



CAUTION

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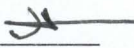
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Archives and Records Staff

8453

A
B

Leasing: 
Maps: 
GIS: MC
Scanlab: _____

MF117112

Lease Type	Control	Basefile	County
RAL	07-111127	116836	REEVES
	Survey	T & P Ry Co	
	Block	57	
	Block Name		
	Township	7-S	
	Section/Tract	6	
	Land Part	all	
	Acres	Net: 718.000000	Gross: 718.000000
	Depth Below	Depth Above	Depth Other
	0-14,106'		
	Name	WOLCOTT, LLC	
	Lease Date	10/25/2014	
	Primary Term	5 years	
	Bonus	\$1,256,500.00	
	Lease Royalty	0.12500000	
	Paid Up	No	

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Contents of Mineral File Number: 117112

1. RAL Review sheet	11-10-14	scanned PJ	1-14-2019
2. BONUSES and Fees	11-10-14	15. Division Order	3-19-19
3. Lease A	2-11-15	16. Division Order	3-20-19
4. Lease B	2-11-15	scanned PJ	4-3-2019
5. FINAL letter	9-10-15	17. Shut in payment - no affidavit	5/28/19
scanned sm 8/31/15		18. Letter accepting shut in	5/28/19
See MF 116914 #5. Assign 9568		scanned PJ	5-31-2019
W/COTY @ Apache	4-18-16	19. Shut in affidavit	6/24/19
scanned PJ	7-29-16	scanned PJ	6-28-2019
See # 11 in M-117024 For the Oak State Unit #453		20. Notification Letter	9/16/2019
scanned PJ	8-1-2017	scanned PJ	9-27-2019
6. E-Mail From Apache	1/10/18	21. Commingling Amendment	10/14/2019
7. E-Mail From Apache	1/15/18	Scanned sm	10/18/2019
8. E-Mail to Apache	1/18/18	22. Reconciliation Billing	11/15/19
scanned PJ	1-22-2018	Scanned sm	11/18/2019
See # 19 in M-117024 For And to Oak State Unit		23. Notice of partial shut in Oak St.	3/11/2020
scanned PJ	1-31-2018	Scanned sm	03/18/2020
9. Division Order	2-16-18	24. Release - Depths	7/23/24
scanned PJ	3-19-2018	Scanned sm	08/02/2024
10. E-Mails w Mr Apache on Oak State	3/29/18	25. Memo	10/23/24
scanned PJ	3-27-2018	scanned PJ	10-25-2024
11. Commingling Approval	6/29/2018		
scanned PJ	7-19-2018		
12. Division Order	9/12/18		
scanned PJ	10-2-2018		
13. Division Order	10-24-18		
scanned PJ	11-15-2018		
14. Commingling Amendment	1/9/2019		

RAL REVIEW SHEET

Working File #: RAL146981

MF:

Lessor: Moore, Iii, Weldon L. Et Al

Lease Date: 10/25/2014

UI: Yes

Lessee: Wolcott, LLC

Gross Acres: 718.00

Net Acres: 718.00

LEASE DESCRIPTION

County	Control #	Base File No	Part	Sec	Block	Twp	Survey	Abst No
Reeves	07-111127	116836	all	6	57	7-S	T & P Ry Co	3530

TERMS OFFERED

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

TERMS RECOMMENDED

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

COMPARISONS

Lease No	Lessee	Lease Date	Primary Term	Bonus/Acre	Rental/Acre	Royalty	Distance
MF116970	Wolcott, LLC	09/11/2014	3 yr	\$3,500.00	\$25.00 25.00	0.250000	0.000000 NW

Comments:

paid up 2nd & 3rd Yr, 4th yr rental \$3500.00 per ac, pays up 5th year. Expire MF112109. ✓

Approved:

DR 11.10.14

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: Wolcott, LLC

County: Reeves

Prim. Term: 5 Years

Bonus/Acre: \$3,500.00

Royalty: 0.25000000

Rental/Acre 2nd Yr: \$0.00

3rd Yr: \$0.00

4th Yr: \$3,500.00

5th Yr: \$0.00

Consideration

Recommended: RJA

Date: 11/17/14

Not Recommended: _____

Comments: paid up 2nd & 3rd Yr, 4th yr rental \$3500.00 per ac, pays up 5th year. Expire MF112109.

✓ Lease Form

Recommended: RJA

Date: 11/17/14

Not Recommended: _____

Comments: _____

Louis Renaud, Deputy Commissioner

Date: 11-25-14

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: _____

Recommended: _____

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 12/3/14

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner

Date: 12/5/14

Approved: [Signature]

