \$0.00        | \$1,506.42             | 653                 | 5.50%                                | \$150.64                             | \$134.83                               | \$1,791.89         |
| Jan-18        | 08-285230  | 6,346          | 1                        | \$1.74 | 0.9744 | \$10,763.09         | \$1,345.39         | \$0.00        | \$1,345.39             | 625                 | 5.50%                                | \$134.54                             | \$114.75                               | \$1,594.68         |
| Feb-18        | 08-285230  | 16,653         | 1                        | \$1.89 | 0.9757 | \$30,645.07         | \$3,830.63         | \$0.00        | \$3,830.63             | 594                 | 5.50%                                | \$383.08                             | \$308.81                               | \$4,522.50         |
| Mar-18        | 08-285230  | 6,378          | 1                        | \$2.03 | 1.0052 | \$13,019.29         | \$1,627.41         | \$0.00        | \$1,627.41             | 564                 | 5.50%                                | \$162.74                             | \$123.84                               | \$1,913.99         |
| Apr-18        | 08-285230  | 2,788          | 1                        | \$2.07 | 0.9765 | \$5,647.45          | \$705.93           | \$0.00        | \$705.93               | 533                 | 5.50%                                | \$70.59                              | \$50.42                                | \$826.94           |
| May-18        | 08-285230  | 6,284          | 1                        | \$1.92 | 1.0058 | \$12,151.25         | \$1,518.91         | \$0.00        | \$1,518.91             | 503                 | 5.50%                                | \$151.89                             | \$101.62                               | \$1,772.42         |
| Jun-18        | 08-285230  | 9,201          | 1                        | \$2.03 | 1.0189 | \$19,037.15         | \$2,379.64         | \$0.00        | \$2,379.64             | 472                 | 5.50%                                | \$237.96                             | \$148.09                               | \$2,765.69         |
| Jul-18        | 08-285230  | 2,376          | 1                        | \$2.07 | 0.9784 | \$4,822.19          | \$602.77           | \$0.00        | \$602.77               | 441                 | 5.50%                                | \$60.28                              | \$34.70                                | \$697.75           |
| Aug-18        | 08-285230  | 18,339         | 1                        | \$1.92 | 1.0113 | \$35,654.99         | \$4,456.87         | \$0.00        | \$4,456.87             | 411                 | 5.50%                                | \$445.69                             | \$236.40                               | \$5,138.96         |
| <b>TOTALS</b> |            | <b>74,610</b>  |                          |        |        | <b>\$143,791.85</b> | <b>\$17,973.97</b> | <b>\$0.00</b> | <b>\$17,973.97</b>     |                     |                                      | <b>\$1,797.39</b>                    | <b>\$1,253.46</b>                      | <b>\$21,024.82</b> |

COMMENTS: BILLING ON UNDER PAID ROYALTIES FOR RRC ID# 08-285230 & MF286743 UNIT 8453.

COLUMN (3) VOLUMES -VOLUMES REPRESENTS VOLUMES UNDER REPORTED TO THE GLO VERSUS REPORTED TO THE RRC.  
 COLUMNS (5) & (6) THE PRICES AND BTU FACTORS WERE DETERMINED BY USING THE AVERAGE PRICES AND BTU FACTOR REPORTED ON THE GLO2 REPORTS.  
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:  
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

ATTN: ASHLEY N WILLIAMS  
 CERTIFIED MAIL: 7011 1150 0001 2420 2898



Customer ID: C000023272  
 Invoice Number:  
 GLO Lease: MF117024  
 GLO Review: APACHE CORPORATION  
 Review Period: SEPT 2017 - AUG 2018

Category Gas  
 Auditor/AE: DJACQUET  
 Billing Date: 11/1/2019  
 P&I Calculation Date: 11/30/2019  
 Royalty Rate: 12.50%

| (1)           | (2)        | (3)            | (4)                      | (5)    | (6)    | (7)                | (8)               | (9)           | (10)                   | (11)                | (12)                                 | (13)                                 | (14)                                   | (15)              |
|---------------|------------|----------------|--------------------------|--------|--------|--------------------|-------------------|---------------|------------------------|---------------------|--------------------------------------|--------------------------------------|----------------------------------------|-------------------|
| Month / Year  | RRC Number | Gas/Oil Volume | Tract Participation Rate | Price  | BTU    | Gross Value        | Royalty Due       | Royalty Paid  | Additional Royalty Due | Number of Days Late | Interest Rate For Additional Royalty | Penalty Rate From Additional Royalty | Interest Rate From Additional Royalty2 | Revenue Due       |
| Dec-17        | 08-285230  | 2,563          | 1                        | \$1.99 | 0.9689 | \$4,946.66         | \$618.33          | \$0.00        | \$618.33               | 653                 | 5.50%                                | \$61.83                              | \$55.34                                | \$735.50          |
| Jan-18        | 08-285230  | 2,605          | 1                        | \$1.74 | 0.9744 | \$4,417.97         | \$552.25          | \$0.00        | \$552.25               | 625                 | 5.50%                                | \$55.23                              | \$47.10                                | \$654.58          |
| Feb-18        | 08-285230  | 6,836          | 1                        | \$1.89 | 0.9757 | \$12,580.47        | \$1,572.56        | \$0.00        | \$1,572.56             | 594                 | 5.50%                                | \$157.26                             | \$126.77                               | \$1,856.59        |
| Mar-18        | 08-285230  | 2,618          | 1                        | \$2.03 | 1.0052 | \$5,344.34         | \$668.04          | \$0.00        | \$668.04               | 564                 | 5.50%                                | \$66.80                              | \$50.84                                | \$785.68          |
| Apr-18        | 08-285230  | 1,145          | 1                        | \$2.07 | 0.9765 | \$2,318.39         | \$289.80          | \$0.00        | \$289.80               | 533                 | 5.50%                                | \$28.98                              | \$20.70                                | \$339.48          |
| May-18        | 08-285230  | 2,580          | 1                        | \$1.92 | 1.0058 | \$4,988.32         | \$623.54          | \$0.00        | \$623.54               | 503                 | 5.50%                                | \$62.35                              | \$41.72                                | \$727.61          |
| Jun-18        | 08-285230  | 3,776          | 1                        | \$2.03 | 1.0189 | \$7,813.48         | \$976.69          | \$0.00        | \$976.69               | 472                 | 5.50%                                | \$97.67                              | \$60.78                                | \$1,135.14        |
| Jul-18        | 08-285230  | 3,940          | 1                        | \$2.07 | 0.9784 | \$7,993.99         | \$999.25          | \$0.00        | \$999.25               | 441                 | 5.50%                                | \$99.93                              | \$57.52                                | \$1,156.70        |
| Aug-18        | 08-285230  | 7,528          | 1                        | \$1.92 | 1.0113 | \$14,635.21        | \$1,829.40        | \$0.00        | \$1,829.40             | 411                 | 5.50%                                | \$182.94                             | \$97.03                                | \$2,109.37        |
| <b>TOTALS</b> |            | <b>33,591</b>  |                          |        |        | <b>\$65,038.84</b> | <b>\$8,129.86</b> | <b>\$0.00</b> | <b>\$8,129.86</b>      |                     |                                      | <b>\$812.99</b>                      | <b>\$557.80</b>                        | <b>\$9,500.65</b> |

COMMENTS: BILLING ON UNDER PAID ROYALTIES FOR RRC ID# 08-285230 & 08-286743 UNIT 8453.

COLUMN (3) VOLUMES -VOLUMES REPRESENTS VOLUMES UNDER REPORTED TO THE GLO VERSUS REPORTED TO THE RRC.  
 COLUMNS (5) & (6) THE PRICES AND BTU FACTORS WERE DETERMINED BY USING THE AVERAGE PRICES AND BTU FACTOR REPORTED ON THE GLO2 REPORTS.  
 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/rac/forms/penalty-interest-assessment-rules.pdf>

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

ATTN: ASHLEY N WILLIAMS  
 CERTIFIED MAIL: 7011 1150 0001 2420 2898



45

File No. MF 117024

Reconciliation Billing County

Date Filed: 11/15/19

George P. Bush, Commissioner

By VD

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.

**MEMORANDUM OF CHEROKEE ACREAGE RETENTION AGREEMENT**

STATE OF TEXAS           §  
                                  §           KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF REEVES     §

---

This Memorandum of Cherokee Acreage Retention Agreement (this "Memorandum") is dated as of the 15<sup>th</sup> day of April, 2019 (the "Effective Date"), and is by and between the undersigned Lessors, (hereinafter collectively called "Lessor"), and **Apache Corporation**, whose address is 17802 IH-10 West, Suite 300, San Antonio, Texas 78257 (hereinafter "Apache" or "Lessee"). Lessor and Apache may hereinafter be referred to individually as a "Party" or collectively as the "Parties."

