

MF117293

#8643 replaced w/ #9881

~~#8679 NUL~~~~#8994 NUL~~~~#9867~~

#9534 See Unit 13577

iNut 10566

iNut 10567

Unit 13577

Unit 13825

Unit 13826

Leasing: OLMaps: JDGIS: MC

Scanlab: _____

Lease Type
RAL

Control

07-101487

07-101502

07-130598

Survey

Block

Block Name

Township

Section/Tract

Land Part

Acres

Depth Below

Name

Lease Date

Primary Term

Bonus

Lease Royalty

Paid Up

Basefile

095855

153170

132292

H & G N Ry Co

2, 3, C-19

19. 4. 40

NW 9/16

Net: 896.450000 Gross: 972.420000

Depth Above Depth Other
Specified
Depths

ENERGEN RESOURCES CORP

2/1/2015

46 months

\$1,076,246.16

0.12500000

No

**CAUTION**

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

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

Thank you for your assistance.

Archives and Records Staff

F1088576

Contents of Mineral File Number: 117293

1. RAL Review	01/23/15	25. Pooling Agrmt. Packet # 8760	
2. Lease A	04/18/16	Misbehaving State Unit C19-19-14	4/23/18
3. Lease B	04/18/16	26. Email from Energen	6/17/18
4. Lease C	04/18/16	27. Recorded Misbehaving state unit	6/11/18
5. Correction - C lease	04/18/16	28. Recorded Cold Harbor Unit	7/6/18
6. Bonus, fees, ltr	03/02/15	29. E-Mail with Anadarko	7/6/18
7. Ltr from Energen	04/18/16	30. NUML 8994 - Sec. 4, BIK 3	7/17/18
8. Final ltr	04/25/16	31. Amendments to leases	08/01/18
9. Assign ID # 9827		32. Ltr & fee	08/01/18
From: Energen To: Anadarko 3 Swept 9/28/16		33. Division Order	9/25/18
Scanned SM 10/10/16		34. Misbehaving State Unit # changed	2/19/2019
10. NUML 8679 - Sec. 4 BIK 3	9/28/17	to #9867 to include add'l lease.	
11. Drilling Permit 389-35255	9/28/17	35. Cold Harbor State 2-40 # changed	
12. Drilling Permit 389-34700	9/28/17	to #9881 to add lease	2/19/19
13. Drilling Permit 389-35256	9/28/17	Scanned PR	3-18-2019
14. Drilling Permit 389-35254	9/28/17	36. Ltr. From Anadarko	4/25/19
15. Ltr. From Anadarko	10/2/17	37. Memo to SLB	4/25/19
16. Ltr. From Anadarko	11/3/17	38. Ltr. to Anadarko	4/25/19
17. Ltr. to Anadarko	11/9/17	39. Production Sharing Agrmt.	4/25/19
18. Pooling Agrmt. Packet # 8643		Scanned PR	4-30-2019
Cold Harbor State 2-40 Unit 11/9/17		40. Ltr. From Anadarko - Spud Notice	
Scanned PR 11-21-2017		& RRC Docs 389-38670 #	5/6/19
19. Division Order	3-15-18	41. Ltr. From Anadarko	5/8/19
20. Ltr. with Energen	4/6/18	42. Fully Executed PSA	5/8/19
21. Ltr. with Energen	4/6/18	Scanned PR	5-13-2019
22. Ltr. with Energen	4/6/18	43. Ltr. From Energen	6/6/19
Scanned PR 4-16-2018		44. Ltr. to Energen	6/6/19
23. Ltr. From Energen	4/23/18	45. Pooling Agrmt. Packet # 9534	
24. Ltr. to Energen	4/23/18	Quarterback State Unit 3-4	6/6/19

Contents of Mineral File Number: M-117293

46. Ltr. From Enogen 6/6/19	63. Email correspondence 4-22-24
47. Memo to Commissioner 6/6/19	64. Certified Copy Records
48. Ltr. to Enogen 6/6/19	Amendment of Pooling Agmt # 09881
49. Hmd of Misbehaving Unit 6/6/19	Cold Harbor State 2-40 Unit 4-22-24
<u>scanned PJ 6-18-2019</u>	<u>scanned WM 5-7-2024</u>
(50) iNut 10566 Packet 2/3/20	65. Recon Billing 6/3/2024
(51) iNut 10567 Packet 2/3/20	66. Unit 13577 - Quarterback State Unit 3-4 6/4/24
<u>Scanned sm 02/12/2020</u>	<u>Scanned WM 6-20-2024</u>
(52) Air Emissions Complaint, 2/27/20	67. CC Amendment
Misbehaving State Battery	67. Unit 13825 - Misbehaving State Unit
(53) Diamondback Response to 2/27/20	C-19-19-14 (BPO) 9/24/2024
Air Emissions Complaint, Misbehaving State Battery	68. Unit 13826 - Misbehaving State Unit
(54) Diamondback Response to 2/27/20	C-19-19-14 01/30/2025
TCEQ, Misbehaving State Battery	<u>Scanned WM 2-18-2025</u>
<u>Scanned sm 03/07/2020</u>	
55. Unit 9534 - Update Backslip 4/06/21	
<u>Scanned JG 6-7-2021</u>	
56. Surface Damage Use Pmt 6/22/21	
57. Surface Use Pmt 6/22/2021	
<u>Scanned sm 06/23/2021</u>	
58. Division Order 12/15/2021	
<u>Scanned PJ 21 Mar 2022</u>	
59. Division Order 9-20-2022	
60. Division Order 9-20-2022	
<u>Scanned PJ 29 Sept 2022</u>	
61. Updated Exhibit A for Unit 9881 3/01/23	
<u>Scanned sm 03/06/2023</u>	
62. ^{Amendment} Pooling Agmt Packet # 9881	
Cold Harbor State 2-40 Unit 2-16-24	

RAL REVIEW SHEET

Working File #: RAL157205

MF:

Lessor: Houston and Emma Hill Trust Estate,
Et Al

Lease Date: 02/01/2015

UI: Yes

Lessee: Energen Resources Corp

Gross Acres: 972.42

Net Acres: 896.46

LEASE DESCRIPTION

County	Control #	Base File No	Part	Sec	Block Twp	Survey	Abst No
Reeves	07-130598	132292	NW/265.78 ac.	19	C-19	Public School Land	4331
Reeves	07-101502	153170	NW 9/16	4	3	H & G N Ry Co	5979
Reeves	07-101487	095855	NW 9/16	40	2	H & G N Ry Co	1996

TERMS OFFERED

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

TERMS RECOMMENDED

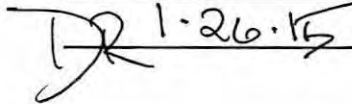
Primary Term:	3 Years			
Bonus / Acre:	\$2,500.00			
Rental / Acre:	2nd Yr	3rd Yr	4th Yr	5th Yr
	0.00	0.00		
Royalty	0.250000			

COMPARISONS

Lease No	Lessee	Lease Date	Primary Term	Bonus/Acre	Rental/Acre	Royalty	Distance
MF116835	Energen Resources Corp	04/21/2014	3 yr	\$2,800.00	\$0.00 0.00	0.250000	

Comments: Paid Up ** Below the Top of Bone Springs ** This lease is for a term of 3 years and 10 months, Energen is releasing MF-111922, which has 10 month remaining on the term.

Approved:

 1-26-15

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

George P. Bush, Commissioner

TO: George P. Bush, Commissioner
Larry Laine, Chief Clerk
Anne Idsal, General Counsel
Rene D. Truan, Director, PSF Income Division

FROM: Robert Hatter, Mineral Leasing

Applicant: Energen Resources Corp

County: Reeves

Prim. Term: 3 Years

Bonus/Acre: \$2,500.00

Royalty: 0.25000000

Rental/Acre 2nd Yr: \$0.00

3rd Yr: \$0.00

4th Yr: \$0.00

5th Yr: \$0.00

Consideration

Recommended:

RJA

Date:

2/15/15

Not Recommended:

Comments: Paid Up ** Below the Top of Bone Springs ** This lease is for a term of 3 years and 10 months, Energen is releasing MF-111922, which has 10 month remaining on the term.

✓ Lease Form

Recommended:

RJA

Date:

2/15/15

Not Recommended:

Comments:

Rene D. Truan, Director, PSF Income Division

Date:

2nd 2015

Recommended:

BT

Not Recommended:

Anne Idsal, General Counsel

Date:

2/24/15

Recommended:

AU

Not Recommended:

Larry Laine, Chief Clerk

Date:

2/24/2015

Approved:

mm

Not Approved:

George P. Bush, Commissioner

Date:

2/24/15

Approved:

G. P. Bush

Not Approved:

File No. 117293

County _____

BAH Review

Date Filed: 01/23/15

George P. Bush, Commissioner

By [Signature]

117293

117293A

15-11203
FILED FOR RECORD
REEVES COUNTY, TEXAS
Nov 19, 2015 at 01:23:00 PM

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

PAID UP
OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 1st day of February, 2015, between the State of Texas, acting by and through its agent, care of SEE ATTACHED SIGNATURE PAGE, of _____ said agent herein referred to as the owner of the soil (whether one or more), and Energen Resources Corporation, of 605 Richard Arrington Jr. Blvd. North, Birmingham, Alabama 35203 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:

H & GN Railroad Company Survey, Block 3
Section 4 : NW 9/16, being 360.00 gross acres
All Depths Below Top of Bone Spring Formation

H & GN Railroad Company Survey, Block 2
Section 40 : 346.64 acres out of the north portion
being 346.64 gross acres
All Depths Below Top of Bone Spring Formation

Public School Land Survey, Block C-19
Section 19 : NW 265.78 acres, A-5984
being 265.78 gross acres
All Depths Below Top of Bone Spring Formation

containing 972.42 acres, more or less. The bonus consideration paid for this lease is as follows:

- To the State of Texas one million one hundred twenty thousand five hundred seventy-five
and 00/100 Dollars (\$1,120,575.00)
- To the owner of the soil: one million one hundred twenty thousand five hundred seventy-five
and 00/100 Dollars (\$1,120,575.00)
- Total bonus consideration: two million two hundred forty-one thousand one hundred fifty and
00/100 Dollars (\$2,241,150.00)

The total bonus consideration paid represents a bonus of **Two Thousand Five hundred 00/100 Dollars (\$2,500.00)** per acre, on **896.46** net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Three (3) years and ten (10) months from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

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

To the owner of the soil:
Dollars (\$ _____)

To the State of Texas:
Dollars (\$ _____)

Total Rental:
Dollars (\$ _____)



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

V
O
L

1
2
1
5

P
G

0
6
4
2

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 twenty-five percent (25%) 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 twenty-five percent (25%) part of the gross production of 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 twenty-five percent (25%) 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 1/4th part of the gross production of such products, or the market value thereof at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced whichever is the greater.

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

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

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

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

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

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by The General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents records or reports confirming the gross



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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 accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of tide dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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

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

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

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

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

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

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary 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



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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

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

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, 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 title 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



PROB. CORRE
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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, of if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

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

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

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

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

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

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

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including three original recorded muniments of title (of 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.