Not Approved: _____

1.
File No. ME 117112
RAL REVIEW SHEET

Date Filed: 11-10-14

Jerry E. Patterson, Commissioner

By JK

MF 117112

121

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

WOLCOTT LLC

729 BOOKCLIFF AVE.
GRAND JUNCTION, CO 81501-7428
(970) 241-7146

WELLS FARGO BANK, N.A.
GRAND JUNCTION
GRAND JUNCTION, CO 81501

15703701 001319

11/6/2014

PAY TO THE
ORDER OF

State of Texas

\$ **628,250.00

Six Hundred Twenty-Eight Thousand Two Hundred Fifty and 00/100***** DOLLARS

State of Texas

MEMO

Lease Payment

Samuel Bachman
AUTHORIZED SIGNATURE



00013191

Surface owner Judith Moore



121

WOLCOTT LLC
729 BOOKCLIFF AVE.
GRAND JUNCTION, CO 81501-7428
(970) 241-7146

WELLS FARGO BANK, N.A.
GRAND JUNCTION
GRAND JUNCTION, CO 81501

15704133

001332

11/14/2014

PAY TO THE ORDER OF State of Texas

\$ ~~628,250.00~~

Six Hundred Twenty-Eight Thousand Two Hundred Fifty and 00/100***** DOLLARS

State of Texas

MEMO Lease Payment

Samuel Bachman
AUTHORIZED SIGNATURE



⑈001332⑈



15702931



121

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

US BANK

15702931 016963

10/23/2014

PAY TO THE
ORDER OF

Texas General Land Office

\$ **100.00

One Hundred and 00/100*****

DOLLARS

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

R. S. Wolcott

AUTHORIZED SIGNATURE



MEMO

Filing Fee

⑈016963⑈



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

US BANK

15704135 017032

11/17/2014

PAY TO THE ORDER OF Texas General Land Office

\$ 100.00

One Hundred and 00/100*****

DOLLARS

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

MEMO

Processing fee - Abilene Christian University

Rt Wolcott
AUTHORIZED SIGNATURE



⑈017032⑈



15702932

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WOLCOTT LLC

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

US BANK

15702932

016967

10/23/2014

PAY TO THE ORDER OF Texas General Land Office

\$ **400.00

Four Hundred and 00/100

DOLLARS

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


AUTHORIZED SIGNATURE



MEMO

Processing fee - Methodist, Fritz St.-Hilaire, Weldon

1016967



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

US BANK
[REDACTED]

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15704134 017031

11/17/2014

PAY TO THE ORDER OF Texas General Land Office

\$ ~~25.00~~

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

DOLLARS

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


AUTHORIZED SIGNATURE



MEMO Filing Fee

⑈017031⑈ [REDACTED]

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

15703702 017012

11/7/2014

PAY TO THE ORDER OF Texas General Land Office

\$ **50.00

Fifty and 00/100*****

DOLLARS

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

MEMO

Filing Fee


AUTHORIZED SIGNATURE

1101701211



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

October 23, 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: Fritz St.-Hilaire
Methodist Children's Home, through and under Farmers
National Co, Agent
Weldon L. Moore, III
Judith S. Moore

Dear Drew:

Fritz St.-Hilaire, Methodist Children's Home, through and under Farmers National Co, Agent, Weldon L. Moore, III and Judith S. Moore, 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 4 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 4 leases to you for the State review and approval. We have enclosed a check for \$400.00 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

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

Sincerely,

A handwritten signature in blue ink that reads "Angela Stidham". The signature is fluid and cursive.

Angela Stidham
Lease Administrator

10-24-14

Exhibit A Lessee: Wolcott LLC - State Relinquishment Lands														
TWP	Survey	Block	Section	Legal	Gross Acres	Net Acres	Surface Owner/% Ownership	County	Royalty	Term	Bonus/Ac	Total Bonus	Delay Rental	
	PSL	71	12	N2SWSESE	5.0	5.0	Fritz St.-Hilaire	Reeves	25%	5 Year	\$ 3,500.00	\$ 17,500.00		
	PSL	72	31	S2	320.0	320.0	Methodist Children's Home	Reeves	25%	5 Year	\$ 3,500.00	\$ 1,120,000.00		
7	T&P RR	57	6	all	718.0	359.0	Weldon L. Moore, III	Reeves	25%	5 Year	\$ 3,500.00	\$ 1,256,500.00		
7	T&P RR	57	6	all	718.0	359.0	Judy S. Moore	Reeves	25%	5 Year	\$ 3,500.00	\$ 1,256,500.00		

File No. MF 117112
Bonus and Fees

Date Filed: 11-10-14

Jerry E. Patterson, Commissioner

By JK

70-54-74

117112A

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

14-11110
FILED FOR RECORD
REEVES COUNTY, TEXAS
Nov 25, 2014 at 10:45:00 AM

The State of Texas

Austin, Texas

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OIL AND GAS LEASE

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C

THIS AGREEMENT is made and entered into this 25th day of October, 2014, between the State of Texas, acting by and through its agent, Judith S. Moore of 6800 Del Norte Ln, Apt 245 Dallas, TX 75225-2559 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and Wolcott LLC of 729 Bookcliff Ave Grand Junction, CO 81501 (Give Permanent Address) hereinafter called Lessee.

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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 Six (6), Block Fifty-seven (57), Township Seven (T-7), Texas and Pacific Rwy. Co. Survey, Reeves County, Texas (718 acres more/less).

containing 718.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Six Hundred Twenty Eight Thousand Two Hundred Fifty 00/cents
Dollars (\$628,250.00)

To the owner of the soil: Six Hundred Twenty Eight Thousand Two Hundred Fifty 00/cents
Dollars (\$628,250.00)

Total bonus consideration: One Million Two Hundred Fifty Six Thousand Five Hundred 00/cents
Dollars (\$1,256,500.00)

The total bonus consideration paid represents a bonus of Three Thousand Five Hundred 00/cents
Dollars (\$3,500.00) per acre, on 359.00 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Five (5) 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.

OGL-11-14-1167

57.17.2



This is a correct
copy of
Original Filed in
Reeves County
Clerk's Office

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 _____

See Exhibit "A" _____ Bank, at _____ or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below, in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts.

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

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

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

(A) **OIL.** Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 1/4 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 1/4 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 1/4 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 1/4 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 RENTAL.** 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:

OGL-11-14-1167

5.11.7



True and Correct
copy of
Original filed in
Brewster County
Clerk's Office

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property.

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improvements, livestock and crops on said land.