WHEREAS, effective August 29, 2014, Lessor and Lessee executed an oil and gas lease recorded at Volume 1116, Page 0268, in the Public Deed Records of Reeves County, Texas (the "Cherokee Lease");

WHEREAS, the Cherokee Lease covered, among other lands, all of Section 16, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas (the "Cherokee Section");

WHEREAS, effective May 13, 2016, Lessor and Lessee executed a Master Continuous Development Agreement ("MCDA") which affected the continuous operations provision of the Cherokee Lease, a memorandum of which was recorded at Volume 1303, Page 0068, in the Public Deed Records of Reeves County, Texas;

WHEREAS, effective January 13, 2017, Lessor and Lessee executed a Second Omnibus Amendment of Paid Up Oil and Gas Leases ("Omnibus Amendment") to amend the acreage retention provisions of the Cherokee Lease (among other leases), a memorandum of which was recorded at Volume 1371, Page 0159, in the Public Deed Records of Reeves County, Texas;

WHEREAS, Lessor and Lessee executed a Cherokee Acreage Retention Agreement ("CARA") to further amend the acreage retention provisions of the Cherokee Lease with respect to the Cherokee Section, and to also amend the Lease, MCDA, and Omnibus Amendment as necessary to give effect to the CARA;

NOW, THEREFORE, the Parties hereby give notice of the Cherokee Acreage Retention Agreement and all terms, provisions, and conditions thereof, and hereby acknowledge and agree that this Memorandum shall be filed in the public records of Reeves County, Texas, in lieu of filing the CARA for record in any county.

This Memorandum shall in no way supersede, abrogate, change, alter, or modify any of the terms and conditions of the CARA, or any of the rights and obligations of any of the Parties, all of which are set forth in detail in the CARA, which is made a part hereof by reference for all purposes to the same effect as though written in extension herein. A fully executed original of the CARA is located in Apache's offices at the address listed above.

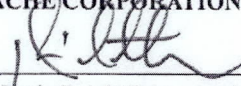
This Memorandum may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, when taken together, shall be deemed to be one instrument. This Memorandum shall be binding upon each executing Party and shall extend to the benefit of its respective legal representatives, successors, and assigns.

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the Effective Date.

#7010034

LESSEE:

APACHE CORPORATION

By: 

Justin R. Matthews  
Attorney-in-Fact

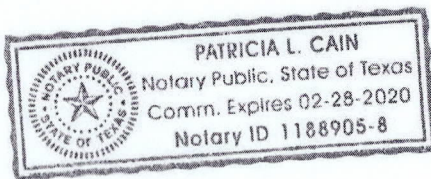
DTA 

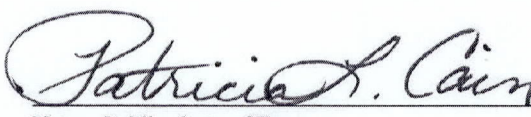
STATE OF TEXAS §

§

COUNTY OF BEXAR §

This instrument was acknowledged before me this 2 day of MAY, 2019, by Justin R. Matthews, as Attorney-in-Fact, of APACHE CORPORATION, on behalf of said corporation.



  
Notary Public, State of Texas

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LESSOR:

CMC/COMANCHE CO. LP

By: Concho Pearl Co., LLC  
Its General Partner

By: Clifton M. Caldwell  
Clifton M. Caldwell, Member/Manager

LESSOR:

STATE OF TEXAS

Clifton M. Caldwell  
By: Clifton M. Caldwell, Member/Manager of Concho Pearl  
Co., LLC, as General Partner of CMC/Comanche Co., LP,  
for such partnership, and as Agent for the State of Texas

STATE OF TEXAS

§

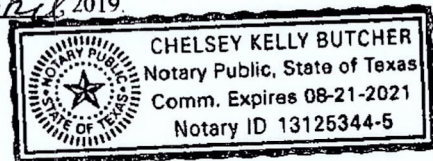
§

COUNTY OF STERLING

§

BEFORE ME, the undersigned authority, on this day personally appeared CLIFTON M. CALDWELL, Member/Manager of Concho Pearl Co., LLC, General Partner of CMC/COMANCHE CO., LP, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 18 day of April, 2019.

Chelsey Kelly Butcher  
Notary Public, State of Texas



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**CMC/SC BECKHAM HOLDINGS, L.P.**

By: [Signature]  
SCB Management, LLC  
Its General Partner

By: [Signature]  
Steven Caldwell Beckham, Sole Manager

**LESSOR:**

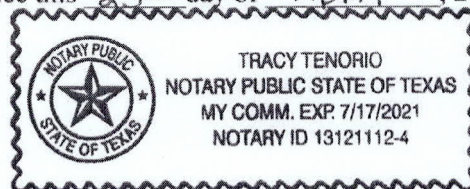
**STATE OF TEXAS**

[Signature]  
By: Steven Caldwell Beckham, Sole Manager of SCB Management, LLC, General Partner of CMC/SC Beckham Holdings, LP, for such partnership, and as Agent for the State of Texas

STATE OF TEXAS           §  
                                      §  
COUNTY OF RANDALL       §

BEFORE ME, the undersigned authority, on this day personally appeared STEVEN CALDWELL BECKHAM, Sole Manager of SCB Management, LLC, General Partner of **CMC/SC BECKHAM HOLDINGS, L.P.**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 23rd day of April, 2019.

[Signature]  
Notary Public, State of Texas



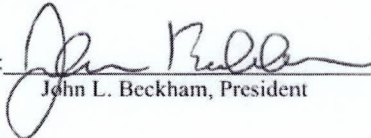
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LESSOR:

CMC/SPRING GAP PARTNERS, LP

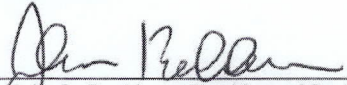
By: \_\_\_\_\_

Spring Gap, Inc.  
Its General Partner

By:   
John L. Beckham, President

LESSOR:

STATE OF TEXAS

  
By: John L. Beckham, President of Spring Gap, Inc., as General  
Partner of CMC/Spring Gap Partners, LP, for such  
partnership, and as Agent for the State of Texas

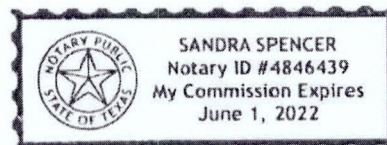
STATE OF TEXAS           §

§

COUNTY OF TAYLOR           §

BEFORE ME, the undersigned authority, on this day personally appeared JOHN L. BECKHAM, President of Spring Gap, Inc., General Partner of **CMC/SPRING GAP PARTNERS, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 17th day of April, 2019.

  
Notary Public, State of Texas



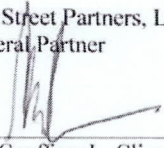
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LESSOR:

CMC/PALO PINTO FAMILY HOLDINGS, LP

By: Orange Street Partners, LLC  
Its General Partner

By:   
Geoffrey L. Cline, Sole Manager

LESSOR:

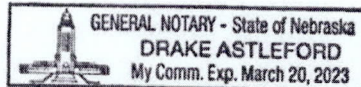
STATE OF TEXAS

By:   
Geoffrey L. Cline, Sole Manager of Orange Street Partners, LLC, as General Partner of CMC/Palo Pinto Family Holdings, LP, for such partnership, and as Agent for the State of Texas

STATE OF NEBRASKA            §  
                                         §  
COUNTY OF LANCASTER    §

BEFORE ME, the undersigned authority, on this day personally appeared GEOFFREY L. CLINE, Sole Manager of Orange Street Partners, LLC, General Partner of **CMC/PALO PINTO FAMILY HOLDINGS, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 18 day of April, 2019.

  
Notary Public, State of Nebraska



[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

LESSOR:

CMC/ROCK HOUSE PARTNERS, L.P.

By: Guy Wade Caldwell, mgr.  
Madrone Partners, L.L.C., L.L.C.  
Its General Partner

By: Guy Wade Caldwell  
Guy Wade Caldwell, Sole Manager

LESSOR:

STATE OF TEXAS

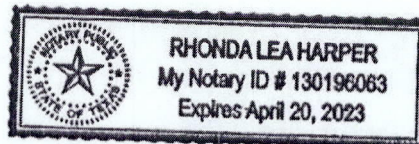
Guy Wade Caldwell  
By: Guy Wade Caldwell, Sole Manager of Madrone Partners,  
L.L.C., as General Partner of CMC/Rock House Partners, LP,  
for such partnership, and as Agent for the State of Texas

STATE OF TEXAS       §  
                                  §

COUNTY OF BEXAR       §

BEFORE ME, the undersigned authority, on this day personally appeared GUY WADE CALDWELL, Sole Manager of Madrone Partners, L.L.C., General Partner of **CMC/ROCK HOUSE PARTNERS, L.P.**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 22<sup>nd</sup> day of April, 2019.

Rhonda L. Harper  
Notary Public, State of Texas



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LESSOR:

CMC/TOMAUI, L.P.