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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

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

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

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

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

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 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



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (I) A VIOLATION OF THE FOREGOING PROHIBITION OR (II) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.

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

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

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

40. This is a paid-up lease. No rental payments are due.

41. See "ADDENDUM TO LEASE for additional provisions

This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and shall be binding upon all those parties who have executed such a counterpart with the same force and effect as if all parties had signed the same document.


LESSEE: Energen Resources Corporation
BY: David W. Bolton
TITLE: Vice President-Land
DATE: 2/1/15

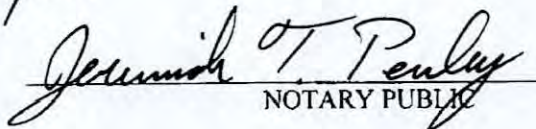
STATE OF ALABAMA §
COUNTY OF JEFFERSON §

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that David W. Bolton, whose name as Vice President - Land of Energen Resources Corporation, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this 1st day of February 2015.

My Commission expires:

MY COMMISSION EXPIRES:
December 20, 2018


NOTARY PUBLIC

SEE ATTACHED SIGNATURE PAGE



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

V
O
L

1
2
1
5

P
G

0
6
4
8

EXHIBIT "A"

ADDENDUM TO LEASE

Attached to and made a part of that certain Oil and Gas Lease dated 2/1/2015 by and between the STATE OF TEXAS, acting by and through its agent, as set out on the signature page attached hereto, Owner of the Soil, and Energen Resources Corporation, Lessee.

Notwithstanding any provisions of this Lease to the contrary, it is expressly understood and agreed by and between the parties that:

1. Lessee shall not use any existing water, whether from wells, tanks, ponds or reservoirs, from Leased Premises without prior written consent of Lessor as owner of the surface estate. Lessee, its successors and assigns, may itself drill a water well and then use the potable water from that well for drilling operations that are conducted on the Leased Premises or lands pooled therewith. However, Lessee shall have no right to the use of potable water from the Leased Premises for water flooding or secondary recovery operations without the prior written consent of Lessor as the owner of the surface estate. In the event Lessee drills a new well and encounters non-potable water which is certified as not suitable for human, animal or agricultural use, Lessee may use same for its drilling, water flooding or secondary recovery operations. Lessee may not drill a new well within 500 feet of an existing water well located on the leased premises without Lessor's prior written consent. In the event lessee drills a water well on the Leased Premises and completes its use of same, upon termination of Lessee's use of said water well, Lessee will give Lessor a thirty (30) day written notice as to Lessee's intention to plug and abandon said water well. Lessor may during said thirty (30) day notice period, provide to Lessee a written request as to Lessor's election to take over the ownership of said water well and in such event, Lessee agrees upon receipt of written request by Lessor to transfer said water well to Lessor as owners of the surface estate, upon Lessee's execution of a written transfer instrument that includes Lessor's agreement to accept the water well 'AS IS' without any warranty and Lessor's agreement to assume all rights, responsibilities and liabilities, if any, for the operation and maintenance of said water well, including but not limited to plugging of the well in accordance with any regulations of applicable governmental agency or agencies.
2. Lessee is granted the right to use existing roads on the leased premises for ingress and egress, and to the extent such roads are used by Lessee, agrees to maintain, restore and keep roads in usable condition so long as this lease is in force and effect.
3. Lessee shall notify Lessor a minimum of 24 hours before cutting any new road, if necessary, into or on the leased premises.
4. Lessee shall install and maintain cattle guards at every fence crossing, said cattle guards to remain upon premises as Lessor's property at the expiration of this lease.
5. Lessee will bury and maintain all pipelines and electrical transmission lines 24 inches below the surface only in the event that topographic or ground conditions allow for lines being buried to the set out depth. Lessee may further use temporary poly flowlines on the surface with the written permission of the Lessor.
6. Lessee may use no more of the surface of the leased premises than is reasonably necessary to use for the purpose of which this lease is granted, and it shall exercise all rights granted to it herein with due regard for the rights of the Owner of the Soil.
7. Lessee, its successors and assigns, shall not erect any building or houses on the leased premises and that only those structures which are reasonably necessary for production facilities or tank batteries shall be erected on the surface of the leased premises.
8. Lessee will not pollute any water aquifers or fresh water in, upon or under the leased premises and Lessee agrees to notify owner of the Soil in writing if fresh water is encountered during drilling, or if a fresh water formation is penetrated.
9. Lessee shall maintain all drill sites and other portions of the surface used or occupied by lessee, its successors or assigns, free and clear of weed and noxious vegetation, and will maintain the same in a reasonable manner to prevent additional damage to Owner of the Soil, other land, and crops.
10. Upon written demand by Owner of the Soil, Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drill site of all rubbish thereon.
11. In the event of a dry hole or production from a well which production ceases and the abandonment of such well or upon the abandonment of any well location, drill site, tank battery site or roadway, the premises will be restored by Lessee as nearly as reasonably possible to its former condition at the cost and expense of Lessee it being the intention of the parties hereto that Lessee shall restore the surface to as nearly the state that it is in at the time of execution of this lease.
12. If all or any part of this lease is assigned, released, pooled or unitized, Lessee agrees to furnish the Owner of the Soil with a copy of any such document.
13. This lease grants no hunting or fishing rights whatsoever. Furthermore, Lessee, its agents, contractors, employees or assigns shall be prohibited from carrying or transporting firearms of any type upon or across the herein described premises.
14. Weather permitting, Lessee shall remove from the herein described premises any and all structures, equipment and property of every kind and character placed by Lessee on said premises within ninety (90) days after Lessee has finished with the use of the area where such structure, equipment and property are placed. After thirty (30) days written notice to Lessee by Owner of the Soil, any such structure, equipment or property left on the lease premises by Lessee after the ninety (90) day

V
O
L

1
2
1
5

P
G

0
6
4
9



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

period, shall at Lessor's option, become the property of Owner of the Soil. Lessee shall properly plug all wells drilled by Lessee on the leased premises in accordance with the requirement of the Railroad Commission of Texas, the Texas Natural Resources Conservation Commission or other governmental agencies having jurisdiction. In plugging the wells, Lessee shall cut off the casing at least thirty six (36) inches below the surface.

15. If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the Location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, except as to each well capable of producing oil or gas in paying quantities together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration unit, and to all depths of such producing proration units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration units will be treated as separate leases.
16. Lessee agrees to provide the Owner of the Soil with a chromatograph test for any gas well completed on the land covered by this lease, if possible.

V
O
L

1
2
1
5

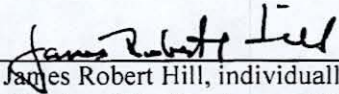
P
G

0
6
5
0



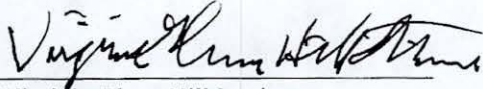
TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

SIGNATURE PAGE – Each party signing individual and as agent for the State of Texas



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

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

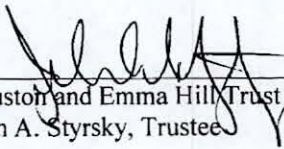


Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

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

V
H
L

1
2
3
4
5



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

Thomas Hill Puff
By :
Its :

P
G

GeoMar Resources, Inc.
Michael S. Waltrip

0
6
5
1

Nancy Puff Jones Trust
by :
Its :

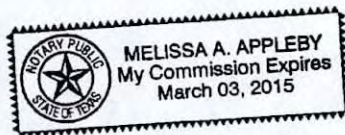


TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Before me, the undersigned authority, on this day personally appeared James Robert Hill, Individually, and as Trustee of the Houston & Emma Hill Trust Estate, known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as an act and deed of said trust.

Given under my hand and seal of office this 30th day of January, 2015.

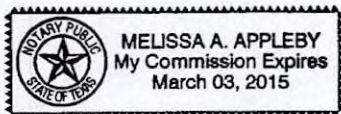


Melissa Appleby
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Before me, the undersigned authority, on this day personally appeared Virginia Glenn Hill Lattimore, Individually, and as Trustee of the Houston & Emma Hill Trust Estate, known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity stated, and as an act and deed of said trust.

Given under my hand and seal of office this 29th day of January, 2015.



Melissa Appleby
Notary Public, State of Texas



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

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

Given under my hand and seal of office this 30th day of January, 2015.



Melissa Appleby
Notary Public, State of Texas

V
5
L

1
2
1
5

P
G

0
6
5
3



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

SIGNATURE PAGE – Each party signing individual and as agent for the State of Texas

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

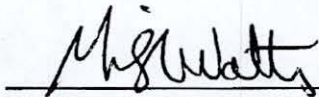
Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

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

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

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

Thomas Hill Puff
By : _____
Its : _____



GeoMar Resources, Inc.
Michael S. Waltrip

Nancy Puff Jones Trust
by : _____
Its: _____

V
L

1
2
1
5

P
G

0
6
5
4



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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

STATE OF _____

COUNTY OF _____

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

Given under my hand and seal of office this the _____ day of _____, 2015

Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

STATE OF Texas

COUNTY OF Tarrant

Before me, the undersigned authority, on this day personally appeared Michael S. Watrip, known to me to be the person whose name is subscribed to the foregoing instrument as President of Geomar Resources, Inc. 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 29th day of January, 2015



Rachel MacSwain

Notary Public in and for the State of Texas



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

SIGNATURE PAGE – Each party signing individual and as agent for the State of Texas

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

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

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

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

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

Thomas Hill Puff
By: Thomas Hill Puff
Its: Owner

GeoMar Resources, Inc.
Michael S. Waltrip

Dorothy Jean Hill
Nancy Puff Jones Trust

by: Dorothy Jean Keenom aka Dorothy Jean Hill
Its: Trustee

V
9
L

1
2
4
5

P
G

0
6
5
6



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

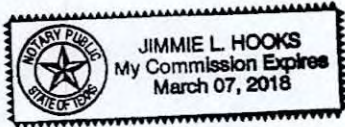
ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, or Trust)

STATE OF TEXAS

COUNTY OF TARRANT

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

Given under my hand and seal of office this the 29th day of January, 2015



Jimmie L. Hooks

Notary Public in and for the State of TEXAS

ACKNOWLEDGEMENT
(Corporation)

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as _____ of _____ and acknowledged to me the _____ 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 _____, 2015

Notary Public in and for the State of _____



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

V
9
L

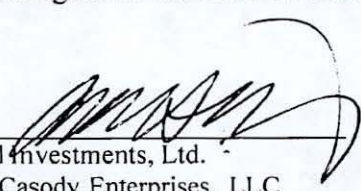
1
2
4
5

P
G

0
6
5
7

SIGNATURE PAGE – Each party signing individual and as agent for the State of Texas

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


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

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

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

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

Thomas Hill Puff

By : _____

Its : _____

GeoMar Resources, Inc.
Michael S. Waltrip

Nancy Puff Jones Trust
by : _____
Its: _____

V
0
L

4
2
1
4

P
G

0
6
5
8



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

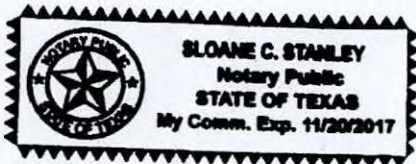
ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, or Trust)