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

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

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

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

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

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

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

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

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

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

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

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

33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that 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

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the manner provided in the Title 1, Chap. 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

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

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

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

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

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

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

LESSEE
Wolcott LLC
BY: *John B. Wolcott*
Name: John B. Wolcott
Title: Member-Manager
Date: 11-19-14

LESSOR

STATE OF TEXAS
BY: *Judith S. Moore*

Judith S. Moore
Individually and as agent for the State of Texas
Date: 10/27/14

OGL-11-14-1167



True and Correct
Copy of
Original Filed in
Brewster County
General Office

51173

STATE OF _____
COUNTY OF _____

(CORPORATION ACKNOWLEDGMENT)

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

Given under my hand and seal of office this the _____ day of _____, 20____

Notary Public in and for _____

V
O
L

STATE OF _____
COUNTY OF _____

(CORPORATION ACKNOWLEDGMENT)

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

Given under my hand and seal of office this the _____ day of _____, 20____

Notary Public in and for _____

1
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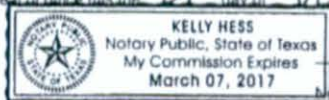
STATE OF TEXAS
COUNTY OF DALLAS

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Judith Moore

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the 27th day of October, 2014



Notary Public in and for _____

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7
7
9

STATE OF Colorado
COUNTY OF Mesa

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared John B. Wolcott,
in his capacity as Member - Manager of Wolcott, LLC

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the 19th day of November, 2014



Notary Public in and for the State of Colorado

5777



True and Correct
copy of
Original Filed in
Maricopa County
Clerk's Office

Exhibit "A"

This Exhibit "A" shall be attached to and made a part of the Oil & Gas Lease dated **October 25, 2014** Between the State of Texas acting by and through its agent, **Judith S. Moore**, hereinafter called Lessor and **Wolcott LLC**, hereinafter called Lessee

Insert to Oil and Gas Lease.

A. DELAY RENTALS

Delay rentals for the 1st anniversary date and for the 2nd anniversary date have been pre-paid with the bonus consideration for this lease, therefore no additional payments for the 1st anniversary date and for the 2nd anniversary date are due and payable. The bonus consideration to the State of Texas and the owner of the soil is \$3,500.00 per net mineral acre. The State of Texas and the owner of the soil have split the total bonus consideration of \$1,256,500.00 equally.

If delay rentals are paid on or before the 3rd anniversary date, the delay rental paid shall be \$3,500.00 per net mineral acre for a total payment of \$1,256,500.00. Said payment will include a pre-payment for the delay rentals for the 4th anniversary date and shall be paid equally to the State of Texas and the owner of the soil in the amount of \$628,250.00 each.

B. MINIMUM ROYALTY

In lieu of using the delay rental figure set out in Paragraph A above to compute minimum royalty, the annual minimum royalty will be calculated based on using \$10.00 per net acre multiplied by the total net acres covered by this lease.

C. SHUT-IN ROYALTY

In lieu of the shut-in figures set out in paragraph 14 of this lease, for purposes of determining shut-in royalties the annual rental used to determine payment of shut-in royalties shall be calculated at \$10 per net mineral acre, but not less than \$1,200 per year for each well capable of producing oil or gas in paying quantities. All other terms and conditions of paragraph 14 shall remain unchanged.

LESSEE

Wolcott LLC

BY: *John B. Wolcott*

Name: John B. Wolcott

Title: Member- Manager

Date: 11-19-14

LESSOR

STATE OF TEXAS

BY: *Judith S. Moore*

Judith S. Moore

Individually and as agent for the State of Texas

Date: 10/27/14

Inst No. 14-11110
DIANNE O. FLOREZ
COUNTY CLERK
2014 Nov 25 at 10:45 AM
REVEREND COUNTY, TEXAS
By: *[Signature]* DEPUTY

OGL-11-14-1167



True and Correct
Copy of
Original Filed in
Reverend County
Office

File No. MF 117112
Lease A

Date Filed: 2-11-15

George P. Bush, Commissioner

By [Signature]

3779

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. 1125 PAGE 780 THRU 780 OFR

I hereby certify on 02/24/2015



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY [Signature] DEPUTY

1171123

14-11109
FILED FOR RECORD
REEVES COUNTY, TEXAS
Nov 25, 2014 at 10:45:00 AM

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 25th day of October, 2014, between the State of Texas, acting by and through its agent, Weldon L. Moore, III of 5909 Richmond Avenue Dallas, TX 75206 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and Wolcott LLC of 729 Bookcliff Ave Grand Junction, CO 81501 (Give Permanent Address) 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 Six (6), Block Fifty-seven (57), Township Seven (T-7), Texas and Pacific Rwy. Co. Survey, Reeves County, Texas (718 acres more/less).

containing 718.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Six Hundred Twenty Eight Thousand Two Hundred Fifty 00/cents
Dollars (\$628,250.00)
To the owner of the soil: Six Hundred Twenty Eight Thousand Two Hundred Fifty 00/cents
Dollars (\$628,250.00)
Total bonus consideration: One Million Two Hundred Fifty Six Thousand Five Hundred 00/cents
Dollars (\$1,256,500.00)

The total bonus consideration paid represents a bonus of Three Thousand Five Hundred 00/cents
Dollars (\$3,500.00) per acre, on 359.00 net acres

2. **TERM.** Subject to the other provisions in this lease, this lease shall be for a term of Five (5) 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.

OGL-11-14-1166



True and correct
copy of
Contract in
Reeves County
Texas

571123

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 _____

See Exhibit "A" _____ Bank, at _____
or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

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

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

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

(A) OIL. Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 1/4 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 1/4 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 1/4 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 1/4 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:
OGL-11-14-1166

5-17-72



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property.

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improvements, livestock and crops on said land

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

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

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

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

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

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

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

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

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

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

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

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

33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that 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 OGL-11-14-1166

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the manner provided in the Title 1, Chap. 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

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

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

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

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

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

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

LESSEE
Wolcott LLC
BY: [Signature]
Name: John B. Wolcott
Title: Member- Manager
Date: 11-19-14

LESSOR
STATE OF TEXAS
BY: [Signature]
Weldon L. Moore, III
Individually and as agent for the State of Texas
Date: 10/27/14

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copy of
Original Filed in
General Land Office

STATE OF _____
COUNTY OF _____

(CORPORATION ACKNOWLEDGMENT)

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

Given under my hand and seal of office this the _____ day of _____, 20____.

Notary Public in and for _____

V
O
L

STATE OF _____
COUNTY OF _____

(CORPORATION ACKNOWLEDGMENT)

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

Given under my hand and seal of office this the _____ day of _____, 20____.

Notary Public in and for _____

1
1
2
5

P
G

STATE OF TEXAS
COUNTY OF DALLAS

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Weldon L. Moore, III

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the 27th day of October, 2014.