By: KONA KOA GP, LLC  
Kona Koa GP, LLC  
Its General Partner

By: Stephen M. Spence  
Stephen M. Spence, Sole Manager

LESSOR:

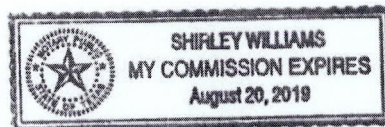
STATE OF TEXAS

Stephen M. Spence  
By: Stephen M. Spence, Sole Manager of KonaKoa GP, LLC,  
As General Partner of CMC/Tomaui, LP, for such partnership,  
and as Agent for the State of Texas

STATE OF TEXAS           §  
                                     §  
COUNTY OF JOHNSON       §

BEFORE ME, the undersigned authority, on this day personally appeared STEPHEN M. SPENCE, Sole Manager of Kona Koa GP, LLC, General Partner of **CMC/TOMAUI, L.P.**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 22<sup>nd</sup> day of April, 2019.

Shirley Williams  
Notary Public, State of Texas



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T. & P. R. R. CO.  
BLK. 57  
TSP. 7

Y=587085.24'  
X=868371.82'

Y=586904.71'  
X=873929.09'

(A-2701) 8 9 (A-104)

(A-94) 17 16 (A-2699)

(A-2700) 10

(A-96) 15

APACHE CORP.  
CHEROKEE STATE  
MINERAL OWNER:  
CMC/SPRING GAP  
PARTNERS, LP, et al

Y=581431.71'  
X=868187.71'

(A-4400) 20 21 (A-114)

Y=581251.19'  
X=873744.79'

(A-5247) 22

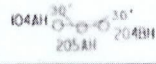
**NEW DRILL**  
LOCATION WELL NO. 205AH  
270' FSL x 1845' FEL Section 16, Blk. 57  
T-7, T. & P. R. R. Co. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC1  
X= 872109.45' Y= 581574.45'  
Lot. = 31°12'55.70" Long. = -103°56'31.48"  
Lot. = 31.2154725' Long. = -103.9420782'  
Ground Elevation: 3292.0'  
Approx. 10.0 miles Southwest of Toyah, TX

**PENETRATION POINT WELL NO. 205AH**  
100' FSL x 2000' FEL Section 16, Blk. 57  
T-7, T. & P. R. R. Co. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC1  
X= 871749.10' Y= 581416.07'  
Lot. = 31°12'54.02" Long. = -103°56'35.57"  
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**LAST TAKE POINT WELL NO. 205AH**  
100' FSL x 2000' FEL Section 16, Blk. 57  
T-7, T. & P. R. R. Co. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC1  
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Lot. = 31°12'54.02" Long. = -103°56'35.57"  
Lot. = 31.2150051' Long. = -103.9432140'

**BOTTOMHOLE WELL NO. 205AH**  
50' FSL x 2000' FEL Section 16, Blk. 57  
T-7, T. & P. R. R. Co. Survey, Reeves, Co.  
WELL DATA - NAD 27, TXIC1  
X= 871928.52' Y= 586919.68'  
Lot. = 31°13'48.52" Long. = -103°56'35.56"  
Lot. = 31.2301453' Long. = -103.9432115'



SURFACE TO PENETRATION POINT -  
GRID BEARING S66°16'24"W -- 394'  
PENETRATION POINT TO FIRST TAKE POINT -  
GRID BEARING N01°52'02"E -- 0'  
FIRST TAKE POINT AND LAST TAKE POINT -  
GRID BEARING N01°52'02"E -- 550'  
LAST TAKE POINT TO BOTTOMHOLE -  
GRID BEARING N01°52'02"E -- 50'

1000 750 500 250 0 250 500 1000  
SCALE IN FEET  
SCALE: 1" = 1000'

TOTAL LEASE AC. = 722.01 AC.  
LEASE BOUNDARY - - - - -  
PRODUCING WELL - - ●  
WELL LOCATIONS - - ○

Apache

New Drill

CHEROKEE STATE  
No. 205AH

Reeves County, Texas

I, DENNIS W. HUGHES hereby certify that this plat,  
drawn to the scale indicated, accurately represents  
conditions as they actually exist on the property  
on which permit to drill is sought and correctly  
reflects all pertinent data required to be shown on  
such plat by order of the Railroad Commission of Texas.

Date: 2-11-2019

REVISED DATE:

Scale: 1" = 1000' 2-11-2019 CHEROKEE STATE  
Plat prepared by DWS  
for Apache Corp. and



## ACREAGE RETENTION AGREEMENT

STATE OF TEXAS §

COUNTY OF REEVES §

This Acreage Retention Agreement ("Agreement") is dated as of this 15th day of April, 2019 (the "Effective Date"), and is by and between **Apache Corporation** ("Apache" or "Lessee") and the undersigned lessors ("Lessors").

### A. The Cherokee Lease, the Cherokee Section, and the Master Continuous Development Agreement

Effective August 29, 2014, Lessors – as surface owners and agents of the State of Texas – executed an oil and gas lease with Apache as lessee, said lease being recorded at Volume 1116, Page 0268, in the Public Deed Records of Reeves County, Texas (the "Cherokee Lease"). The Cherokee Lease covers 2,049 acres, more or less, and includes all of Section 16, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas (the "Cherokee Section").

Effective May 13, 2016, Lessors – both in their individual capacities and as agents for the State of Texas – executed a Master Continuous Development Agreement ("MCDA") with Apache, a memorandum of which was recorded at Volume 1303, Page 0068, in the Public Deed Records of Reeves County, Texas. The Cherokee Lease remains effective by virtue of the MCDA.

### B. Current Acreage Retention Terms In Cherokee

Effective January 13, 2017, Lessors – both in their individual capacities and as agents for the State of Texas – executed a Second Omnibus Amendment of Paid Up Oil and Gas Leases ("Omnibus Amendment"), a memorandum of which was recorded at Volume 1371, Page 0159, in the Public Deed Records of Reeves County, Texas. This Omnibus Amendment altered the acreage retention terms of the Cherokee Lease, in addition to the acreage retention terms of other leases.

THEREFORE, Lessors and Lessee agree as follows:

### C. Conditions Lessee Must Satisfy to Enjoy Revised Acreage Retention Benefits

If Lessee satisfies each of the enumerated conditions below, then the acreage retention provisions of Section D below shall apply.

Condition 1. Lessee secures, before August 1, 2019, permits with the Texas Railroad Commission for nine (9) horizontal wells in the Cherokee Section, and each of the nine (9) permit plats depicts a planned treated lateral length of at least 5,500 feet.

Condition 2. On or before February 28, 2020, Lessee has drilled six (6) or more of these permitted wells, and the cumulative total of horizontal wellbore length (from penetration point to bottom hole location) among the wells drilled is greater than 27,000 feet.

Condition 3. On or before May 30, 2020, Lessee has completed six (6) or more of these permitted wells, and the cumulative total of treated lateral length (from first take point to last take point) among the wells completed is greater than 24,000 feet.

If Lessee fails to satisfy any of the above conditions by the date specified for the condition, then on such date of failure, this Agreement shall terminate and cease to have any further effect. On such date, the acreage retention provisions of the Omnibus Amendment shall again become effective.

### D. Revised Acreage Retention Provisions

So long as four (4) or more horizontal wells are producing in paying quantities within the Cherokee Section after August 29, 2020, Lessee shall retain all of the acreage of the Cherokee Lease in the Cherokee Section from the surface down to 300 feet below the deepest producing perforation in the Cherokee Section. If at any time fewer than four (4) horizontal wells are producing in paying quantities after August 29, 2020, then, subject to the savings options provided for in this Paragraph D, this Agreement shall terminate and cease to have any further effect. On such date, the acreage retention provisions of the Omnibus Amendment shall again become effective.

Notwithstanding the above, a well may temporarily cease production, and yet still be counted as a producing well for purposes of meeting this minimum well count, so long as Lessee (a) commences workover, reworking, or other operations intended to reestablish production on the well within ninety (90) days of the cessation of production, and (b) continues such operations to reestablish production on the well with no more than thirty five (35) days of inactivity between said operations.

If Lessee determines that it is unable or uneconomical to reestablish production on said well, then Lessee may notify Lessor in writing of its intent to drill a replacement well. Lessee must tender such notice either within the aforementioned ninety (90) day period for initial operations or within the subsequent period allowing for operations with no more than 35 days of inactivity between operations. If Lessee tenders such written notice as prescribed, then Lessee will have 120 days after tender of said notice to spud a replacement well. Said replacement well must begin completion operations within 90 days of release of the drilling rig. Thereafter, said replacement well will be deemed to have replaced the original well that ceased production and the replacement well will thenceforth be governed by the same rules of temporary cessation of production as defined above.

**E. Sunset Provision**

If not terminated sooner pursuant to Sections C or D above, this Agreement shall terminate and cease to have any further effect on August 29, 2031 (the "Sunset Date"). On such date, the acreage retention provisions of the Omnibus Amendment shall again become effective. However, if Lessee spuds a well on or before the Sunset Date, Lessee may continue with drilling and/or completion operations on said well even though such operations may extend beyond the Sunset Date. If this well becomes a producer, then the well will retain such acreage as provided in the Omnibus Amendment.