STATE OF TEXAS

COUNTY OF WILLIAMSON

Before me, the undersigned authority, on this day personally appeared ALAN HILL, known to me to be the person whose name is subscribed to the foregoing instrument as President of CASODY ENTERPRISES, LLC and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said HILL INVESTMENTS LTD (Limited Liability Company or Company)

Given under my hand and seal of office this the 4 day of February, 2015



Sloane C. Stanley
Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(Corporation)

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as _____ of _____ and acknowledged to me the _____ 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 _____, 2015

Notary Public in and for the State of



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

V
S
L

1
2
3
4
5

P
G

0
6
5
9

SIGNATURE PAGE – Each party signing individual and as agent for the State of Texas

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

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

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

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

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

Thomas Hill Puff

By : _____
Its : _____

GeoMar Resources, Inc.
Michael S. Waltrip

Nancy Puff Jones Trust
by : _____
Its : _____

V
A
L

1
2
4
5

P
G

0
6
6
0



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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

STATE OF _____

COUNTY OF _____

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

Given under my hand and seal of office this the _____ day of _____, 2015

Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

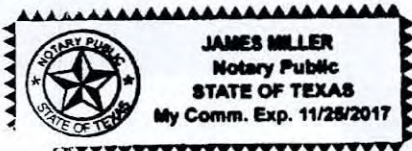
STATE OF TEXAS
COUNTY OF TRAVIS

Before me, the undersigned authority, on this day personally appeared E. ROBERT SHEPARD, JR. known to me to be the person whose name is subscribed to the foregoing instrument as MANAGING MEMBER OF RESTOR, EPOF H-S MINERALS AND ENERGY, LTD. 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 30 day of January, 2015

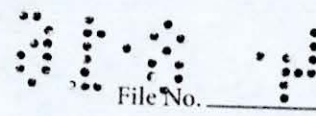
James Miller

Notary Public in and for the State of



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

Inst No. 15-11203
DIANNE O. FLOREZ
COUNTY CLERK
2015 Nov 19 at 01:23 PM
REEVES COUNTY, TEXAS
By: BA Brittany DEPUTY



File No. 117293

County _____

Lease A

Date Filed: 04/10/14

George P. Bush, Commissioner

By [Signature]

THIS IS A TRUE AND CORRECT COPY OF THE ORIGINAL FILED IN THE PUBLIC RECORDS OF REEVES COUNTY, TEXAS

RECEIVED BY CLERK OF REEVES COUNTY TEXAS



**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 filed/recorded in the public records of my office, found in VOLUME PAGE 499 THRU 500

I hereby certify on 10th April 2014

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Bobby A. [Signature] DEPUTY



117293B

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 10th day of June, 2015, between the State of Texas, acting by and through its agent, Word B. Wilson Investments, LP of 110 West Louisiana Ave., Suite 200 Midland, Texas 79701-3414 said agent herein referred to as the owner of the soil (whether one or more), and Energen Resources Corporation of 605 Richard Arrington, Jr. Boulevard North, Birmingham, AL 35203 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:

H & GN Railroad Company Survey, Block 3
Section 4 : NW 9/16
being 360.00 gross acres

H & GN Railroad Company Survey, Block 2
Section 40: 346.64 acres out of north portion
being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
being 265.78 gross acres

containing 972.42 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Seven Thousand nine hundred seventy-six and 88/100
Dollars **(\$7,976.88)**

To the owner of the soil: Seven Thousand nine hundred seventy-six and 88/100
Dollars **(\$7,976.88)**

Total bonus consideration: Fifteen thousand nine hundred fifty-three and 76/100
Dollars **(\$15,953.76)**

The total bonus consideration paid represents a bonus of Two thousand five hundred 00/100 Dollars **(\$2500.00)** per acre, on 6.381506 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Three (3) years and five (5) months and twenty (20) days from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the THIS IS A "PAID-UP" LEASE: SEE



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

PARAGRAPH 40 Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: _____
Dollars (\$ _____)

To the State of Texas: _____
Dollars (\$ _____)

Total Delay Rental: _____
Dollars (\$ _____)

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 twenty-five percent (25%) 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 twenty-five percent (25%) 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 twenty-five percent (25%) 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 twenty-five percent (25%) 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



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

or Lessee's obligations, whether express or implied, under this lease.

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

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

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

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

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

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

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

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



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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 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.



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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

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

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

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

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

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

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

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

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

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

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



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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

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.



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

40. This is a Paid-Up lease. No rental payments are due.

41. See "ADDENDUM TO LEASE" for additional provisions.


Lessee: Energen Resources Corporation

By: David W. Bolton

Title: Vice President - Land

Date: 8-8-2015

STATE OF Alabama

(CORPORATION ACKNOWLEDGMENT)

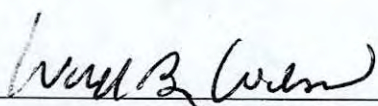
COUNTY OF Jefferson

BEFORE ME, the undersigned authority, on this day personally appeared David W. Bolton known to me to be the person whose name is subscribed to the foregoing instruments as Vice President- Land of Energen Resources Corporation 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 8th day of August, 2015.



Jeremiah T. Penley
Notary Public in and for the State of Alabama


BY: Word B. Wilson, as agent for the State of Texas

Title: President of Word B. Wilson, LLC, its General Partner

Date: 7-7-2015

STATE OF Texas

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF Midland

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

Given under my hand and seal of office this the 7th day of July, 2015.



Kathy Ware
Notary Public in and for State of Texas



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

Exhibit "A"

ADDENDUM TO LEASE

Attached to and made a part of that certain Oil and Gas Lease dated June 10, 2015, by and between the STATE OF TEXAS, acting by and through its agent, Word B Wilson Investments, LP, Owner of the Soil, and Energen Resources Corporation, Lessee.

Notwithstanding any provisions of this Lease to the contrary, it is expressly understood and agreed by and between the parties that:

1. Lessee shall not use any existing water, whether from wells, tanks, ponds or reservoirs, from Leased premises without prior written consent of Lessor as owner of the surface estate. Lessee, its successors and assigns, may itself drill a water well and then use the potable water from that well for drilling operations that are conducted on the Leased Premises or lands pooled therewith. However, Lessee shall have no right to the use of potable water from the Leased Premises for water flooding or secondary recovery operations without the prior written consent of Lessor as the owner of the surface estate. In the event Lessee drills a new well and encounters non-potable water which is certified as not suitable for human, animal or agricultural use, Lessee may use same for its drilling, water flooding or secondary recovery operations. Lessee may not drill a new well within 500 feet of existing water well located on the leased premises without Lessor's prior written consent. In the event lessee drills a water well on the Leased Premises and completes its use of same, upon termination of Lessee's use of said water well, Lessee will give Lessor a thirty (30) day written notice as to Lessee's intention to plug and abandon said water well. Lessor may during said thirty (30) day notice period, provide to Lessee a written request as to Lessor's election to take over the ownership of said water well and in such event, Lessee agrees upon receipt of written request by Lessor to transfer said water well to Lessor as owners of the surface estate, upon Lessee's execution of a written transfer instrument that includes Lessor's agreement to accept the water well 'AS IS' without any warranty and Lessor's agreement to assume all rights, responsibilities and liabilities, if any, for the operation and maintenance of said water well, including but not limited to plugging of the well in accordance with any regulations of applicable governmental agency or agencies.
2. Lessee is granted the right to use existing roads on the leased premises for ingress and egress, and to the extent such roads are used by Lessee, agrees to maintain, restore and keep roads in usable condition so long as this lease is in force and effect.
3. Lessee shall notify Lessor a minimum of 24 hours before cutting any new road, if necessary, into or on the leased premises.
4. Lessee shall install and maintain cattle guards at every fence crossing, said cattle guards to remain upon premises as Lessor's property at the expiration of this lease.
5. Lessee will bury and maintain all pipelines and electrical transmission lines 24 inches below the surface only in the event that topographic or ground conditions allow for lines being buried to the set out depth. Lessee may further use temporary poly flowlines on the surface with the written permission of the Lessor.
6. Lessee may use no more of the surface of the leased premises than is reasonably necessary to use for the purpose of which this lease is granted, and it shall exercise all rights granted to it herein with due regard for the rights of the Owner of the Soil.
7. Lessee, its successors and assigns, shall not erect any building or houses on the leased premises and that only those structures which are reasonably necessary for production facilities or tank batteries shall be erected on the surface of the leased premises.
8. Lessee will not pollute any water aquifers or fresh water in, upon or under the leased premises, and Lessee agrees to notify owner of the Soil in writing if fresh water is encountered during drilling, or if a fresh water formation is penetrated.
9. Lessee shall maintain all drill sites and other portions of the surface used or occupied by lessee, its successors or assigns, free and clear of weed and noxious vegetation, and will maintain the same in a reasonable manner to prevent additional damage to Owner of the Soil, other land, and crops.
10. Upon written demand by Owner of the Soil, Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drill site of all rubbish thereon.
11. In the event of a dry hole or production from a well which production ceases and the abandonment of such well, or upon the abandonment of any well location, drill site, tank battery site or roadway, the premises will be restored by Lessee as nearly as reasonably possible to its former condition at the cost and expense of Lessee, it being the intention of the parties hereto that Lessee shall restore the surface to as nearly the state that it is in at the time of execution of this lease.
12. If all or any part of this lease is assigned, released, pooled or unitized, Lessee agrees to furnish the Owner of the Soil with a copy of any such document.
13. This lease grants no hunting or fishing rights whatsoever. Furthermore, Lessee, its agents, contractors, employees or assigns shall be prohibited from carrying or transporting firearms of any type upon or across the herein described premises.
14. Weather permitting, Lessee shall remove from the herein described premises any and all structures, equipment and property of every kind and character placed by Lessee on said premises within ninety (90) days after Lessee has finished with the use of the area where such structure, equipment and property are placed. After thirty (30) days written notice to Lessee by Owner



RECEIVED
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

of the Soil, any such structure, equipment or property left on the lease premises by Lessee after the ninety (90) day period, shall at Lessor's option, become the property of Owner of the Soil. Lessee shall properly plug all wells drilled by Lessee on the leased premises in accordance with the requirement of the Railroad Commission of Texas, the Texas Natural Resources Conservation Commission or other governmental agencies having jurisdiction. In plugging the wells, Lessee shall cut off the casing at least thirty six (36) inches below the surface.

15. If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well (s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration units will be treated as separate leases.
16. Lessee agrees to provide the Owner of the Soil with a chromatograph test for any gas well completed on the land covered by this lease, if possible.



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

Inst No. 15-11202
DIANNE O. FLOREZ
COUNTY CLERK

2015 Nov 19 at 01:23 PM
REEVES COUNTY, TEXAS

By: BA *Brianne* DEPUTY

3.