Notary Public in and for _____

6
7
7
1

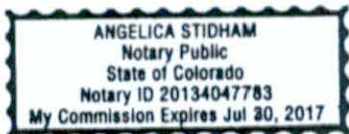
STATE OF Colorado
COUNTY OF Mesa

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared John B. Wolcott,
in his capacity as Member-Manager of Wolcott, LLC

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the 19th day of November, 2014.



Notary Public in and for the State of Colorado

ST-11-14



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

Exhibit "A"

This Exhibit "A" shall be attached to and made a part of the Oil & Gas Lease dated **October 25, 2014** Between the State of Texas acting by and through its agent, **Weldon L. Moore, III**, hereinafter called Lessor and **Wolcott LLC**, hereinafter called Lessee

Insert to Oil and Gas Lease:

A. DELAY RENTALS

Delay rentals for the 1st anniversary date and for the 2nd anniversary date have been pre-paid with the bonus consideration for this lease, therefore no additional payments for the 1st anniversary date and for the 2nd anniversary date are due and payable. The bonus consideration to the State of Texas and the owner of the soil is \$3,500.00 per net mineral acre. The State of Texas and the owner of the soil have split the total bonus consideration of \$1,256,500.00 equally.

If delay rentals are paid on or before the 3rd anniversary date, the delay rental paid shall be \$3,500.00 per net mineral acre for a total payment of \$1,256,500.00. Said payment will include a pre-payment for the delay rentals for the 4th anniversary date and shall be paid equally to the State of Texas and the owner of the soil in the amount of \$628,250.00 each.

B. MINIMUM ROYALTY

In lieu of using the delay rental figure set out in Paragraph A above to compute minimum royalty, the annual minimum royalty will be calculated based on using \$10.00 per net acre multiplied by the total net acres covered by this lease.

C. SHUT-IN ROYALTY

In lieu of the shut-in figures set out in paragraph 14 of this lease, for purposes of determining shut-in royalties the annual rental used to determine payment of shut-in royalties shall be calculated at \$10 per net mineral acre, but not less than \$1,200 per year for each well capable of producing oil or gas in paying quantities. All other terms and conditions of paragraph 14 shall remain unchanged.

LESSEE

Wolcott LLC

BY: *John B. Wolcott*

Name: John B. Wolcott

Title: Member- Manager

Date: 11-19-14

LESSOR

STATE OF TEXAS

BY: *Weldon L. Moore, III*

Weldon L. Moore, III

Individually and as agent for the State of Texas

Date: 10/27/14

OGL-11-14-1166

Inst No. 14-11109
DIANNE O. FLOREZ
COUNTY CLERK
2014 Nov 25 at 10:45 AM
REDFORD COUNTY, TEXAS
By: *SL [Signature]* DEPUTY

5777



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

4.
File No. MF 117112
LEASE B County
Date Filed: 2-11-15
George P. Bush, Commissioner
By JP

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. 1125 PAGE 165 TRRL 772 OFR.

I hereby certified on 2/29/2015



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Michelle Flores DEPUTY



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 10, 2015

Angela Stidham
Wolcott, LLC
729 Bookcliff Ave.
Grand Junction, CO 81501

Re: **State Lease MF 117112**

Two RAL leases covering 718 ac., Sec. 6, Blk.
57, T-7, T&P Ry. Co. Survey, Reeves Co, TX

Dear Ms. Stidham:

The certified copies of the Relinquishment Act leases covering the referenced tract have been approved and filed in our records under Mineral File numbers as set out on Page 2. **Please refer to these numbers when making payments to the State and in all future correspondence concerning the leases. Failure to include the mineral file numbers may delay processing of any payments towards the leases.**

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 remittances are set out on Page 2 and have been applied to the State's portion of the cash bonus. In addition, we are in receipt of your filing fees. However, we are not in receipt of the \$100 processing fee which we request you submit as soon as possible.

Sincerely yours,

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

<u>State Lease No.</u>	<u>Lessor as agent for State of TX</u>	<u>Dated</u>	<u>Recorded Vol/Page</u>	<u>Bonus Amount</u>
MF117112A	Judith Moore	10/25/14	V. 1125, P. 773	\$628,250.00
MF117112B	Weldon Moore, III	10/25/14	V. 1125, P. 765	\$628,250.00

S.