**F. Miscellaneous**

This Agreement is limited to the Cherokee Section and shall not apply to any lands that the Cherokee Lease covers beyond the Cherokee Section.

The Cherokee Lease, the MCDA, and the Omnibus Amendment are hereby amended as necessary to be consistent with the terms and provisions of this Agreement.

This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

This Agreement may be executed in any number of identical counterparts, each of which, for all purposes, is to be deemed an original, and all of which constitute, collectively, one agreement. Additionally, after each such counterpart is executed, the pages containing signatures and acknowledgements may be removed from each counterpart and attached to a single counterpart of this Agreement.

If any one or more provisions of this Agreement, or the application thereof in a particular circumstance, is held to be invalid, illegal, or unenforceable in any respect for any reason, the validity, legality, and enforceability of the remaining provisions of this Agreement shall be unimpaired, and this Agreement shall continue in full force and effect, unless any such provision that is held to be invalid, illegal, or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

This Agreement may only be amended by written agreement of all affected parties.

This Agreement is governed by and construed in accordance with the laws of the State of Texas, without regard to any conflicts-of-laws principle that may require the application of the laws of any other jurisdiction.

IN WITNESS WHEREOF, this Agreement is executed by the parties as of the day and year referenced below, but effective as of the Effective Date.

[SIGNATURE PAGES FOLLOW]

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LESSEE:

APACHE CORPORATION

By:

Justin R. Matthews  
Attorney-in-Fact

DTA  
APR

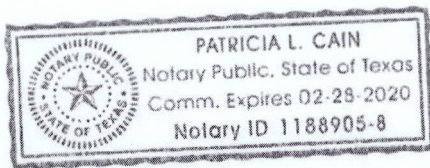
STATE OF TEXAS

§

§

COUNTY OF BEXAR §

This instrument was acknowledged before me this 2 day of MAY, 2019, by  
Justin R. Matthews, as Attorney-in-Fact, of **APACHE CORPORATION**, on behalf of said corporation.



Patricia L. Cain  
Notary Public, State of Texas

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LESSOR:

CMC/COMANCHE CO. LP

By: Concho Pearl Co., LLC  
Its General Partner

By: Clifton M. Caldwell  
Clifton M. Caldwell, Member/Manager

LESSOR:

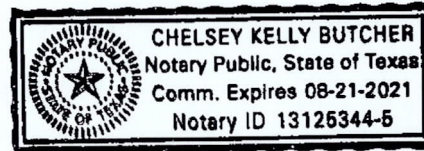
STATE OF TEXAS

By: Clifton M. Caldwell  
Clifton M. Caldwell, Member/Manager of Concho Pearl  
Co., LLC, as General Partner of CMC/Comanche Co., LP,  
for such partnership, and as Agent for the State of Texas

STATE OF TEXAS           §  
                                         §  
COUNTY OF STERLING   §

BEFORE ME, the undersigned authority, on this day personally appeared CLIFTON M. CALDWELL, Member/Manager of Concho Pearl Co., LLC, General Partner of CMC/COMANCHE CO., LP, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 18 day of April, 2019.

Chelsey Kelly Butcher  
Notary Public, State of Texas

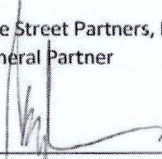


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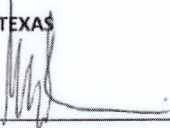
CMC/PALO PINTO FAMILY HOLDINGS, LP

By: Orange Street Partners, LLC  
Its General Partner

By:   
Geoffrey L. Cline, Sole Manager

LESSOR:

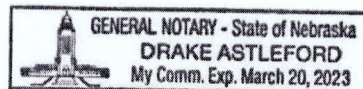
STATE OF TEXAS

By:   
Geoffrey L. Cline, Sole Manager of Orange Street Partners,  
LLC, as General Partner of CMC/Palo Pinto Family Holdings,  
LP, for such partnership, and as Agent for the State of Texas

STATE OF NEBRASKA        §  
                                         §  
COUNTY OF LANCASTER   §

BEFORE ME, the undersigned authority, on this day personally appeared GEOFFREY L. CLINE, Sole Manager of Orange Street Partners, LLC, General Partner of **CMC/PALO PINTO FAMILY HOLDINGS, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 18 day of April, 2019.

  
Notary Public, State of Nebraska



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LESSOR:

CMC/ROCK HOUSE PARTNERS, L.P.

By: Guy Wade Caldwell, Jr.  
Madrone Partners, L.L.C., L.L.C.  
Its General Partner

By: Guy Wade Caldwell  
Guy Wade Caldwell, Sole Manager

LESSOR:

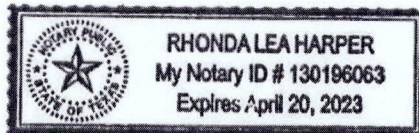
STATE OF TEXAS

By: Guy Wade Caldwell  
Guy Wade Caldwell, Sole Manager of Madrone Partners,  
L.L.C., as General Partner of CMC/Rock House Partners, LP,  
for such partnership, and as Agent for the State of Texas

STATE OF TEXAS                    §  
                                                 §  
COUNTY OF BEXAR               §

BEFORE ME, the undersigned authority, on this day personally appeared GUY WADE CALDWELL, Sole Manager of Madrone Partners, L.L.C., General Partner of **CMC/ROCK HOUSE PARTNERS, L.P.**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 22nd day of April, 2019.

Rhonda L. Harper  
Notary Public, State of Texas



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CMC/SC BECKHAM HOLDINGS, L.P.

By: [Signature]  
SCB Management, LLC  
Its General Partner

By: [Signature]  
Steven Caldwell Beckham, Sole Manager

LESSOR:

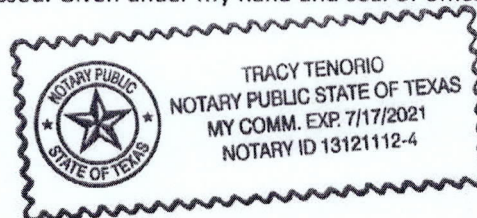
STATE OF TEXAS

[Signature]  
By: Steven Caldwell Beckham, Sole Manager of SCB Management,  
LLC, General Partner of CMC/SC Beckham Holdings, LP,  
for such partnership, and as Agent for the State of Texas

STATE OF TEXAS                   §  
                                             §  
COUNTY OF RANDALL         §

BEFORE ME, the undersigned authority, on this day personally appeared STEVEN CALDWELL BECKHAM, Sole Manager of SCB Management, LLC, General Partner of **CMC/SC BECKHAM HOLDINGS, L.P.**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 23<sup>rd</sup> day of April, 2019.

[Signature]  
Notary Public, State of Texas



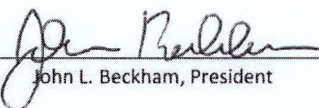
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LESSOR:

CMC/SPRING GAP PARTNERS, LP

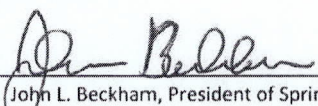
By: \_\_\_\_\_

Spring Gap, Inc.  
Its General Partner

By:   
John L. Beckham, President

LESSOR:

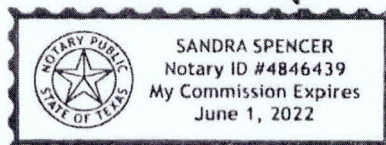
STATE OF TEXAS

  
By: John L. Beckham, President of Spring Gap, Inc., as General  
Partner of CMC/Spring Gap Partners, LP, for such  
partnership, and as Agent for the State of Texas

STATE OF TEXAS           §  
                                          §  
COUNTY OF TAYLOR       §

BEFORE ME, the undersigned authority, on this day personally appeared JOHN L. BECKHAM, President of Spring Gap, Inc., General Partner of **CMC/SPRING GAP PARTNERS, LP**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 17th day of April, 2019.

  
Notary Public, State of Texas



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LESSOR:

CMC/TOMAUI, L.P.

By: KONA KOA GP, LLC  
Kona Koa GP, LLC  
Its General Partner

By: Stephen M. Spence  
Stephen M. Spence, Sole Manager

LESSOR:

STATE OF TEXAS

Stephen M. Spence  
By: Stephen M. Spence, Sole Manager of KonaKoa GP, LLC,  
As General Partner of CMC/Tomaui, LP, for such partnership,  
and as Agent for the State of Texas

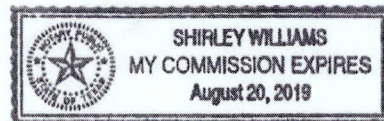
STATE OF TEXAS §

§

COUNTY OF JOHNSON §

BEFORE ME, the undersigned authority, on this day personally appeared STEPHEN M. SPENCE, Sole Manager of Kona Koa GP, LLC, General Partner of **CMC/TOMAUI, L.P.**, for such partnership, and as Agent for the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 22<sup>nd</sup> day of April, 2019.