310 4

File No. 117293

County

Lease B

Date Filed: 04/10/16

George P. Bush, Commissioner

By [Signature]

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Oil and Gas Lease dated June 10, 2015, filed for record in my office this 14th day of November at 1:30 P.M., under Clerk's File No. 15-11202, to be recorded in the

Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 19th day of November, 2015.

By [Signature] Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 1st day of April, 2015, between the State of Texas, acting by and through its agent, ALLDALE MINERALS, LP of 2100 Ross Ave., Suite 1850, Dallas, Texas 75201 said agent herein referred to as the owner of the soil (whether one or more), and Energen Resources Corporation of 605 Richard Arrington, Jr. Boulevard North, Birmingham, AL 35203 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:

H & GN Railroad Company Survey, Block 3
Section 4 : NW 9/16
being 360.00 gross acres

H & GN Railroad Company Survey, Block 3
Section 40: 346.64 acres out of north portion
being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
being 265.78 gross acres

containing 972.42 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Four thousand four hundred thirty-one and 60/100
Dollars **(\$4431.60)**

To the owner of the soil: Four thousand four hundred thirty-one and 60/100
Dollars **(\$4431.60)**

Total bonus consideration: Eight thousand eight hundred sixty-three and 20/100
Dollars **(\$8863.20)**

The total bonus consideration paid represents a bonus of Two thousand five hundred 00/100 Dollars **(\$2500.00)** per acre, on 3.545282 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Three (3) years and eight (8) months from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the THIS IS A "PAID-UP" LEASE: SEE

PARAGRAPH 40 Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: _____
Dollars (\$ _____)

To the State of Texas: _____
Dollars (\$ _____)

Total Delay Rental: _____
Dollars (\$ _____)

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 twenty-five percent (25%) 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 twenty-five percent (25%) 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 twenty-five percent (25%) 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 twenty-five percent (25%) part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

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

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

or Lessee's obligations, whether express or implied, under this lease.

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

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

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

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% 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 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, 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 the manner provided in the Title 1, Chap. 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

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

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

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

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

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

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

40. This is a Paid-Up lease. No rental payments are due.
41. See "ADDENDUM TO LEASE" for additional provisions.


Lessee: Energen Resources Corporation

By: David W. Bolton

Title: Vice President - Land

Date: August 4, 2015

STATE OF Alabama
COUNTY OF Jefferson

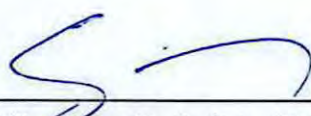
(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared David W. Bolton known to me to be the person whose name is subscribed to the foregoing instruments as Vice President- Land of Energen Resources Corporation 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 4th day of August, 2015.



Jeremiah T. Penley
Notary Public in and for the State of Alabama


BY: Cody Miller, as Agent for the State of Texas

Title: Vice -President of Alldale Minerals Management, LLC, its General Partner for Alldale Minerals, LP

Date: 7-13-15

STATE OF TEXAS
COUNTY OF DALLAS

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Cody Miller known to me to be the person whose name is subscribed to the foregoing instruments as Vice -President of Alldale Minerals Management, LLC, its General Partner for Alldale Minerals, LP and acknowledged to me that he executed

the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 13th day of July, 2015.



John D. Crocker, Jr.
Notary Public in and for the State of Texas

ADDENDUM TO LEASE

Attached to and made a part of that certain Oil and Gas Lease dated April 1, 2015, by and between the STATE OF TEXAS, acting by and through its agent, and Vice-President of Alldale Minerals Management, LLC, its General Partner for Alldale Minerals, LP, Owner of the Soil, and Energen Resources Corporation, Lessee.

Notwithstanding any provisions of this Lease to the contrary, it is expressly understood and agreed by and between the parties that:

1. Lessee shall not use any existing water, whether from wells, tanks, ponds or reservoirs, from Leased premises without prior written consent of Lessor as owner of the surface estate. Lessee, its successors and assigns, may itself drill a water well and then use the potable water from that well for drilling operations that are conducted on the Leased Premises or lands pooled therewith. However, Lessee shall have no right to the use of potable water from the Leased Premises for water flooding or secondary recovery operations without the prior written consent of Lessor as the owner of the surface estate. In the event Lessee drills a new well and encounters non-potable water which is certified as not suitable for human, animal or agricultural use, Lessee may use same for its drilling, water flooding or secondary recovery operations. Lessee may not drill a new well within 500 feet of existing water well located on the leased premises without Lessor's prior written consent. In the event lessee drills a water well on the Leased Premises and completes its use of same, upon termination of Lessee's use of said water well, Lessee will give Lessor a thirty (30) day written notice as to Lessee's intention to plug and abandon said water well. Lessor may during said thirty (30) day notice period, provide to Lessee a written request as to Lessor's election to take over the ownership of said water well and in such event, Lessee agrees upon receipt of written request by Lessor to transfer said water well to Lessor as owners of the surface estate, upon Lessee's execution of a written transfer instrument that includes Lessor's agreement to accept the water well 'AS IS' without any warranty and Lessor's agreement to assume all rights, responsibilities and liabilities, if any, for the operation and maintenance of said water well, including but not limited to plugging of the well in accordance with any regulations of applicable governmental agency or agencies.
2. Lessee is granted the right to use existing roads on the leased premises for ingress and egress, and to the extent such roads are used by Lessee, agrees to maintain, restore and keep roads in usable condition so long as this lease is in force and effect.
3. Lessee shall notify Lessor a minimum of 24 hours before cutting any new road, if necessary, into or on the leased premises.
4. Lessee shall install and maintain cattle guards at every fence crossing, said cattle guards to remain upon premises as Lessor's property at the expiration of this lease.
5. Lessee will bury and maintain all pipelines and electrical transmission lines 24 inches below the surface only in the event that topographic or ground conditions allow for lines being buried to the set out depth. Lessee may further use temporary poly flowlines on the surface with the written permission of the Lessor.
6. Lessee may use no more of the surface of the leased premises than is reasonably necessary to use for the purpose of which this lease is granted, and it shall exercise all rights granted to it herein with due regard for the rights of the Owner of the Soil.
7. Lessee, its successors and assigns, shall not erect any building or houses on the leased premises and that only those structures which are reasonably necessary for production facilities or tank batteries shall be erected on the surface of the leased premises.
8. Lessee will not pollute any water aquifers or fresh water in, upon or under the leased premises, and Lessee agrees to notify owner of the Soil in writing if fresh water is encountered during drilling, or if a fresh water formation is penetrated.
9. Lessee shall maintain all drill sites and other portions of the surface used or occupied by lessee, its successors or assigns, free and clear of weed and noxious vegetation, and will maintain the same in a reasonable manner to prevent additional damage to Owner of the Soil, other land, and crops.
10. Upon written demand by Owner of the Soil, Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drill site of all rubbish thereon.
11. In the event of a dry hole or production from a well which production ceases and the abandonment of such well, or upon the abandonment of any well location, drill site, tank battery site or roadway, the premises will be restored by Lessee as nearly as reasonably possible to its former condition at the cost and expense of Lessee, it being the intention of the parties hereto that Lessee shall restore the surface to as nearly the state that it is in at the time of execution of this lease.
12. If all or any part of this lease is assigned, released, pooled or unitized, Lessee agrees to furnish the Owner of the Soil with a copy of any such document.
13. This lease grants no hunting or fishing rights whatsoever. Furthermore, Lessee, its agents, contractors, employees or assigns shall be prohibited from carrying or transporting firearms of any type upon or across the herein described premises.
14. Weather permitting, Lessee shall remove from the herein described premises any and all structures, equipment and property of every kind and character placed by Lessee on said premises within ninety (90) days after Lessee has finished with the use of the area where such structure, equipment and property are placed. After thirty (30) days written notice to Lessee by Owner of the Soil, any such structure, equipment or property left on the lease premises by Lessee after the ninety (90) day period, shall at Lessor's option, become the property of Owner of the Soil. Lessee shall properly plug all wells drilled by Lessee on the leased premises in accordance with the requirement of the Railroad Commission of Texas, the Texas Natural Resources Conservation Commission or other governmental agencies having jurisdiction. In plugging the wells, Lessee shall cut off the casing at least thirty six (36) inches below the surface.

(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration unit, and to all depths of such producing proration units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration units will be treated as separate leases.

16. Lessee agrees to provide the Owner of the Soil with a chromatograph test for any gas well completed on the land covered by this lease, if possible.

File No. 117293

4.

County

lease C

Date Filed: 04/18/14

George P. Bush, Commissioner

By [Signature]

C

CORRECTION OF OIL & GAS LEASE

STATE OF TEXAS §
COUNTY OF REEVES §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, a certain Oil & Gas Lease (hereinafter referred to as "lease") dated April 1, 2015, was executed by and between the State of Texas, acting by and through its agent, ALLDALE MINERALS, LP, as Lessor, and Energen Resources Corporation, as Lessee, and recorded at Volume 1215, Page 0622 in the County Clerk's Records of Reeves County, Texas, covering the following described land in said County and State:

H & GN Railroad Company Survey, Block 3
Section 4 : NW 9/16
being 360.00 gross acres

H & GN Railroad Company Survey, Block 3
Section 40: 346.64 acres out of north portion
being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
being 265.78 gross acres

which lease is currently owned by Energen Resources Corporation; and

WHEREAS, the above described legal description on said lease was incorrect; and

WHEREAS, the following legal description is the correct description of the lands under which the Lessor owns a mineral interest, to wit:

H & GN Railroad Company Survey, Block 3
Section 4 : NW 9/16
being 360.00 gross acres

H & GN Railroad Company Survey, Block 2
Section 40: 346.64 acres out of north portion
being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
being 265.78 gross acres

WHEREAS, this "Correction of Oil and Gas Lease" is hereby created with the intent to stricken and/or delete the incorrect legal description of the lands stated on the aforementioned oil and gas lease and REPLACE it with the correct legal description as hereinabove described.

NOW, THEREFORE, in consideration of TEN DOLLARS (\$10.00) cash in hand paid by Energen Resources Corporation, unto the undersigned, the receipt of which is hereby acknowledged, and other good and valuable considerations, and for the purpose of making said lease correct and definite in respect to the terms and contents of the lease the Lessor intended to be leased thereby, the aforementioned oil and gas lease is hereby corrected and amended as stated above and I/we hereby ratify and adopt the same as so amended.

WITNESS our hands this 6th day of April, 2016.

By: Cody Miller, as Agent for the State of Texas
Title: Vice-President of Alldale Minerals Management, LLC
its General Partner for Alldale Minerals, LP

David W. Bolton, Vice President -Land

SEE ACKNOWLEDGEMENT NEXT PAGE



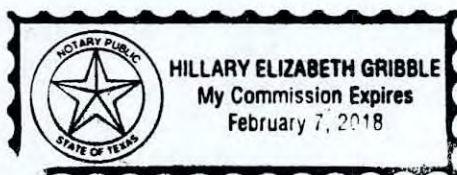
TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

STATE OF TEXAS }
COUNTY OF DALLAS } ss:

(Individual Acknowledgment)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 6th day of April, 2016, personally appeared Cody Miller, known to me to be the person(s) who executed the within and foregoing instrument as Vice-President of Alldale Minerals Management, LLC, its General Partner for Alldale Minerals, LP. and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.