File No. MF 117112
FIND LETTER CONFIDENTIAL

Date Filed: 9-10-15

George P. Bush, Commissioner

By JK

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

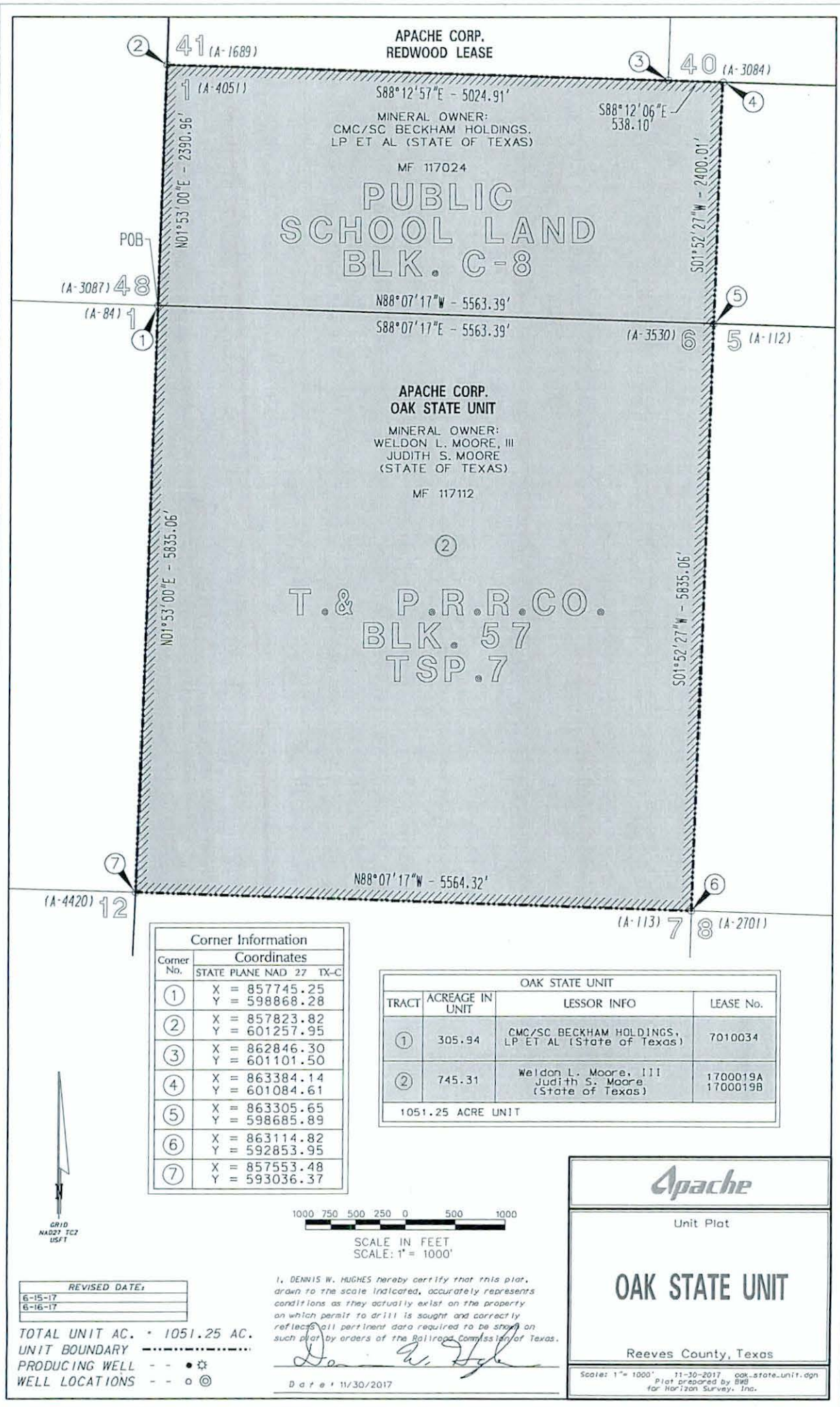
office 210-572-8256 | cell 512-568-9850

APACHE CORPORATION

17802 IH 10 West, Suite 300

San Antonio, Texas 78256

ApacheCorp.com



Corner Information		
Corner No.	Coordinates	
	STATE PLANE NAD 27	TX-C
①	X = 857745.25 Y = 598868.28	
②	X = 857823.82 Y = 601257.95	
③	X = 862846.30 Y = 601101.50	
④	X = 863384.14 Y = 601084.61	
⑤	X = 863305.65 Y = 598685.89	
⑥	X = 863114.82 Y = 592853.95	
⑦	X = 857553.48 Y = 593036.37	

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

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

TOTAL UNIT AC. * 1051.25 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: 11/30/2017

Unit Plat

OAK STATE UNIT

Reeves County, Texas

Scale: 1" = 1000' 11-30-2017 oak-state-unit.dgn
Plat prepared by Bld for Horizon Survey, Inc.

(6)

File No. M-117112

E-Mail From Apache County

Date Filed 1/10/18

By George E. Bush, Commissioner
MB

Daryl Morgan

From: Bradley, Chase <Chase.Bradley@apachecorp.com>
Sent: Monday, January 15, 2018 1:49 PM
To: Daryl Morgan
Subject: FW: Executed Division Order, Direct deposit authorization and voided check
Attachments: SSussman & 18011512450.pdf

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>
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

OIL AND GAS DIVISION ORDER

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 of the proceeds thereof, as allowed by applicable law. *Inconsistent with terms of lease WLM WLM WLM*

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.

Matthew D. Cheshier
WITNESS NAME *Matthew D. Cheshier*

Mica D. Cheshier
WITNESS NAME *Mica D. Cheshier*

WELDON L MOORE III

5909 RICHMOND AVE

DALLAS TX US 75206

0007123301

Weldon L. Moore, III
SIGNATURE OF INTEREST OWNER *Weldon L. Moore, III*

SOCIAL SECURITY OR TAX ID NUMBER

OWNER TELEPHONE NUMBER

OWNER EMAIL ID

Weldon Moore@yahoo.com
wmoore@csmlaw.net

SIGN AND RETURN COPY

EXHIBIT A**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

<u>OWNER</u>	<u>INTEREST TYPE</u>	<u>EXC</u>	<u>INTEREST</u>	<u>EFF DATE</u>
0007123301 WELDON L MOORE III	(RI) - ROYALTY INTEREST	01	0.04431094	2/1/2017

Legal Description:

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

(7)

File No. M-117112

E-Mail From Apache County

Date Filed. 1/15/18

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>

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-117112 County

E-Mu. 1 to Apache
1/18/18

Date Filed 1/18/18

By the

MF 117024 4 MF 117112
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.

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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

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

File No. MF 117112

County

Division Order

Date Filed: 2-16-18

George P. Bush, Commissioner

By V.H.

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 30th 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 30th 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 30th 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.

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 30th 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 30th 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

10

File No. M-117H12

E-Mails with Apache on O&G Strip County

Date Filed: 3/26/18

George P. Bush, Commissioner

By [Signature]



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 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 117112Reeves CountyCommingle ApprovalDate Filed: 6/28/2018

George P. Bush, Commissioner

By Thomas M. Atty

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
1700 NORTH CONGRESS AVENUE
AUSTIN TX US 78701
0085439001

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



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

File No. MF117024

Reeves County

Division Order

Date Filed: 9-12-18

George P. Bush, Commissioner

By VZ

MF117112
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 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.