Shirley Williams  
Notary Public, State of Texas



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TSP. 7

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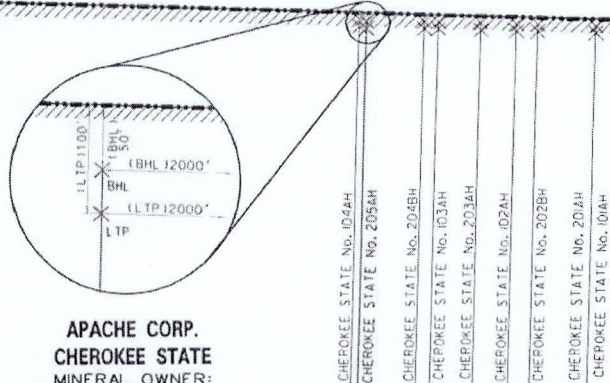
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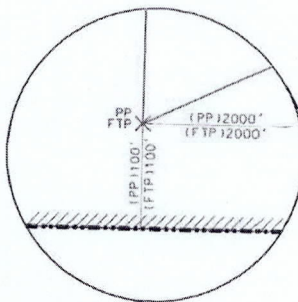
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(A-96) 15



APACHE CORP.  
CHEROKEE STATE  
MINERAL OWNER:  
CMC/SPRING GAP  
PARTNERS, LP, et al



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X=868187.71'

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(A-5247) 22

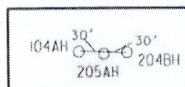
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Lot.= 31.2300078"; Long.= -103.9432116"

BOTTOMHOLE WELL NO. 205AH  
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T-7, T. & P. R. R. Co. Survey, Reeves, Co.  
WELL DATA - NAD 27, TX(C)  
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Lot.= 31°13'48.03"; Long.= -103°56'35.56"  
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SURFACE TO PENETRATION POINT -  
GRID BEARING S66°16'24"W -- 394'  
PENETRATION POINT TO FIRST TAKE POINT-  
GRID BEARING N01°52'02"E -- 0'  
FIRST TAKE POINT AND LAST TAKE POINT -  
GRID BEARING N01°52'02"E -- 5507'  
LAST TAKE POINT TO BOTTOMHOLE-  
GRID BEARING N01°52'02"E -- 50'

1000 750 500 250 0 500 1000

SCALE IN FEET  
SCALE: 1" = 1000'

TOTAL LEASE AC. - 722.01 AC.  
LEASE BOUNDARY - - - - -  
PRODUCING WELL - - ● \*  
WELL LOCATIONS - - ○ ◎

Apache

New Drill

CHEROKEE STATE  
No. 205AH

Reeves County, Texas

Scale: 1" = 1000' 2-11-2019 cherokee.unit1.dgn  
Plot prepared by BWS  
for Harrison Survey, Inc.

I, DENNIS W. HUGHES hereby certify that this plat,  
drawn to the scale indicated, accurately represents  
conditions as they actually exist on the property  
on which permit to drill is sought and correctly  
reflects all pertinent data required to be shown on  
such plat by orders of the Railroad Commission of Texas.

Date: 2-11-2019

REVISED DATE:

File No. 117024

County

Memo of Cherokee Ac. Ret. Agree

Date Filed: 04/20/21

George P. Bush, Commissioner

By [Signature]



# OIL AND GAS DIVISION ORDER

MF117024

To: Apache Corporation ("Payor")  
One Post Oak Central  
2000 Post Oak Blvd  
Houston, TX 77056-4400

Dated: 01/27/2020

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest(s) set out on EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing, and other post-production costs downstream of the wellhead, and for gross production, severance, or other similar taxes on production or the proceeds thereof, as allowed by applicable law. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

**DISPUTE: WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited therein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

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

**NOTICES:** The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

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

FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.

**NOTE:** (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.

WITNESS NAME: \_\_\_\_\_

OWNER NAME: \_\_\_\_\_

WITNESS SIGNATURE: \_\_\_\_\_

SIGNATURE OF OWNER: \_\_\_\_\_

TAXPAYER ID NUMBER: \*\*\*\*\*9879

Owner: 0085439001 - STATE OF TEXAS

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN, Texas 78701

THIS COPY FOR YOUR FILE

EXHIBIT A

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 01/27/2020

Owner: 0085439001  
STATE OF TEXAS

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE

Property: 033347 - CHEROKEE STATE 205AH  
Texas 389-38106  
Reeves

Legal Description

Section: | Township: | Range: | Survey: T&P RR CO | Block: 57 | Quarter #: | Acreage: 722.01 | Principal Meridian: |  
Abstract: 2699 | District/Township Code: | Tax Parcel Id: | NJ Township: 7 | NJ Section: 16 | Offshore Area: | Tract: 0  
Description:

| <u>DOI TIER</u> | <u>DOI MAJOR<br/>PRODUCT</u> | <u>INTEREST TYPE</u>     | <u>OWNER<br/>SEQUENCE</u> | <u>DECIMAL INTEREST</u> | <u>EFFECTIVE DATE</u> |
|-----------------|------------------------------|--------------------------|---------------------------|-------------------------|-----------------------|
| 1               | C01                          | RI - ROYALTY<br>INTEREST | 1                         | 0.12500000              | 01/01/2019            |

EXHIBIT A

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 01/27/2020

Owner: 0085439001  
STATE OF TEXAS  
  
STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE

Property: 033315 - CHEROKEE STATE 104AH  
Texas  
Reeves

Legal Description

Section: | Township: | Range: | Survey: T&P RR CO | Block: 57 | Quarter #: | Acreage: 722.01 | Principal Meridian: |  
Abstract: 2699 | District/Township Code: | Tax Parcel Id: | NJ Township: 7 | NJ Section: 16 | Offshore Area: | Tract: 0  
Description:

| <u>DOI TIER</u> | <u>DOI MAJOR PRODUCT</u> | <u>INTEREST TYPE</u>  | <u>OWNER SEQUENCE</u> | <u>DECIMAL INTEREST</u> | <u>EFFECTIVE DATE</u> |
|-----------------|--------------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| 1               | C01                      | RI - ROYALTY INTEREST | 1                     | 0.12500000              | 01/01/2019            |



EXHIBIT A

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 01/27/2020

Owner: 0085439001  
STATE OF TEXAS

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE

Property: 033314 - CHEROKEE STATE 103AH  
Texas  
Reeves

Legal Description

Section: | Township: | Range: | Survey: T&P RR CO | Block: 57 | Quarter #: | Acreage: 722.01 | Principal Meridian: |  
Abstract: 2699 | District/Township Code: | Tax Parcel Id: | NJ Township: 7 | NJ Section: 16 | Offshore Area: | Tract: 0  
Description:

| <u>DOI TIER</u> | <u>DOI MAJOR PRODUCT</u> | <u>INTEREST TYPE</u>  | <u>OWNER SEQUENCE</u> | <u>DECIMAL INTEREST</u> | <u>EFFECTIVE DATE</u> |
|-----------------|--------------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| 1               | C01                      | RI - ROYALTY INTEREST | 1                     | 0.12500000              | 01/01/2019            |

EXHIBIT A

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 01/27/2020

Owner: 0085439001  
STATE OF TEXAS

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE

Property: 033250 - CHEROKEE STATE 101AH  
Texas  
Reeves

**Legal Description**

Section: | Township: | Range: | Survey: T&P RR CO | Block: 57 | Quarter #: | Acreage: 722.01 | Principal Meridian: |  
Abstract: 2699 | District/Township Code: | Tax Parcel Id: | NJ Township: 7 | NJ Section: 16 | Offshore Area: | Tract: 0  
Description:

| <u>DOI TIER</u> | <u>DOI MAJOR<br/>PRODUCT</u> | <u>INTEREST TYPE</u>     | <u>OWNER<br/>SEQUENCE</u> | <u>DECIMAL INTEREST</u> | <u>EFFECTIVE DATE</u> |
|-----------------|------------------------------|--------------------------|---------------------------|-------------------------|-----------------------|
| 2               | C01                          | RI - ROYALTY<br>INTEREST | 1                         | 0.12500000              | 01/01/2019            |

EXHIBIT A

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 01/27/2020

Owner: 0085439001  
STATE OF TEXAS

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE

Property: 033319 - CHEROKEE STATE 102AH  
Texas  
Reeves

Legal Description

Section: | Township: | Range: | Survey: T&P RR CO | Block: 57 | Quarter #: | Acreage: 722.01 | Principal Meridian: |  
Abstract: 2699 | District/Township Code: | Tax Parcel Id: | NJ Township: 7 | NJ Section: 16 | Offshore Area: | Tract: 0  
Description:

| <u>DOI TIER</u> | <u>DOI MAJOR PRODUCT</u> | <u>INTEREST TYPE</u>  | <u>OWNER SEQUENCE</u> | <u>DECIMAL INTEREST</u> | <u>EFFECTIVE DATE</u> |
|-----------------|--------------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| 1               | C01                      | RI - ROYALTY INTEREST | 1                     | 0.12500000              | 01/01/2019            |