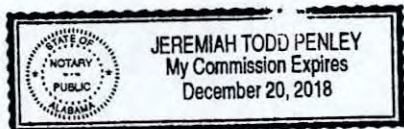
Hillary Gribble
Notary Public
My Commission Expires: Feb 7th, 2018
Commission #: 129704881

STATE OF Alabama }
COUNTY OF Jefferson } ss:

(Corporate Acknowledgment)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 7th day of April, 2016, personally appeared David W. Bolton, Vice President-Land, on behalf of Energen Resources Corporation, known to me to be the person(s) who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.



Jeremiah T. Penley
Notary Public
My Commission Expires: 12/20/2018
Commission #: _____

Inst No. 16-04385
DIANNE O. FLOREZ
COUNTY CLERK

2016 Apr 11 at 01:49 PM
REEVES COUNTY, TEXAS

By: ER Elizabeth Miller DEPUTY

TRUE & CORRECT
COPY OF

ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE



File No. 117293

County

Correction - C

Date Filed: 04/18/16

George P. Bush, Commissioner

By [Signature]

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Flores, Clerk of the County Court in and
said County and State do hereby certify that the foregoing is a true and correct copy of
Cor. of Del dated 11th day of April at

filed for record in my office this 11th day of April,
1988, under Clerk's File No. 16-04385, to be recorded in the
Official Public Records

Records of Reeves County, Texas.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 11th day of April, 2016.

By [Signature] Deputy,
DIANNE O. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS

ENERGEN RESOURCES CORPORATION
605 Richard Arrington Blvd North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2710

Page 1 of 1

VENDOR NAME	VENDOR NO.	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS	9710	Feb-20-2015	548846	\$6,355,355.37

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
02-AP-15875	021815	02/18/15	6,355,355.37	0.00	6,355,355.37
EXT TX430342-01R, TX430343-01R, TX430344-01R					
DEL TO KYLE REYNOLDS 2ND FL					
TOTAL INVOICES PAID					

X 6,355,355.37

15708407

121

MF- 117291 - \$2,849,193.46 -
MF- 117292 - \$2,429,915.75 -
MF- 117293 - \$1,076,246.16

Energen Resources Corporation now offers payment via **DIRECT DEPOSIT**.
If you would like to receive your payments in a more secure, efficient and timely manner,
please contact the Vendor Relations group by email at AP.ERCACH@energen.com for an enrollment form.

DETACH BEFORE DEPOSITING

THIS CHECK HAS A COLORED BACKGROUND AND CONTAINS MULTIPLE SECURITY FEATURES - SEE BACK FOR DETAILS

ENERGEN RESOURCES CORPORATION
605 Richard Arrington Blvd North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2710

Wells Fargo
Birmingham, Alabama

15708407 No. 548846

PAY EXACTLY \$6,355,355dols37cts

CHECK NO.	DATE	PAY EXACTLY
548846	Feb-20-2015	\$6,355,355.37

TO
THE
ORDER
OF

STATE OF TEXAS
COMMISSIONER OF THE GENERAL LAND OFFICE
1700 NORTH CONGRESS AVENUE
STEPHEN F AUSTIN BUILDING
AUSTIN, TX 78701-1495



J. S. Richardson
PRESIDENT
Charles E. Butler
TREASURER

548846

ENERGEN RESOURCES CORPORATION
605 Richard Arrington Blvd North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2710

Page 1 of 1

VENDOR NAME	VENDOR NO.	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS	9710	Feb-24-2015	548988	\$375.00

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
02-AP-16946	022315	02/23/15	375.00	0.00	375.00
PROCESSING FEE FOR 3 NEW LEASES					
DELIVER TO KYLE REYNOLDS					
TOTAL INVOICES PAID					X 375.00

15708408

121

MF-117291 - \$125.00

MF-117292 - \$125.00

MF-117293 - \$125.00

Energen Resources Corporation now offers payment via **DIRECT DEPOSIT**.
If you would like to receive your payments in a more secure, efficient and timely manner,
please contact the Vendor Relations group by email at AP.ERCACH@energen.com for an enrollment form.

DETACH BEFORE DEPOSITING

THIS CHECK HAS A COLORED BACKGROUND AND CONTAINS MULTIPLE SECURITY FEATURES - SEE BACK FOR DETAILS

ENERGEN RESOURCES CORPORATION
605 Richard Arrington Blvd North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2710

Wells Fargo
Birmingham, Alabama

15708408

No. 548988

PAY TO THE ORDER OF
EXACTLY \$375dols00cts

CHECK NO.	DATE	PAY EXACTLY
548988	Feb-24-2015	\$375.00

TO
THE
ORDER
OF

STATE OF TEXAS
COMMISSIONER OF THE GENERAL LAND OFFICE
1700 NORTH CONGRESS AVENUE
STEPHEN F AUSTIN BUILDING
AUSTIN, TX 78701-1495



J. S. Richardson
PRESIDENT
Charles E. Porter
TREASURER

548988



DRAFT ACCOUNT
2212 NW 50TH ST., STE. 24/C
OKLAHOMA CITY, OK 73112
PHONE: (405) 463-3300

BANK OF OKLAHOMA

www.bok.com

16700048

12294

PAY TO THE
ORDER OF

The State of Texas

8/31/2015

\$**46,044.03

Forty-Six Thousand Forty-Four and 03/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701



[Signature]
AUTHORIZED SIGNATURE

MEMO

Word B. Wilson Investments, CP - Lease Funds, Pro

⑈012294⑈

SULLIVAN LAND RESOURCES, INC. / DRAFT ACCOUNT

12294

The State of Texas

8/31/2015

400 · Draft Bank Account Liability:442 · E	Lease Bonus - Inv #15-6041
400 · Draft Bank Account Liability:442 · E	Lease Bonus - Inv #15-6042
400 · Draft Bank Account Liability:442 · E	Lease Bonus - Inv #15-6043
400 · Draft Bank Account Liability:442 · E	Filing Fees - \$25.00 x 3 Leases
400 · Draft Bank Account Liability:442 · E	Processing Fees - \$100.00 x 3 Leases

21,116.57
16,575.58
<u>7,976.88</u>
75.00
300.00

16700048-12

Draft Account-Bank of Word B. Wilson Investments, CP - Lease Funds,

46,044.03



DRAFT ACCOUNT
2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
PHONE: (405) 463-3300



www.bok.com

6/18/2015

PAY TO THE ORDER OF AllDale Minerals, LP

\$**60,502.07

Sixty Thousand Five Hundred Two and 07/100*****

DOLLARS

AllDale Minerals, LP
2100 Ross Ave. Suite 1870
Dallas, TX 75201



[Signature]
AUTHORIZED SIGNATURE

MEMO

Lease Bonus - Multiple Leases

11012239

SULLIVAN LAND RESOURCES, INC. / DRAFT ACCOUNT

12239

AllDale Minerals, LP

6/18/2015

400 · Draft Bank Account Liability:442 · E Inv #15-6032
400 · Draft Bank Account Liability:442 · E Inv #15-6031
400 · Draft Bank Account Liability:442 · E Inv #15-6030
400 · Draft Bank Account Liability:442 · E Inv #15-6029
400 · Draft Bank Account Liability:442 · E Inv #15-6028
400 · Draft Bank Account Liability:442 · E Inv #15-6027

11,833.51
16,114.54
7,181.27
9,208.65
11,732.50
4,431.60

Draft Account-Bank of Lease Bonus - Multiple Leases

60,502.07

SULLIVAN LAND RESOURCES, INC. / DRAFT ACCOUNT

12239

AllDale Minerals, LP

6/18/2015

400 · Draft Bank Account Liability:442 · E Inv #15-6032
400 · Draft Bank Account Liability:442 · E Inv #15-6031
400 · Draft Bank Account Liability:442 · E Inv #15-6030
400 · Draft Bank Account Liability:442 · E Inv #15-6029
400 · Draft Bank Account Liability:442 · E Inv #15-6028
400 · Draft Bank Account Liability:442 · E Inv #15-6027

11,833.51
16,114.54
7,181.27
9,208.65
11,732.50
4,431.60

Draft Account-Bank of Lease Bonus - Multiple Leases

60,502.07



DRAFT ACCOUNT
2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
PHONE: (405) 463-3300

BANK OF OKLAHOMA

www.bok.com

16700049

12291

8/31/2015

PAY TO THE
ORDER OF The State of Texas

\$ **4,556.60

Four Thousand Five Hundred Fifty-Six and 60/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701



[Signature]
AUTHORIZED SIGNATURE

MEMO

Alldale Minerals - Lease Funds, Processing & Filing

⑈012291⑈

SULLIVAN LAND RESOURCES, INC. / DRAFT ACCOUNT

12291

The State of Texas

8/31/2015

400 · Draft Bank Account Liability:442 · E	Lease Bonus - Inv # 15-6027	4,431.60
400 · Draft Bank Account Liability:442 · E	Processing Fees	100.00
400 · Draft Bank Account Liability:442 · E	Filing Fees	25.00
4,40,19, Block 3,3,C-19, H&GN RR, H&GN RR, PSL		

16700049 12291

Draft Account-Bank of Alldale Minerals - Lease Funds, Processing & Filing

4,556.60



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

RE: The State of Texas/Alldale Minerals, LP
Check Number 12291

Dear Mr. Reid,

Please find enclosed the lease bonus monies for the Mineral Classified lease for Alldale Minerals, LP. Also included in this check are the processing fees (\$25) and filing fees (\$100).

I have attached a copy of the executed lease and will forward a Certified Copy to you as soon as we have it from Reeves County Recording.

Please let me know if you need anything further regarding this lease and bonus payment. Do not hesitate to call me if you have any questions or concerns.

Respectfully,

A handwritten signature in black ink, appearing to read 'Sara Casey', is written over a faint, larger signature.

Sara Casey
Sullivan Land Resources, Inc.



Jeremiah Penley
Land Technician

February 24, 2015

Commissioner of the General Land Office
1700 North Congress Avenue
Austin, TX 78701

Dear George P. Bush;

Enclosed please find a Check in the amount of \$6,355,355.37 for Bonus Consideration for Leased Lands (See Attached for Tract Description and breakdown) and a Check in the amount of \$375.00 for processing fees for the Three (3) Leases.

Also enclosed is a prepaid return label for the return of a copy of the Checks to be signed & returned for confirmation of receipt of payment to Kyle Reynolds.

Also enclosed find a copy of Three (3) executed Oil, Gas and Mineral Leases with a spread sheet of the interest of the Lessors who have signed the Lease and a breakdown of the Lessors who have not signed the Lease yet.

Also enclosed please find copies of Three (3) wire transfers and Six (6) checks along with a breakdown of each Lease stating the amount of Bonus Consideration each Lessor was paid per Lease.

Very truly yours,

ENERGEN RESOURCES CORPORATION

A handwritten signature in cursive script that reads "Jeremiah Penley".