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 0085439001
1700 NORTH CONGRESS AVENUE
AUSTIN TX US 78701

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

<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	0.03637812	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



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

File No. MF 117112ReevesDivision OrderDate Filed: 10-24-18

George P. Bush, Commissioner

By VJ



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 (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 (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 or 512-463-5296.

Sincerely

A handwritten signature in blue ink, reading "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 117112Reeves CountyCommingle AmendmentDate Filed: 1/9/2019

George P. Bush, Commissioner

By Shannon M. O'Leary

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
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: 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



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

File No. MF117112

Reeves County

Division Order

Date Filed: 3-19-19

George P. Bush, Commissioner

By vg

OIL AND GAS DIVISION ORDER

Date: 12/19/2018

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

Unit 8453
MF117024
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.

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

4326844404

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

0085439001

OWNER TELEPHONE NUMBER

OWNER EMAIL ID

APACHE CORPORATION
OIL AND GAS DIVISION ORDER

DATE: 12/19/2018

Property: 01861201/00001 OAK STATE UNIT 201BH
State: TEXAS County/Parish: REEVES 389-37326

Venture Number: 032583

<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	0.03637812	4/1/2018
0085439001 STATE OF TEXAS	(RI) - ROYALTY INTEREST	02	0.08862188	4/1/2018

Legal Description:

TX	REEVES	PUBLIC SCHOOL LAND ABST/ID# 4051 Blk C8 Sec 1 QQ S2
TX	REEVES	T&P RR CO ABST/ID# 3530 Twsp 7 Blk 57 Sec 6



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 20, 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 201BH 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 file(s).

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

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

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

Thank you,

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF 117112

Reeves County

Division Order

Date Filed: 3-20-19

George P. Bush, Commissioner

By VB

160

If correspondence is required, please make reference to the identified Lease Number

Lease Date	Lessor	Freq	Start Date	Lease Number/Suffix
10-25-2014	JUDITH S MOORE & ST TX	00	06-01-2019	1700019/B

AGENCY LEASE NUMBER: 117112A

IN PAYMENT OF: SHUT-IN

FOR: OAK STATE UNIT SI PYMT

Operating Compa: APACHE OPC

19710565

REMARKS: OAK STATE UNIT SHUT IN PYMT MF117112A

RECORDED: Book 1125 Page 773 Reception # 14-11110

TRACT: 1 COUNTRY: US STATE: TX COUNTY: REEVES

NET ACRES

Prospect: UTAH

372.655

Region: NAUR

District: ALPINE HIGH

LEGAL (Part of): T&P RR CO ABST/ID# 3530 Grantee Twsp 7 Blk 57 Sec 6

FOR THE CREDIT OF:

PAYMENT

COMMISSIONER OF THE GENERAL

(BA# 9527869501)

\$3,726.55

LAND OFFICE

STATE OF TEXAS

1700 NORTH CONGRESS AVE

AUSTIN

TX 78701

ACCT:

(DPS# 9527869501)

TOTAL BANK SERVICE CHARGE

\$.00

TOTAL AMOUNT PAID

\$3,726.55

121

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.
108727

Apache

The amount of this check is in payment of SHUT-IN
due party or parties under O / G
lease described for period specified

19710565
APACHE CORPORATION 108727
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:
10-25-2014	JUDITH S MOORE & ST TX	00	06-01-2019	1700019/B	108727

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

56-382/412

DATE 05-13-2019

*****3,726*DOLLARS AND* 55*CENTS

AMOUNT
*****\$3,726.55

PAY
TO
THE
ORDER OF

COMMISSIONER OF THE GENERAL
LAND OFFICE
STATE OF TEXAS
1700 NORTH CONGRESS AVE
AUSTIN

TX 78701

LEASE RENTAL ACCOUNT

Bruce R. Ryle

VICE PRESIDENT & TREASURER
FACSIMILE SIGNATURE

⑈00108727⑈



May 14, 2019

Re: Oak State Unit Lease
Apache lease number 1700019B

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 108727, 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.

Sincerely,

Apache Corporation

AMANDA VALVERDE
LEASE PAYMENT ADMINISTRATOR
Corporate Land Administration – Leasehold Operations
direct 713-296-6266
amanda.valverde@apachecorp.com

If correspondence is required, please make reference to the identified Lease Number

Lease Date	Lessor	Freq	Start Date	Lease Number/Suffix
10-25-2014	WELDON L MOORE III & ST TX MF	00	06-01-2019	1700019/A

AGENCY LEASE NUMBER: 117112B

IN PAYMENT OF: SHUT-IN

FOR: OAK STATE UNIT SI PYMT

Operating Compa: APACHE OPC

19710568

REMARKS: OAK STATE UNIT SHUT-IN PYMT - MF117112B

RECORDED: Book 1125 Page 0765 Reception # 14-11109

TRACT: 1 COUNTRY: US STATE: TX COUNTY: REEVES

NET ACRES

Prospect: UTAH

372.655

Region: NAUR

District: ALPINE HIGH

LEGAL (Part of): T&P RR CO ABST/ID# 3530 Grantee Twsp 7 Blk 57 Sec 6

FOR THE CREDIT OF:

PAYMENT

COMMISSIONER OF THE GENERAL

(BA# 9527869501)

\$3,726.55

LAND OFFICE

STATE OF TEXAS

1700 NORTH CONGRESS AVE

AUSTIN

TX 78701

ACCT:

(DPS# 9527869501)

TOTAL BANK SERVICE CHARGE

\$.00

TOTAL AMOUNT PAID

+ \$3,726.55

121

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.
108725

Apache

The amount of this check is in payment of SHUT-IN
due party or parties under ☐ / ☐ G
lease described for period specified

19710568
APACHE CORPORATION 108725
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:
10-25-2014	WELDON L MOORE III & ST TX MF	00	06-01-2019	1700019/A	108725

DATE 05-13-2019

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

56-382/412

*****3,726*DOLLARS AND* 55*CENTS

AMOUNT
*****\$3,726.55

PAY
TO
THE
ORDER OF

COMMISSIONER OF THE GENERAL
LAND OFFICE
STATE OF TEXAS
1700 NORTH CONGRESS AVE
AUSTIN

TX 78701

LEASE RENTAL ACCOUNT

Bruce R. Ryle

VICE PRESIDENT & TREASURER
FACSIMILE SIGNATURE

⑈00108725⑈



May 14, 2019

Re: Oak State Unit Lease
Apache lease number 1700019A

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 108725, is hereby tendered as Shut-in Royalty payment in accordance with applicable lease terms.