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

March 24, 2021

Chad Sistrunk  
Division Order Analyst  
Apache Corporation  
2000 Post Oak Blvd, Suite 100  
Houston, Texas 77056

Re: State Lease No. MF117024 Cherokee State 205AH, 104AH, 103AH, 101AH and 102AH

Dear Mr. Sistrunk:

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

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

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

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

Thank you,

Vivian Zamora  
Landman, Energy Resources  
512-475-0428  
512-475-1404 (fax)  
[vivian.zamora@glo.texas.gov](mailto:vivian.zamora@glo.texas.gov)

File No. MF117024

\_\_\_\_\_ County

Division Order

Date Filed: 11-16-2021

George P. Bush, Commissioner

By VB



THIS EXHIBIT IS PART OF THE DIVISION ORDER. PLEASE RETURN WITH SIGNATURE PAGE

EXHIBIT A

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 01/27/2021

MF117024

Owner: 0085439001  
STATE OF TEXAS

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE

Property: 033251 - CHEROKEE STATE 201AH  
Texas  
Reeves

Legal Description

Section: | Township: | Range: | Survey: T&P RR CO | Block: 57 | Quarter #: | Acreage: 722.01 | Principal Meridian: |  
Abstract: 2699 | District/Township Code: | Tax Parcel Id: | NJ Township: 7 | NJ Section: 16 | Offshore Area: | Tract: 0  
Description:

| <u>DOI TIER</u> | <u>DOI MAJOR PRODUCT</u> | <u>INTEREST TYPE</u>  | <u>OWNER SEQUENCE</u> | <u>DECIMAL INTEREST</u> | <u>EFFECTIVE DATE</u> |
|-----------------|--------------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| 1               | C01                      | RI - ROYALTY INTEREST | 1                     | 0.12500000              | 04/01/2019            |





## OIL AND GAS DIVISION ORDER

**To: Apache Corporation ("Payor")**  
**One Post Oak Central**  
**2000 Post Oak Blvd**  
**Houston, TX 77056-4400**

**Dated: 01/27/2021**

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement.

**TERMS OF SALE.** The undersigned will be paid in accordance with the division of interest(s) set out on EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing, and other post-production costs downstream of the wellhead, and for gross production, severance, or other similar taxes on production or the proceeds thereof, as allowed by applicable law. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

**DISPUTE WITHHOLDING OF FUNDS.** If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited therein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

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

**NOTICES.** The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

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

**FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX ID NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.**

**NOTE:** (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER. (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED. (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY. (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.

**WITNESS NAME:** \_\_\_\_\_

**OWNER NAME:** \_\_\_\_\_

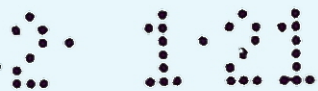
**WITNESS SIGNATURE:** \_\_\_\_\_

**SIGNATURE OF OWNER:** \_\_\_\_\_

**TAXPAYER ID NUMBER:** \*\*\*\*\*9879

**Owner: 0085439001 - STATE OF TEXAS**

**STEPHEN F AUSTIN BUILDING**  
**1700 NORTH CONGRESS AVENUE**  
**AUSTIN, Texas 78701**



APACHE CORPORATION  
2000 Post Oak Blvd, Suite 100  
Houston, TX 77056-4400  
ATTN: OWNER RELATIONS  
FAX # 713-296-6470

Dear Interest Owner:

If you have not previously elected to do so, Apache Corporation would like you to participate in our Direct Deposit program. This program is part of our continuing evaluation of our owner relations services that provide a benefit to our owners. Some benefits of direct deposit are the elimination of mailing delays, lost or stolen checks and receipt delays related to address changes.

The Direct Deposit program will allow our interest owners to receive an electronic funds transfer (EFT) to their designated financial institution (bank, credit union or savings and loan). The EFT will deposit the cash value of your monthly payment into your designated account and will eliminate the need for a negotiable printed check. Instead, you will receive a non-negotiable check notice that will accompany the associated check detail statements. The EFT deposit will be posted to your account on or before the last business day of the month. The Direct Deposit program will not be changing any terms related to payments as stated in your lease or other agreements with Apache.

Please read, sign and return the EFT authorization form on the reverse side of this letter. It is important that the authorization signature be that of the actual interest owner that is listed on the checks you now receive from Apache. If the EFT is to be deposited to an account that is not Apache's interest owner, we will need an additional authorization signature allowing the EFT deposit.

Please note that to ensure proper crediting of the EFT payment, Apache requires that you include a voided check or provide a letter from your financial institution with the required ABA routing numbers and your account number. Prior to returning the signed EFT authorization agreement form, please verify with your financial institution that they can accept EFT payments.

Return the completed form with required documentation to the attention of Owner Relations at the address shown above.

If you have any questions or need additional information related to Direct Deposit (EFT) Payments, please call 1-800-272-2434, 713-296-6970 or fax to 713-296-6470.

Apache Corporation  
Owner Relations





APACHE CORPORATION  
2000 Post Oak Blvd, Suite 100  
Houston, TX 77056-4400  
ATTN: OWNER RELATIONS  
FAX # 713-296-6470

### AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT

The undersigned, hereinafter called "owner", is representing that they are the owners of an oil, gas and/or mineral interest that is currently paid by Apache Corporation. Owner is now authorizing Apache Corporation to make direct deposit (EFT) payments for their owned interest to the financial institution and owner account as designated below.

Owner agrees that electing to participate in EFT payments will not amend any lease agreements between Apache Corporation and Owner. This agreement simply allows for EFT payments in lieu of paper check payments.

Owner agrees to give at least thirty (30) days advance written notice of any change in the payment instructions shown below. Owner agrees that any changes to their mailing address will continue to be submitted in writing to Apache. This is required so that the EFT payment details are delivered to the correct mailing address. Owner agrees that Apache Corporation will not be held liable for any interest or other claim arising as the result of Owner's failure to provide written notice of any payment instruction changes. Owner also releases and agrees to indemnify and hold Apache Corporation harmless for any loss, claim, damage or interest incurred as the result of Owner's depository institution's failure to properly or promptly post any EFT payment and/or as a result of any error or omission in the payment instructions provided by or on behalf of Owner. Owner understands and agrees that Apache will have up to sixty (60) days after receipt of the authorization form to process the EFT request.

### PLEASE COMPLETE THE ENTIRE FORM TO AVOID DELAYS

|                                                                                  |
|----------------------------------------------------------------------------------|
| DEPOSITORY INSTITUTION:                                                          |
| DEPOSITORY ADDRESS:                                                              |
| NAME ON ACCOUNT:                                                                 |
| DEPOSITORY INSTITUTION ABA ROUTING NUMBER (9 DIGITS):                            |
| ACCOUNT NUMBER: (MAXIMUM 18 DIGITS)                                              |
| ACCOUNT TYPE: <input type="checkbox"/> SAVINGS <input type="checkbox"/> CHECKING |

Your Owner Number on Apache Issued Checks

Tax Identification or Social Security Number

Name of Owner

Signature of Owner(s) or Authorized Representative

Street Address or P.O. Box

Title (If Corporation or Business Association)

City

State

Zip Code

Daytime Phone Number (Including Area Code)

Date: \_\_\_\_\_

**PLEASE ATTACH A VOIDED CHECK FOR THE ACCOUNT  
TO WHICH PAYMENTS WILL BE DEPOSITED**





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

August 30, 2022

Brendan O'Malley  
Division Order Analyst  
Apache Corporation  
2000 Post Oak Blvd, Suite 100  
Houston, Texas 77056

Re: State Lease No. MF117024 Cherokee State 201AH

Dear Mrs. O'Malley:

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

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

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

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

Thank you,

Vivian Zamora  
Landman, Energy Resources  
512-475-0428  
512-475-1543 (fax)  
[vivian.zamora@glo.texas.gov](mailto:vivian.zamora@glo.texas.gov)

File No. MF117024

County

Division Order

Date Filed: 9-6-2022

George P. Bush, Commissioner

By VR





APACHE CORPORATION  
2000 W SAM HOUSTON PKWY S SUITE 200  
HOUSTON, TX 77042

# Apache

Page 1 of 1

## Return Service Requested



000034 R3N4TDA  
COMMISSIONER OF THE GENERAL  
LAND OFFICE  
1700 NORTH CONGRESS AVE  
AUSTIN TX 78701

Date: 07/01/2024  
Check #: 1511696  
Payment Amount: 75.00  
Vendor #: 9527869501

## Remittance Advice

| Invoice Date | Invoice # | Invoice Gross Amt | Discount Amount | Invoice Net Amt |
|--------------|-----------|-------------------|-----------------|-----------------|
| 06/26/2024   | 3998      | 75.00             | 0.00            | 75.00           |

24708985

PLEASE DETACH BEFORE DEPOSITING CHECK

THIS CHECK CONTAINS MULTIPLE FRAUD DETERRENT SECURITY FEATURES

APACHE CORPORATION  
2000 W SAM HOUSTON PKWY S SUITE 200  
HOUSTON, TX 77042

# Apache

56-382/412

Date: 07/01/2024  
Check #: 1511696

Pay Exactly \*\*Seventy-Five and 00/100 -US Dollars\*\*

Amount

\$\*\*\*\*\*75.00

TO THE ORDER OF  
COMMISSIONER OF THE GENERAL  
LAND OFFICE

24708985

VOID AFTER 180 DAYS

WELLS FARGO BANK, N.A.