Jeremiah Penley
Land Technician

Drew (3)

Drew Reid - Hill Family Mineral Classified Lease Extension - Reeves County, TX

From: Kyle Reynolds <Kyle.Reynolds@energen.com>
To: Drew.Reid@GLO.TEXAS.GOV
Date: 1/22/2015 9:26 AM
Subject: Hill Family Mineral Classified Lease Extension - Reeves County, TX
Attachments: TX430343_01R.pdf; TX430344_01R.pdf; TX430342_01R.pdf; Release -TX430343-01R - Energen to Hill Group.docx; Release -TX430344-01R - Energen to Hill Group.docx; Release -TX430342-01R - Energen to Hill Group.docx; TX430342_01R Extension.pdf; TX430343_01R Extension.pdf; TX430344_01R Extension.pdf

Drew,

I spoke with you on the phone with Bobby Plumb about a week ago about an ^{*New Lease*}~~extension~~ we have negotiated with a group of lessors in Reeves County covering their three leases. For your reference, I have attached copies of the existing leases, the releases that will be filed for those leases, and the new lease forms that will be executed.

OK
 Term: 3 years and 10 months (the family agreed to extend the leases until December 2018 and we will execute by February 1, 2015)
 Bonus: \$2500/acre
 Royalty: ¼

Please let me know when we have your approval to move forward with getting the leases executed and payment tendered to you and the agents of the State.

Thank you,
 Kyle Reynolds
 Landman III
 Energen Resources Corporation
 605 Richard Arrington, Jr. Blvd. North
 Birmingham, AL 35203
 Office: 205.326.2594
 Email: Kyle.Reynolds@energen.com

ENERGEN
 RESOURCES

Drew Reid - RE: Hill Family Mineral Classified Lease Extension - Reeves County, TX

From: Drew Reid
To: Reynolds, Kyle
Subject: RE: Hill Family Mineral Classified Lease Extension - Reeves County, TX

Kyle,

The terms, \$2500.00 per ac. bonus, 1/4 royalty and 3 years * 10 months paid up, are APPROVED.
 ✓ In my voice message to you yesterday I ask for a break down of the net acres per tract, I need this for posting of the leases in our system.

In paragraph 15 of Exhibit "A" (continuous development) where it reads (100) feet below the deepest producing formation, please change to: for a vertical well (100) feet below the deepest producing perforation and for a horizontal well (300) feet below the deepest producing perforation.
 Also, at the end of paragraph 15 add: At the end of the continuous development program any/all producing proration units will be treated as separate leases.

Thank you and if you have any question please call me at 512-475-1534.
 Drew

>>> Kyle Reynolds <Kyle.Reynolds@energen.com> 1/22/2015 3:04 PM >>>

Drew,

I apologize for that oversight in the documents I sent you. Attached are the corrected leases with 3 years and 10 months as the term.

I will touch base with you again around Tuesday of next week. Let me know if you need anything else.

Thank you,

Kyle Reynolds

Landman III

Energen Resources Corporation

605 Richard Arrington, Jr. Blvd. North

Birmingham, AL 35203

Office: 205.326.2594

Email: Kyle.Reynolds@energen.com

ENERGEN
 RESOURCES

From: Drew Reid [mailto:Drew.Reid@glo.texas.gov]

Sent: Thursday, January 22, 2015 9:47 AM

To: Kyle Reynolds

Subject: Re: Hill Family Mineral Classified Lease Extension - Reeves County, TX

Bobby,

I will get a work up started for the approval so please check back with me next week to see if they have been approved.

Also, your cover letter states that the term is 3 years and 10 months but the leases have 5 years in the term paragraph, please change to 3 years and 10 months.

Drew

>>> Kyle Reynolds <Kyle.Reynolds@energen.com> 1/22/2015 9:25 AM >>>

MEMO

DATE: 2/24/2015

SUBJECT: New Lease to replace Lease TX430342-01R

Attached are the following instruments for your review:

1. ERC executed Oil, Gas and Mineral Lease – TX430342-01R.
2. Lease breakdown by Lessor & Tract showing the net & the amount paid per net to each Lessor & the net left to pay once the remaining signatures have been acquired.

As of 2/17/2015 ERC has in hand the Seven (7) signatures below that make up 860.996 net of the 896.46 net stated on the Lease.

1. Houston & Emma Hill Trust Estate, John A. Styrsky, Trustee
2. GeoMar Resources, Inc. Michael S. Waltrip
3. James Robert Hill, Individually
4. Virginia Glenn Hill Lattimore, Individually
5. Nancy Puff Jones Trust
6. H-S Minerals & Realty, Ltd
7. Hill Investments, Ltd

The remaining 35.464 net is made up by the remaining Lessors:

1. Triangle Royalty LP
2. Word B. Wilson Investments, LP
3. Legado Investments, LLC
4. Chimney Hill Resources, LLC
5. CG Interests, LLC

TX430342-01R	Sec 4, Blk 3		Sec 40, Blk 2		Sec 19, Blk C-19				
The Lessors who have Signed	Net	Gross	Net	Gross	Net	Gross	Total Bonus	Amount Paid to Agent	Amount Paid to State
Houston & Emma Hill Trust	90.000000	360.000000	86.660000	346.640000	66.445000	265.780000	\$607,762.50	\$303,881.25	\$303,881.25
GeoMar Resources, Inc	82.499993	360.000000	79.438331	346.640000	60.907916	265.780000	\$557,115.60	\$278,557.80	\$278,557.80
James Robert Hill	45.000000	360.000000	43.330000	346.640000	33.222500	265.780000	\$303,881.25	\$151,940.63	\$151,940.63
Virginia Glenn Hill Lattimore	45.000000	360.000000	43.330000	346.640000	33.222500	265.780000	\$303,881.25	\$151,940.63	\$151,940.63
Nancy Puff Jones Trust	41.250000	360.000000	39.719167	346.640000	30.453958	265.780000	\$278,557.81	\$139,278.91	\$139,278.91
H&S Minerals & Realty	7.499999	360.000000	7.221667	346.640000	5.537083	265.780000	\$50,646.87	\$25,323.44	\$25,323.44
Hill Investments, Ltd	7.499999	360.000000	7.221667	346.640000	5.537083	265.780000	\$50,646.87	\$25,323.44	\$25,323.44
Total net Paid on	318.749991		306.920832		235.326040		Total Paid	\$1,076,246.08	\$1,076,246.08
The Lessors who have not Signed									
Triangle Royalty, LP	5.906250	360.000000	5.687062	346.640000	4.350453	265.780000	\$39,859.41	\$19,929.71	\$19,929.71
Word B. Wilson Investments, LP	2.362500	360.000000	2.274825	346.640000	1.744181	265.780000	\$15,953.77	\$7,976.88	\$7,976.88
Legado Investments, LLC	2.362500	360.000000	2.274825	346.640000	1.744181	265.780000	\$15,953.77	\$7,976.88	\$7,976.88
Chimney Hill Resources, LLC	1.312500	360.000000	1.263792	346.640000	0.968990	265.780000	\$8,863.21	\$4,431.60	\$4,431.60
CG Interests, LLC	1.181250	360.000000	1.137412	346.640000	0.872091	265.780000	\$7,976.88	\$3,988.44	\$3,988.44
Total net Remaining	13.125000		12.637916		9.679896		Total to be Paid	\$44,303.52	\$44,303.52

Total net Paid	860.996863	\$1,076,246.08
Total net Remaining	35.442812	\$44,303.52
Total net	896.439675	\$1,120,549.59

573

6.
File No. 117293

County

Bonus, fees, 1tr

Date Filed: 03/02/15

George P. Bush, Commissioner

By [Signature]

3. 5.12



Jeremiah Penley
Land Technician

April 15, 2016

Deborah A. Cantu
Mineral Leasing, Energy Resources
1700 N. Congress
Room 840
Austin, Texas 78701

Re: State Lease MF 117293C

Dear Ms. Cantu,

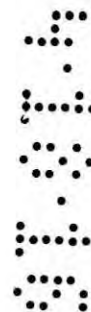
Enclosed please find a certified copy of the Correction for State Lease MF 117293C.

Very truly yours,

ENERGEN RESOURCES CORPORATION

A handwritten signature in blue ink that reads "Jeremiah Penley".

Jeremiah Penley
Land Technician
(205) 326-2965
jeremiah.penley@energen.com



01014

File No.

117293

County

Ltr from Energen

Date Filed: 04/10/16

George P. Bush, Commissioner

By



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 25, 2016

Jeremiah Penley
Energen Resources
605 Richard Arrington Jr. Blvd. North
Birmingham, AL 35203

Re: **State Lease MF 117293**

Three RAL leases covering 972.42 ac., Reeves
Co, TX

Dear Mr. Penley:

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 processing and filing fees.

Sincerely yours,

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

State Lease No.	Lessor as agent for State of TX	Dated	Recorded Vol/Page	Bonus Amount
MF117293A	Houston & Emma Hill Trust Estate, et al	02/01/15	V. 1215, P. 642	\$1,120,575.00
MF117293B	Word B. Wilson Investments	06/10/15	15-11202	\$7,976.88
MF117293C	Alldale Minerals	04/01/15	V. 1215, P. 622	\$4,431.60

File No. 117293

County

Final Htr

Date Filed: 04/25/16

George P. Bush, Commissioner

By _____



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 27, 2016

Cari Kirk, Land Analyst
Anadarko E&P Onshore LLC
P.O. Box 1330
Houston, Texas 77251-1330

RE: GLO Assignment ID #9827
MF117293 A-C & MF117480 A-D
Reeves County

Dear Ms. Kirk:

The General Land Office received the following instrument and has filed it in the appropriate files.

Assignment of Oil and Gas Leases, effective 04/21/16 from Energen Resources Corporation (Energen), Assignor to Anadarko E&P Onshore LLC (Anadarko) and SWEPI LP (SWEPI), Assignees. Filed for record under Doc. #16-06241.

Filing fees in the amount of \$150.00 were received, and \$25 is still due in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing
Energy Resources
(512) 463-5407
carl.bonn@glo.texas.gov

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

P.O. Box 12873 • Austin, Texas 78711-2873

512.463.5001 • 800.998.4GLO

glo.texas.gov



August 31, 2016

MF- 117293 A-C
117480 A-D
ID# 9827

Mr. Carl Bonn
State of Texas - General Land Office
1700 N. Congress Avenue
Austin, Texas 78701

**RE: State of Texas Leases
Assignment of Oil and Gas Leases
Reeves and Loving Counties, Texas**

short \$25

Dear Mr. Bonn

Enclosed herewith please find certified copies of two Assignments of Oil and Gas Leases from Energen Resources Corporation to Anadarko E&P Onshore LLC and SWEPI LP effective April 21, 2016. There are six (6) State of Texas leases included in these assignments which I have noted on the Exhibit As and identified the State lease number. Also enclosed is check no. 626209716 in the amount of \$150.00 to cover the filing fee of \$25 per lease.

Please do not hesitate to contact me by email at Cari.Kirk@Anadarko.com or by phone at (832) 636-2522 should you have any questions.