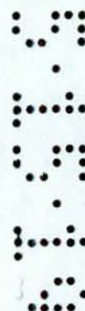
If you have questions about the status of this well, please contact Dion Alaniz, the Landman for the area by phone at (210) 678-3908 or by email Dion.Alaniz@apachecorp.com.

Sincerely,

Apache Corporation

A handwritten signature in black ink that reads "A Valverde".

AMANDA VALVERDE
LEASE PAYMENT ADMINISTRATOR
Corporate Land Administration – Leasehold Operations
direct 713-296-6266
amanda.valverde@apachecorp.com



01212

17.

File No. MF117112
Shut in payment County
no affidavit
Date Filed: 5/28/9
George P. Bush, Commissioner
By SSD



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 MF117112 A and B Leases** – Relinquishment Act Lease
718 acres, Section 6, 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 \$7,453.10 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
Website: www.glo.texas.gov

18.

File No. ME117112
letter accepting County
Shut in
Date Filed: 5/28/19
George P. Bush, Commissioner
By SSP



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 117112A&B		Operator APACHE CORPORATION	
Lease Name Weldon Moore, III & Judith Moore		Field Name ALPINE HIGH (CONS)	
Area	Tract	Part	Acres 745.31
Section 6	Block 57	Survey T, & P.R.R. CO.	County REEVES
State's NRI in Lease: 0.12500000			
Unit Name (if applicable) OAK STATE		State's Unit NRI (if applicable) 0.12500000	
Total Shut-In Due: NONE DUE. PAID IN ADVANCE.		Explain how payment was calculated: SHUT-IN ROYALTIES HAVE ALREADY BEEN PAID IN 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			
☐ OIL ☒ GAS	Well Name: OAK STATE UNIT #101AH	API: 42389358670000	RRC: Dist#-Lease#
Produced in Past: ☒ Yes ☐ No	Completion Date: 11/17/2017	Shut-In Date: 5/29/2019	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 3387	mcf/d	OIL 0	bbls/d
		WATER 66	bbls/d

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS	mcf/d	OIL	bbls/d
		WATER	bbls/d

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS	mcf/d	OIL	bbls/d
		WATER	bbls/d

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS	mcf/d	OIL	bbls/d
		WATER	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 APACHE CORPORATION	Lease Name & Well # SPRUCE STATE #103BH	API 42389376010000	RRC: Dist#-Lease#
RRC Field & Reservoir Name: ALPINE HIGH (CONS)		RRC Field Code: 01942500	
Distance	Completion Interval	Status	

Operator APACHE CORPORATION	Lease Name & Well # SPRUCE STATE #201AH	API 42389352750000	RRC: Dist#-Lease#
RRC Field & Reservoir Name: ALPINE HIGH (CONS)		RRC Field Code: 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 Aloniz Print Name: Dion Aloniz

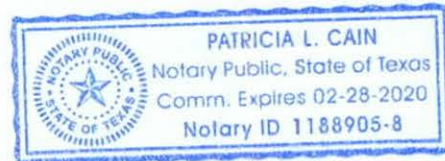
Title: Senior Landman

Sworn and subscribed to before me, the undersigned authority this 19 day of JUNE, 20 19.

Patricia L. Cain

Notary Public in and for

BEXAR County, State of TEXAS



Revised 4/12/2017

01.12.0

19.

File No. MF 117112
put in affidavit County

Date Filed: 6/24/19
George P. Bush, Commissioner
By SSD



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 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 117112

Reeves County

Notification Letter

Date Filed: 9/16/2019

George P. Bush, Commissioner

By Monica M. Ortiz



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					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 Utilized)	GLO Unit No.	State Mineral Lease or Unit Net Royalty Interest
Approved 3-9-18 (7914)	Redwood CPF/Redwood CTB	Alpine High (Cons)	Dogwood State	106AH Fka:5H	DP-819969	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	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	42-389-35516	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	42-389-36472	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	42-389-35887	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	42-389-36936	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-841678	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:105BH	DP-843806	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	284858	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-816476	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-823628	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-823630	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	42-389-35276	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 or 512-463-5296.

Sincerely

A handwritten signature in blue ink, reading "Thomas M. Ortiz". The signature is fluid and cursive, with the first name "Thomas" and middle initial "M." clearly legible, followed by the last name "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 117112

Reeves County

Commingleing Amendment

Date Filed: 10/14/2019

George P. Bush, Commissioner
By Thomas M. O'Leary

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Apache Corporation
Attn: Josh Perez
2000 Post Oak Blvd, Ste 100
Houston, TX 77056-4400



9590 9402 1972 6123 7484 02

2. Article Number (Transfer from service label)

7011 1150 0001 2420 2898

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

A. Miller

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Henry N. Williams

C. Date of Delivery

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

MF117112

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery

- ☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$

Postmark
Here

MP117024

E

MP117112

Attn: Josh Perez

Sent To

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

City, State, ZIP+4

Apache Corporation

2000 Post Oak Blvd Ste 100

Houston, TX 77056-4400

7011 1150 0001 2420 2898



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	\$30,525.47

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	\$30,525.47
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%	\$383.06	\$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
TOTALS		74,610				\$143,791.85	\$17,973.97	\$0.00	\$17,973.97			\$1,797.39	\$1,253.46	\$21,024.82

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/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

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
TOTALS		33,591				\$65,038.84	\$8,129.86	\$0.00	\$8,129.86			\$812.99	\$557.80	\$9,500.65