*Bruce C. Parks*  
Authorized Signer

121 0001511696

**PARTIAL DEPTH RELEASE OF OIL & GAS LEASE**  
**MF-117024 IN OAK STATE UNIT**

This *Partial Release of Oil & Gas Lease - MF-117024 In Oak State Unit* (the "Partial Release") is executed by Apache Corporation, a Delaware corporation, with an address at 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056 ("Apache"). This Partial Release is effective as of May 1, 2024 (the "Effective Date").

**1. Recitals**

1.01. Apache currently owns the following lease (the "Lease"):

*Lessor:* CMC/SC Beckham Holdings, LP, et al, as Agents for the State of Texas.

*Original Lessee:* Apache Corporation

*Effective Date:* August 29, 2014

*Recording Info:* Doc # 14-10010, Public Records of Reeves County, Texas

*Apache Lease No:* 7010034000

*GLO Mineral File No:* MF-117024

*Legal Description:* Section 1, Block C-8, Public School Land Survey, Reeves County, Texas, and other lands unrelated to this Partial Release.

1.02. In "Designation of Pooled Unit - Oak State Unit" recorded as Instrument No. 17-15052 (Vol 1469 Pg 0018) of the Official Public Records of Reeves County, Texas, and then amended at Instrument No. 18-01654 (Vol 1536 Pg 0129), Apache declared the Oak State Unit and included a portion of the Lease into said unit, such portion being the western 305.94 acres of Section 1, Block C-8, Public School Land Survey, Reeves County, Texas. The Lease was pooled into the Oak State Unit pursuant to authority granted in "Pooling Agreement - Oak State Unit", recorded as Instrument No. 17-12019 (Vol 1445 Pg 0439), and amended at Instrument No. 18-02414 (Vol 1543 Pg 0046), Official Public Records of Reeves County, Texas. The "Oak State Unit" is hereby defined to be the unit specified in the aforementioned Designation of Pooled Unit and Pooling Agreement.

1.03. Apache wishes to release its rights, title, and interests in and to the Lease as to certain depths covered by the Lease but INsofar AND ONLY INsofar as to such depths within the Oak State Unit, as more fully described herein.

**2. Definitions**

2.01. The "Release Depth" is defined to be 14,306' Total Vertical Depth below the Kelly-Bushing of the drilling rig that drilled the Oak State Unit 102BH (API No. 42-389-36938).

NOW THEREFORE, Apache hereby partially releases its rights, title, and interests in and to the Lease in accordance with the terms set forth herein and only as to the lands and depths expressly described herein as being so released.

**3. Release of Depths Within Oak State Unit**

3.01. Subject to the terms hereof, Lessee hereby RELEASES, RELINQUISHES, AND SURRENDERS all of its right, title, and interest in and to the Lease INsofar AND ONLY INsofar as to those depths within the Oak State Unit that are below the Release Depth.

**4. Rights Not Affected by This Partial Release**

4.01. This Partial Release does not affect any rights held by Apache as to any lease other than the Lease.

4.02. This Partial Release does not affect Apache's rights, title, or interest in the Lease as to any lands or depths other than those specified in Section 3 above, and, as such, this Partial Release does not affect (i) any lands outside of the Oak State Unit or (ii) any depths within the Oak State Unit other than those depths below the Release Depth.

4.03. Apache does hereby RESERVE all personal property, equipment, pipelines, rights of way, and easements located on, under, through, or across the lands and depths originally covered by the Lease, together with the necessary current and future rights of ingress and egress over, through, and across such lands and depths, as may be necessary or convenient for Apache's continued operation of those parts of the lands and depths covered by the Lease, or lands pooled therewith, which lands or depths have not been released by Apache.

IN WITNESS WHEREOF, this Partial Release is executed as of the date below.

[REMAINDER OF THIS PAGE LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]





APACHE CORPORATION

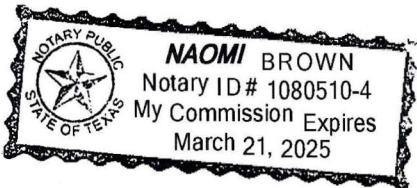
By:   
Justin R. Matthews, Attorney-in-Fact D'fA  
*r*

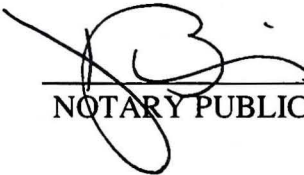
ACKNOWLEDGEMENT

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, on this day personally appeared Justin R. Matthews, Attorney-in-Fact of APACHE CORPORATION, a Delaware corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation, for the purposes therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this *11th* day of *February*, 2024.



  
NOTARY PUBLIC- STATE OF TEXAS

**Reeves County  
Evangelina N. Abila  
Reeves County Clerk**

---

**Instrument Number:** 2024003618

eRecording - Real Property

PARTIAL RELEASE

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Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
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**STATE OF TEXAS  
COUNTY OF REEVES**

**I hereby certify that this Instrument was FILED In the File Number sequence on the date/time  
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Evangelina N. Abila  
Reeves County Clerk  
Reeves County, TX

*Evangelina N. Abila*

49.

File No. MF 117024  
Reeves County  
Release- Depths  
Date Filed: 07/23/2024  
Commissioner Dawn Buckingham, M.D.  
By: [Signature]





# MEMORANDUM

TEXAS GENERAL LAND OFFICE • COMMISSIONER DAWN BUCKINGHAM, M.D.

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**Date:** October 22, 2024

**To:** Leases Listed in Exhibit "A"

**From:** Robert Hatter

The leases listed in the attached Exhibit A (the "Leases" collectively and a "Lease" when referring to any one of them) are in the Alpine High play in Reeves County, Texas, and have been developed only with gas wells, as classified by the Texas Railroad Commission. The WAHA Hub is the primary market into which gas produced from the Alpine High play is sold. From March 6, 2024, through October 11, 2024 (the "Negative Pricing Period"), gas at the WAHA Hub sold largely at negative prices. Production during a Negative Pricing Period is not in the best interest of the Permanent School Fund.

The Texas General Land Office hereby exercises its authority over the Leases to confirm as follows: no Lease will be terminated due solely to either (a) lack of production or (b) lack of production in paying quantities during the Negative Pricing Period. Any evaluation of whether any of the Leases have produced, or produced in paying quantities, sufficient to satisfy the terms of the Leases, shall exclude the Negative Pricing Period.

STATE OF TEXAS

Robert Hatter  
Deputy Director, Energy Resources  
General Land Office

10/23/2024  
Date Executed



# MEMORANDUM

TEXAS GENERAL LAND OFFICE • COMMISSIONER DAWN BUCKINGHAM, M.D.