Sincerely,
ANADARKO E&P ONSHORE LLC

A handwritten signature in cursive script that reads "Cari Kirk".

Cari Kirk
Land Analyst

ANADARKO E&P ONSHORE LLC
PO BOX 1330
HOUSTON, TX 77251-1330

PAGE: 1 of 1

DATE: August 29, 2016
TRACE NUMBER: 626209716
CHECK NUMBER: 626209716
AMOUNT PAID: \$150.00

17700043

ACCOUNTS PAYABLE INQUIRIES: (800)370-9867



00005 CKS 6A 16242 - 0626209716 NNNNNNNNNN 2425100004504 X392D1 C
TEXAS GENERAL LAND OFFICE
PO BOX 12873
AUSTIN TX 78711-2873



VENDOR NO: 0007389966

DOCUMENT #	VENDOR INV #/ REMARKS	INVOICE DATE	TOTAL AMOUNT	DISCOUNT/ WITHHOLDING AMOUNT	NET AMOUNT
1300023016	PMTRQ082516	08/25/16	\$150.00	\$0.00	\$150.00
TEXAS GLO FILING FEE (ENERGEN LEASE TRADE)					
TOTALS			\$150.00	\$0.00	\$150.00

X

129



R27714670



RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Energen Resources Corporation
Attn: Vice President - Land
605 Richard Arrington Jr. Blvd N.
Birmingham, AL 35203

ASSIGNMENT OF OIL AND GAS LEASES

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

STATE OF TEXAS

COUNTY OF LOVING

This Assignment of Oil and Gas Leases (this "Assignment"), dated effective as April 21st, 2016 at 7:00 a.m. Central Standard Time (the "Effective Time"), is made by **Energen Resources Corporation** ("Energen"), an Alabama Corporation, with a notice address of 605 Richard Arrington Jr. Blvd. North, Birmingham, Alabama 35203-2707 ("Assignor") to **Anadarko E&P Onshore LLC** ("Anadarko"), with a notice address of 1201 Lake Robbins Drive The Woodlands, TX 77380, and **SWEPI LP** ("SWEPI") with a notice address of 150 N. Dairy Ashford Houston, TX 77079 ("Assignee").

For and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby **GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER** unto Assignee, with Anadarko receiving an undivided 50% working interest in Loving County, Texas, and SWEPI receiving an undivided 50% working interest in Loving County, Texas, subject to the terms and reservations hereof, all of Assignor's right, title and interest in and to the oil and gas leases described in **Exhibit "A"** attached hereto and made a part hereof, as extended or amended and the lands covered thereby, together with all rights incident thereto and appurtenances thereon (the "Leases"), **EXCEPTING AND RESERVING** to Assignor, however, the Excluded Assets (as defined below).

It is the intent of Assignor to convey and this Assignment hereby conveys to Assignee, an all of Assignor's right, title, and interest in the Leases from and after the Effective Time, regardless of the omission of any lease, errors in description, any incorrect or misspelled names or any transcribed or incorrect recording references, less and except the Excluded Assets.

TO HAVE AND TO HOLD all and singular such Leases together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and Assignee's successors and assigns forever; subject to the following matters:

- (1) All easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations;
- (2) The terms and conditions of the Leases;

A CERTIFIED COPY: PG 1 OF 10

IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
IN PURPLE INK ATTEST 6/23/16



MOZELLE CARR, COUNTY CLERK
LOVING COUNTY, TX

By [Signature] Deputy

- (3) All rights reserved to or vested in any municipality or governmental, tribal, statutory or public authority to control or regulate any of the Leases in any manner, and all applicable laws, rules and orders of governmental and tribal authority; and
- (4) Assignor reserves and retains all, and Assignee has no interest or rights in, to or under, the producing, disposal and/or injection wells (the "Retained Wells") which are set forth on **Exhibit "B"**, along with concurrent rights to use all of the easements and surface rights expressly granted or implied in the Leases, along with all personal property associated with, or used in connection with the Retained Wells, including, but not limited to casing, tubing, surface equipment, tanks, pipelines, compressors, and all other associated personal property and contracts (including any associated surface use agreements, easements, rights of way and marketing arrangements), along with the right to assign for proration and allowable purposes the minimum acreage from the Leases sufficient to continue to produce the Retained Wells under applicable Railroad Commission of Texas ("TRC") rules that may be granted administratively, and the production/hydrocarbons therefrom (collectively the "Excluded Assets").

Subject to the rights retained by Assignor in the Excluded Assets, Assignor agrees to cooperate with Assignee to satisfy any TRC requirements necessary or convenient to provide Assignee the full enjoyment of the rights assigned hereunder as to the Leases, including but not limited to revising the acreage assigned to the Retained Wells or associated lease, or transferring a well to another appropriate field. Energen retains the right to produce the wellbores from their currently producing depths only, and does not retain the right to deepen, sidetrack, or recompleat the Retained Wells in other depths. As to any Retained Well that is not producing as of the Effective Time because such well is shut in, plugged or injecting, Energen does not retain any right to produce or retain production from such well. If Energen intends to plug any Retained Well at a time when operations on or production from such well is maintaining any of the Energen Leases in force, then Energen shall first give Assignee thirty days' notice and the right to take over the Retained Well for no cost other than assumption of the plugging liability. Assignor also hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable, the benefit of, and the right to enforce, the covenants and warranties, if any, which Assignor is entitled to enforce with respect to Assignor's predecessors in title to the Leases.

Assignor retains liability and shall be responsible for, and shall defend, indemnify and hold Assignee harmless from, any and all claims arising, asserted or due prior to the Effective Time and attributable to Assignor's ownership, operation or use of the Leases as well as any and all claims arising from the Excluded Assets. With the exception of the Excluded Assets, Assignee hereby assumes and shall be responsible for and comply with all duties and obligations, express or implied, arising on or after the Effective Time with respect to the Leases, and furthermore, Assignee agrees to indemnify and hold harmless Assignor from and against any and all claims, damages and causes of action related to the Leases arising after the Effective Time.

In addition to this Assignment, Assignor shall execute, acknowledge, and deliver to Assignee, in a timely manner and without further consideration, any documents or instruments that Assignee may reasonably require, including, without limitation, further assignments or conveyances required by any state or federal authority, deeds and consents to further evidence the assignment and conveyance of the Leases by Assignor to Assignee. This Assignment may be executed in any number of counterparts. Each such counterpart shall be considered an original.

This Assignment shall be subject to the terms and conditions of that certain Letter Agreement dated April 21, 2016, by and between Assignor and Assignee. In the event of a conflict between any provision in the Letter Agreement and any provision in this Assignment, the provision in the Letter Agreement shall govern and control. Assignor and Assignee intend that the terms of the Letter Agreement remain separate and distinct from, and not merge into, the terms of this Assignment.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

A CERTIFIED COPY: PG 2 OF 10

IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
IN PURPLE INK ATTEST 6/23/16



MOZELLE CARR, COUNTY CLERK
LOVING COUNTY, TX

By [Signature] Deputy



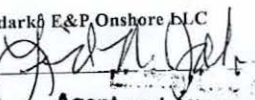
ASSIGNOR:

Energien Resources Corporation

By:  KR
Name: David W. Bolton
Its: Vice President - Land

ASSIGNEE:

Anadarko E&P Onshore LLC

By: 
Title: Agent and Attorney-in-Fact CMP
BYC

ASSIGNEE:

SWEPI LP

By: _____
Title: _____

A CERTIFIED COPY: PG 3 OF 10

IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
IN PURPLE INK ATTEST 6/23/16



MOZELLE CARR, COUNTY CLERK
LOVING COUNTY, TX

By:  Deputy

ASSIGNOR:

Energren Resources Corporation

By:  KR

Name: David W. Bolton
Its: Vice President - Land

ASSIGNEE:

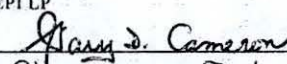
Anadarko E&P Onshore LLC

By: _____

Title: _____

ASSIGNEE:

SWEPI LP

By:  CNH

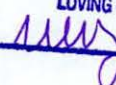
Title: Attorney-in-Fact @

A CERTIFIED COPY: PG 4 OF 10

IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
IN PURPLE INK ATTEST 6/23/16



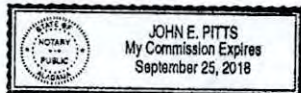
MOZELLE CARR, COUNTY CLERK
LOVING COUNTY, TX

By:  Deputy

ACKNOWLEDGEMENT

STATE OF ALABAMA §
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on this 28th day of April, 2016, by David W. Bolton as Vice President - Land on behalf of Energen Resources Corporation, an Alabama Corporation.



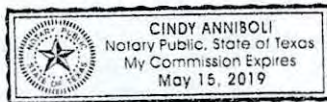
John E. Pitts
Notary Public, State of Alabama



STATE OF TEXAS

COUNTY OF Montgomery

This instrument was acknowledged before me on this 3rd day of May, 2016, by Lindsay N. Jaffee, as Agent and Attorney-in-Fact, of Anadarko E&P Onshore LLC, on behalf of said limited liability company.



Cindy Anniboli
Notary Public

STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on this ____ day of _____, 2016, by _____, as _____, of SWEPI LP, on behalf of said limited partnership.

Notary Public

A CERTIFIED COPY: PG 5 OF 10

IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
IN PURPLE INK ATTEST 6/23/16



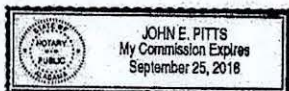
MOZELLE CARR, COUNTY CLERK
LOVING COUNTY, TX

By *my* Deputy

ACKNOWLEDGEMENT

STATE OF ALABAMA §
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on this 28th day of April, 2016, by David W. Bolton as Vice President - Land on behalf of Energen Resources Corporation, an Alabama Corporation.



[Signature]
Notary Public, State of Alabama



STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on this _____ day of _____, 2016, by Lindsay N. Jaffee, as Agent and Attorney-in-Fact, of Anadarko E&P Onshore LLC, on behalf of said limited liability company.

Notary Public

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on this 29th day of April, 2016, by Gary D. Cameron, as Attorney-in-Fact, of SWEPI LP, on behalf of said limited partnership.



[Signature]
Notary Public

A CERTIFIED COPY: PG 6 OF 10

IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
IN PURPLE INK ATTEST 6/23/16



MOZELLE CARR, COUNTY CLERK
LOVING COUNTY, TX

By [Signature] Deputy

Exhibit "A"

Attached to and made a part of that certain Assignment dated April 21, 2016, entered into by and between Anadarko E&P Onshore LLC, SWEPI LP, Energen Resources Corporation.