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

File No. MF 117 112 22

Reconciliation Billing County

Date Filed: 11/15/19

George P. Bush, Commissioner

By VD

Susan Draughn

MF 117 112

From: Cornish, Meredith <Meredith.Cornish@apachecorp.com>
Sent: Monday, March 2, 2020 3:41 PM
To: Susan Draughn
Cc: Alaniz, Dion; Barghols, Grayson
Subject: [EXTERNAL] Oak State Unit Shut-Ins
Attachments: Pooling Agreement - Oak State - Executed.pdf; 1700019A - OGL - 1000261885.pdf; 1700019B - OGL - 1000261933.pdf

Susan,

Apache is also planning on shutting in three of the four wells in the Oak State Unit covering Section 6, Block 57, Township 7, and Section 1, Block C-8, Reeves County, Texas. I have attached a copy of the GLO Leases that cover Section 6 and the State Pooling Agreement (No. 8453). This shut-in may last from now through the end of summer; possibly longer.

The GLO Leases and Pooling Agreement covering the Oak State Unit are presently maintained by virtue of the terms of the Pooling Agreement, which allows the GLO Leases to be perpetuated by production from a single well. The well that will stay on production inside the Oak State Unit, while the other three wells are shut-in, will continue to perpetuate the Pooling Agreement and GLO Leases through the duration of shutting in the three wells. As a result, shut-in royalties are not required at this time.

Feel free to call or email me with any questions and/or concerns you might have.

Thanks,

MEREDITH CORNISH

LANDMAN

direct 210-572-8252 | office 151

APACHE CORPORATION

17802 IH 10 West, Suite 300

San Antonio, Texas 78256

CAUTION: This email originated from OUTSIDE of the Texas General Land Office. Links or attachments may be dangerous. Please be careful clicking on any links or opening any attachments.

File No. MF 117112
Notice of partial County
shut in - Oak State
Date Filed: 3/11/2020
George P. Bush, Commissioner
By SSD



June 26, 2024

Texas General Land Office
Attn: Kirstin Scherer
1700 Congress Ave.
Austin, TX 78701-1495

VIA FEDEX

RE: Partial Depth Release of State Leases in Oak State Unit

Kirstin:

Enclosed please find a certified copy of two partial depth releases in Apache's Oak State Unit. The enclosed two partial depth releases affect the following three RAL leases: MF-117024, MF-117112A, and MF-117112B.

Also enclosed is a check to cover the \$75 filing fee.

If you have any questions or concerns, please do not hesitate to contact me.

Kind Regards,

A handwritten signature in blue ink, appearing to read "Dion Alaniz", is written over the typed name.

Dion Alaniz
Senior Land Negotiator
Apache Corporation
2000 W Sam Houston Pkwy S, Suite 200
Houston, TX 77042

dion.alaniz@apachecorp.com
281-302-2132 (office)

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.

Authorized Signer

121 0001511696

PARTIAL DEPTH RELEASE OF OIL & GAS LEASES
MF-117112 IN OAK STATE UNIT

This *Partial Release of Oil & Gas Lease - MF-117112 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 two leases (the "Leases"):

Lessor: Judith S. Moore, as Agent for the State of Texas

Original Lessee: Wolcott LLC

Effective Date: 10/25/2014

Recording Info: Doc #14-11110, Public Records of Reeves County, Texas

Apache Lease No: 1700019002

GLO Mineral File No: MF-117112A

Legal Description: ~718 acres, being all of Section 6, BLK 57 T7, Texas Pacific Rwy. Co. Survey, Reeves County, Texas.

Lessor: Weldon L. Moore, III, as Agent for the State of Texas

Original Lessee: Wolcott LLC

Effective Date: 10/25/2014

Recording Info: Doc #14-11109, Public Records of Reeves County, Texas

Apache Lease No: 1700019001

GLO Mineral File No: MF-117112B

Legal Description: ~718 acres, being all of Section 6, BLK 57 T7, Texas Pacific Rwy. Co. Survey, Reeves County, Texas.

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 the entirety of the Leases in said unit. The Leases were 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 Leases as to certain depths covered by the Leases but IN SO FAR AND ONLY IN SO FAR 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 14,106' 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 Leases 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 Leases IN SO FAR AND ONLY IN SO FAR 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 Leases.

4.02. This Partial Release does not affect Apache's rights, title, or interest in the Leases 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 Leases, 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 Leases, 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

DT
tr-

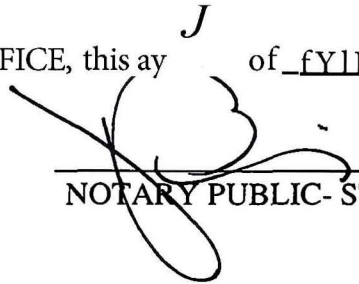
ACKNOWLEDGEMENT

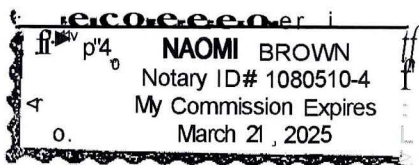
STATE OF TEXAS

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 day J of July, 2024.


NOTARY PUBLIC- STATE OF TEXAS



**Reeves County
Evangelina N. Abila
Reeves County Clerk**

Instrument Number: 2024003619

eRecording - Real Property

PARTIAL RELEASE

Recorded On: June 18, 2024 04:29 PM

Number of Pages: 4

" Examined and Charged as Follows: "

Total Recording: \$33.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2024003619
Receipt Number: 20240618000027
Recorded Date/Time: June 18, 2024 04:29 PM
User: Rebecca G
Station: CLERK07

Record and Return To:

Simplifile



**STATE OF TEXAS
COUNTY OF REEVES**

**I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of County, Texas.**

Evangelina N. Abila
Reeves County Clerk
Reeves County, TX

Evangelina N. Abila

File No. MF 117112

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.

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.

File No. MF117112 County _____

Memo

Date Filed: 10/23/24
Commissioner Dawn Buckingham, M.D.

By: 