## EXHIBIT A

### Leases in Alpine High Play Developed with Only Gas Wells

| GLO MF No. | Operator Lease No. | Original Lessor/Surface Owner | Effective Date | Recorded Inst. No. | TX-RRC Recognized Unit/Lease Name |
|------------|--------------------|-------------------------------|----------------|--------------------|-----------------------------------|
| M-119086   | 1700457000         | STATE OF TEXAS                | 12/1/2017      | 18-06179           | Ash                               |
| MF-117028  | 1700068000         | FASKEN LAND AND MINERALS LTD  | 9/1/2014       | 14-09841           | Aspen                             |
| M-118720   | 1700445000         | STATE OF TEXAS                | 6/30/2017      | 2022000996         | Birch                             |
| M-118357   | 1700368000         | STATE OF TEXAS                | 2/21/2017      | 17-06023           | Blackfoot                         |
| MF-116968A | 1700025001         | JOCELYN MCALPINE GREEMAN      | 9/9/2014       | 14-10189           | Blackfoot                         |
| MF-116968B | 1700025002         | WALTER CHARLES GREEMAN        | 9/9/2014       | 14-10192           | Blackfoot                         |
| MF-116968C | 1700025003         | TAMMY JO GREEMAN HAYS         | 9/9/2014       | 14-10191           | Blackfoot                         |
| MF-116968D | 1700025004         | ADELIA GREEMAN BURRIS         | 9/9/2014       | 14-10190           | Blackfoot                         |
| MF-117729A | 1700110003         | JANE B RAMSLAND ET AL         | 5/11/2015      | 15-06111           | Blackhawk                         |
| MF-117729B | 1700110004         | ADRIENNE S BEAUCHAMP UNITRUST | 5/11/2015      | 15-08661           | Blackhawk                         |
| MF-117729C | 1700110002         | LAURIE BARR FAMILY TRUST      | 5/14/2015      | 15-06046           | Blackhawk                         |
| MF-117729D | 1700110001         | BAHNHOF HOLDINGS LP           | 5/11/2015      | 15-06045           | Blackhawk                         |
| MF-117729E | 1700110011         | FRANK J ABRAMS JR             | 8/5/2015       | 15-08163           | Blackhawk                         |
| MF-117729F | 1700110010         | JULIA A FENNERTY              | 4/27/2015      | 15-08162           | Blackhawk                         |
| MF-117729G | 1700110009         | MICHAEL P BROSNAN III         | 5/12/2015      | 15-08898           | Blackhawk                         |
| MF-117729H | 1700110007         | TAYLOR MAYS WYNN              | 5/11/2015      | 17-12927           | Blackhawk                         |
| MF-117729I | 1700110006         | FORREST JACOB WYNN            | 5/11/2015      | 17-12926           | Blackhawk                         |
| MF-117729J | 1700110005         | CLAUDE F WYNN                 | 5/11/2015      | 15-08662           | Blackhawk                         |
| MF-118015A | 1700110014         | JAMES R NORTON                | 2/16/2016      | 16-03796           | Blackhawk                         |
| MF-118015B | 1700110015         | DOLLY N SCHAUB TRUSTEE ET AL  | 2/16/2016      | 16-03795           | Blackhawk                         |
| MF-118015C | 1700110013         | TAYLOR BARR MOLITIerno        | 9/18/2015      | 16-01958           | Blackhawk                         |
| MF-118015D | 1700110008         | THOMAS R BARR                 | 9/18/2015      | 16-01957           | Blackhawk                         |
| MF-118015E | 1700110012         | CRAIG W BARR                  | 9/18/2015      | 16-01956           | Blackhawk                         |
| MF-118015F | 1700110017         | ZACHARIAH J REID              | 11/18/2016     | 17-00321           | Blackhawk                         |
| MF-118015G | 1700110018         | NICHOLAS BROSNAN              | 2/7/2017       | 17-02876           | Blackhawk                         |
| MF-119162A | 1700420002         | KAREN KAY NEAL                | 9/12/2017      | 17-16799           | Bonsai                            |
| MF-119162B | 1700420001         | LORI LYNN HODGE               | 9/12/2017      | 17-16798           | Bonsai                            |
| MF-119310  | 1700485000         | STATE OF TEXAS                | 4/3/2018       | 18-11721           | Bonsai                            |



| GLO MF No. | Operator Lease No. | Original Lessor/Surface Owner   | Effective Date | Recorded Inst. No. | TX-RRC Recognized Unit/Lease Name  |
|------------|--------------------|---------------------------------|----------------|--------------------|------------------------------------|
| MF-119457A | 1700462001         | STEPHANIE R SAUNDERS REV TR     | 2/6/2018       | 18-08299           | Bonsai                             |
| MF-119457B | 1700462003         | GREEMAN HAT 6 RANCH LP          | 2/6/2018       | 18-13445           | Bonsai                             |
| MF-119457C | 1700462002         | CAROL HALL MAJZLIN              | 2/6/2018       | 18-13444           | Bonsai                             |
| MF-116966  | 1700011000         | FASKEN LAND AND MINERALS LTD    | 9/1/2014       | 14-09589           | Cedar & Pine                       |
| MF-117809  | 1700167000         | COMMUNITY BANK OF RAYMORE ET AL | 11/2/2015      | 15-11678           | Choctaw, Longs Peak, Elbert & Cree |
| MF-118049A | 1700207002         | MOORE CAPITAL LTD               | 12/1/2015      | 16-05743           | Cree                               |
| MF-118049B | 1700207004         | SARA ANN SCHMIDT SMITH          | 12/1/2015      | 16-01847           | Cree                               |
| MF-118049C | 1700207005         | DOROTHY H STOUT                 | 12/1/2015      | 16-02848           | Cree                               |
| MF-118049D | 1700207010         | LAUREL JO MCLEAN                | 12/18/2015     | 16-02853           | Cree                               |
| MF-118049E | 1700207009         | MARY LESLIE REID                | 12/1/2015      | 16-02852           | Cree                               |
| MF-118049F | 1700207014         | JOHN MONT MOORE JR              | 3/30/2016      | 16-06535           | Cree                               |
| MF-118049G | 1700207013         | ROY JERRY MOORE                 | 3/30/2016      | 16-06537           | Cree                               |
| MF-118049H | 1700207015         | HARDIN ROSS MOORE               | 3/30/2016      | 16-06536           | Cree                               |
| MF-118049I | 1700207011         | MALINDA H GIBBONS               | 3/5/2016       | 16-03797           | Cree                               |
| MF-118049J | 1700207006         | LISA JO HARDING                 | 12/1/2015      | 16-02849           | Cree                               |
| MF-118049K | 1700207003         | ROBERT TATUM HARDING            | 12/2/2015      | 16-02854           | Cree                               |
| MF-118049L | 1700207001         | EDWIN CURTIS KELLEY             | 12/1/2015      | 16-01955           | Cree                               |
| MF-118049M | 1700207008         | DEBORAH SCHMIDT BARRETT         | 12/2/2015      | 16-02851           | Cree                               |
| MF-118049N | 1700207007         | CECILIA SCHMIDT YI              | 12/2/2015      | 16-02850           | Cree                               |
| MF-118049O | 1700207012         | SALLY ANNE SCHMIDT              | 12/1/2015      | 16-04298           | Cree                               |
| MF-116969  | 1700013000         | DALTEX MUNN ASSOCIATES          | 9/11/2014      | 14-09592           | Cypress                            |
| MF-116970  | 1700014000         | DALTEX MUNN ASSOCIATES          | 9/11/2014      | 14-09591           | Dogwood                            |
| MF-117569  | 1700230000         | STATE OF TEXAS                  | 8/4/2015       | 15-08901           | Fox                                |
| MF-117570  | 1700231000         | STATE OF TEXAS                  | 8/4/2015       | 15-08902           | Iroquois                           |
| MF-117030  | 7010033000         | FASKEN LAND AND MINERALS LTD    | 9/1/2014       | 14-09843           | Mesquite                           |
| M-118227   | 1700414000         | STATE OF TEXAS                  | 3/1/2017       | 17-15722           | Mohican                            |
| MF-120730A | 484847001          | KAREN KAY NEAL                  | 1/20/2022      | 2022002204         | North Bonsai                       |
| MF-120730B | 484847002          | LORI LYNN HODGE                 | 1/20/2022      | 2022002205         | North Bonsai                       |
| MF-120731A | 484845001          | GREEMAN HAT 6 RANCH LP          | 1/20/2022      | 2022002203         | North Bonsai                       |
| MF-120731B | 484845003          | LEONARD E MAJZLIN               | 1/20/2022      | 2022002611         | North Bonsai                       |
| MF-120731C | 484845002          | STEPHANIE R SAUNDERS REV TR     | 3/31/2022      | 2022002612         | North Bonsai                       |
| MF-120756  | 485070000          | STATE OF TEXAS                  | 4/5/2022       | 2022003901         | North Bonsai                       |
| MF-117112A | 1700019002         | JUDITH S MOORE                  | 10/25/2014     | 14-11110           | Oak                                |
| MF-117112B | 1700019001         | WELDON L MOORE III              | 10/25/2014     | 14-11109           | Oak                                |



| GLO MF No. | Operator Lease No. | Original Lessor/Surface Owner | Effective Date | Recorded Inst. No. | TX-RRC Recognized Unit/Lease Name |
|------------|--------------------|-------------------------------|----------------|--------------------|-----------------------------------|
| MF-117024  | 7010034000         | CMC/SC BECKHAM HOLDINGS ET AL | 8/29/2014      | 14-10010           | Oak, Spruce & Cherokee            |
| MF-119687  | 1700556000         | STATE OF TEXAS                | 10/2/2018      | 19-00170           | Retama                            |
| MF-116963  | 1700015000         | LOWE ROYALTY PARTNERS LP      | 9/17/2014      | 14-09674           | Spruce                            |
| MF-117827  | 1700176000         | MCCOY REMME RANCHES LTD       | 9/3/2015       | 15-11735           | State Desert Gold                 |
| MF-118396  | 1700357000         | STATE OF TEXAS                | 1/17/2017      | 17-03809           | Willow                            |
| MF-118826  | 1700395000         | CMC/COMANCHE CO LP ET AL      | 8/1/2017       | 17-14248           | Willow                            |
|            |                    |                               |                |                    |                                   |

All leases are located in, and recorded in, Reeves County, Texas, with the single exception of MF-117030, which is located just across the county line in Culberson County, Texas, and recorded in said county.

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File No. MF117624  
County

Memo

Date Filed: 10/23/21  
Commissioner Dawn Buckingham, M.D.

By: [Signature]