*****LIMITED INsofar AND ONLY INsofar AS THE LEASES BELOW COVER THE DESCRIBED LANDS.*****

Energen Leases**LEASE NO. 1**

Lessor: North Central Oil Corporation
 Lessee: James A. Leonard
 Lease Date: 08/10/1956
 Recording: Oil and Gas Lease recorded at Volume 014, Page 103, of the Official Public Records of Loving County, Texas
 Legal Description: NE/4 and NW/4 of Section 36, Block 54 T1, T&P RR Company Survey, A-1271, Loving County, Texas
 Net Revenue Interest: 87.5%

LEASE NO. 2

Lessor: Fred S. Wright
 Lessee: James A. Leonard
 Lease Date: 08/10/1956
 Recording: Oil and Gas Lease recorded at Volume 013, Page 586, of the Official Public Records of Loving County, Texas
 Legal Description: NE/4 and NW/4 of Section 36, Block 54 T1, T&P RR Company Survey, A-1271, Loving County, Texas
 Net Revenue Interest: 87.5%

LEASE NO. 3

Lessor: B.H. Grube, Individually and as agent for the State of Texas
 Lessee: Joe S. Mellard
 Lease Date: 10/15/1950
 Recording: Oil and Gas Lease recorded at Volume 08, Page 315, of the Official Public Records of Loving County, Texas
 Legal Description: INsofar AND ONLY INsofar as the lease covers the following lands: SW/4 of Section 16, Block 54 T1, T&P RR Company Survey, A-942, Loving County, Texas
 Net Revenue Interest: 87.5%

LEASE NO. 4

Lessor: Sid M. Kyle, et al.
 Lessee: James A. Leonard

A CERTIFIED COPY: PG 7 OF 10

IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
 IN PURPLE INK ATTEST 6/23/16



MOZELLE CARR, COUNTY CLERK
 LOVING COUNTY, TX

By [Signature] Deputy

Lease Date: 08/10/1956
 Recording: Oil and Gas Lease recorded at Volume 013, Page 577, of the Official Public Records of Loving County, Texas
 Legal Description: NE/4 and NW/4 of Section 36, Block 54 T1, T&P RR Company Survey, A-1271, Loving County, Texas
 Net Revenue Interest: 87.5%

LEASE NO. 5

Lessor: J.W. McMillen
 Lessee: James A. Leonard
 Lease Date: 08/10/1956
 Recording: Oil and Gas Lease recorded at Volume 013, Page 581, of the Official Public Records of Loving County, Texas
 Legal Description: NE/4 and NW/4 of Section 36, Block 54 T1, T&P RR Company Survey, A-1271, Loving County, Texas
 Net Revenue Interest: 87.5%

LEASE NO. 6

Lessor: The State of Texas and the Board for Lease of University Lands
 Lessee: Forest Oil Corporation
 Lease Date: 04/20/2005
 Recording: Oil and Gas Lease recorded at Volume 051, Page 518, of the Official Public Records of Loving County, Texas
 Legal Description: E/2 of Section 8, Block 19, University Lands Survey, A-UB, Loving County, Texas, LESS AND EXCEPT Energen's University 8-19 #1 (API# 42-301-31825) and Energen's University 8-19 #2 Well (API # 42-301-31855) and all depths from the Surface to the base of the Bone Spring Formation, which is the stratigraphic equivalent of a depth of 11,302 feet as shown on the log of Sheridan Production in the University 19-8 #1 (API#42-301-31384) located in Section 8, Block 19, ULS, Loving County, Texas .
 Net Revenue Interest: 75%

End Exhibit "A"

A CERTIFIED COPY: PG 8 OF 10IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
IN PURPLE INK ATTEST 6/23/16MOZELLE CARR, COUNTY CLERK
LOVING COUNTY, TXBy [Signature]
Deputy

Exhibit "B"

Attached to and made a part of that certain Assignment dated April 21, 2016, entered into by and between Anadarko E&P Onshore LLC, SWEPI LP, Energen Resources Corporation.

Excluded Assets

1. Energen's University 8-19 #1 (API# 42-301-31825) located in Section 8, Block 19, ULS Survey, Loving County, Texas
2. Energen's University 8-19 #2 Well (API # 42-301-31855) located in Section 8, Block 19, ULS Survey, Loving County, Texas
3. That Certain Oil and Gas Lease dated April 20, 2005 by and between The State of Texas and the Board of the Lease of University Lands and Forest Oil Corporation recorded at Volume 051, Page 518, of the Official Public Records of Loving County, Texas from the Surface to the base of the Bone Spring Formation, which is the stratigraphic equivalent of a depth of 11,302 feet as shown on the log of Sheridan Production in the University 19-8 #1 (API#42-301-31384) located in Section 8, Block 19, ULS, Loving County, Texas .
4. The following Easements:

LEASE	GRANTOR	GRANTEE	BOOK	PAGE	COUNTY	STATE
TXE40179-00P	ST OF TX 11757 UNIV LANDS	ENERGEN RESOURCES CORPORATION	2013	832	LOVING	TX
TXE40180-00P	ST OF TX 11759 UNIV LANDS	ENERGEN RESOURCES CORPORATION	2013	833	LOVING	TX
TXE40187-00P	ST OF TX 11886 UNIV LANDS	ENERGEN RESOURCES CORPORATION	2013	1075	LOVING	TX
TXE40203-00P	ST OF TX 11230 UNIV LANDS	ENERGEN RESOURCES CORPORATION	2013	1307	LOVING	TX

Retained Wells

1. Energen's University 8-19 #1 (API# 42-301-31825) located in Section 8, Block 19, ULS Survey, Loving County, Texas
2. Energen's University 8-19 #2 Well (API # 42-301-31855) located in Section 8, Block 19, ULS Survey, Loving County, Texas

End Exhibit "B"

A CERTIFIED COPY: PG 9 OF 10

IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
IN PURPLE INK ATTEST 6/23/16



MOZELLE CARR, COUNTY CLERK
LOVING COUNTY, TX

By [Signature] Deputy

I, Mozelle Carr, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 04/21/2016 with its certification of authentication, was filed in my office 05/19/2016 at 01:07 PM and recorded 05/19/2016 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas with Instrument Number 2016-1506. Witness my Hand and Seal of Said Court, at office in Mentone, Texas, on date and year last above written.



Mozelle Carr

MOZELLE CARR, County Clerk
Loving County Texas

A CERTIFIED COPY: PG 10 OF 10

IF IT BEARS THE SEAL OF THE COUNTY CLERK IMPRINTED
IN PURPLE INK ATTEST 6/23/16



MOZELLE CARR, COUNTY CLERK
LOVING COUNTY, TX

By *MSJ* Deputy

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct
copy of the original record on file in my office.

MOZELLE CARR, DISTRICT CLERK & COUNTY CLERK, LOVING CO. TX

By: _____

Deputy

ID# 9827
MP 117293 ABC
MF 117480 A-D

16-06241
FILED FOR RECORD
REEVES COUNTY, TEXAS
May 19, 2016 at 03:24:00 PM

off 4-21-16

V
O
L

all

1
2
7
3

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Energen Resources Corporation
Attn: Vice President - Land
605 Richard Arrington Jr. Blvd N.
Birmingham, AL 35203

ASSIGNMENT OF OIL AND GAS LEASES

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

STATE OF TEXAS

§
§
§

COUNTY OF REEVES

P
G

0
0
1
9

This Assignment of Oil and Gas Leases (this "Assignment"), dated effective as April 21st, 2016 at 7:00 a.m. Central Standard Time (the "Effective Time"), is made by Energen Resources Corporation ("Energen"), an Alabama Corporation, with a notice address of 605 Richard Arrington Jr. Blvd. North, Birmingham, Alabama 35203-2707 ("Assignor") to Anadarko E&P Onshore LLC ("Anadarko"), with a notice address of 1201 Lake Robbins Drive The Woodlands, TX 77380 and SWEPI LP ("SWEPI") with a notice address of 150 N. Dairy Ashford Houston, TX 77079 ("Assignee").

For and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER unto Assignee, with Anadarko receiving an undivided 40.58% working interest in Reeves County, Texas, and SWEPI receiving an undivided 59.42% working interest in Reeves County, Texas, subject to the terms and reservations hereof, all of Assignor's right, title and interest in and to the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof, as extended or amended and the lands covered thereby, together with all rights incident thereto and appurtenances thereon (the "Leases"), EXCEPTING AND RESERVING to Assignor, however, the Excluded Assets (as defined below).

It is the intent of Assignor to convey and this Assignment hereby conveys to Assignee, all of Assignor's right, title, and interest in the Leases from and after the Effective Time, regardless of the omission of any lease, errors in description, any incorrect or misspelled names or any transcribed or incorrect recording references, less and except the Excluded Assets.

TO HAVE AND TO HOLD all and singular such Leases together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and Assignee's successors and assigns forever; subject to the following matters:

- (1) All easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations;
- (2) The terms and conditions of the Leases;
- (3) All rights reserved to or vested in any municipality or governmental, tribal, statutory or public authority to control or regulate any of the Leases in any manner, and all applicable laws, rules and orders of governmental and tribal authority; and



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE



V
O
L

1
2
7
3

P
G

0
0
2
0

- (4) Assignor reserves and retains all, and Assignee has no interest or rights in, to or under, the producing, disposal and/or injection wells (the "Retained Wells") which are set forth on **Exhibit "B"**, along with concurrent rights to use all of the easements and surface rights expressly granted or implied in the Leases, along with all personal property associated with, or used in connection with the Retained Wells, including, but not limited to casing, tubing, surface equipment, tanks, pipelines, compressors, and all other associated personal property and contracts (including any associated surface use agreements, easements, rights of way and marketing arrangements), along with the right to assign for proration and allowable purposes the minimum acreage from the Leases sufficient to continue to produce the Retained Wells under applicable Railroad Commission of Texas ("TRC") rules that may be granted administratively, and the production/hydrocarbons therefrom (collectively the "Excluded Assets").

Subject to the rights retained by Assignor in the Excluded Assets, Assignor agrees to cooperate with Assignee to satisfy any TRC requirements necessary or convenient to provide Assignee the full enjoyment of the rights assigned hereunder as to the Leases, including but not limited to revising the acreage assigned to the Retained Wells or associated lease, or transferring a well to another appropriate field. Energen retains the right to produce the wellbores from their currently producing depths only, and does not retain the right to deepen, sidetrack, or recomplete the Retained Wells in other depths. As to any Retained Well that is not producing as of the Effective Time because such well is shut in, plugged or injecting, Energen does not retain any right to produce or retain production from such well. If Energen intends to plug any Retained Well at a time when operations on or production from such well is maintaining any of the Energen Leases in force, then Energen shall first give Assignee thirty days' notice and the right to take over the Retained Well for no cost other than assumption of the plugging liability. Assignor also hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable, the benefit of, and the right to enforce, the covenants and warranties, if any, which Assignor is entitled to enforce with respect to Assignor's predecessors in title to the Leases.

Assignor retains liability and shall be responsible for, and shall defend, indemnify and hold Assignee harmless from, any and all claims arising, asserted or due prior to the Effective Time and attributable to Assignor's ownership, operation or use of the Leases as well as any and all claims arising from the Excluded Assets. With the exception of the Excluded Assets, Assignee hereby assumes and shall be responsible for and comply with all duties and obligations, express or implied, arising on or after the Effective Time with respect to the Leases, and furthermore, Assignee agrees to indemnify and hold harmless Assignor from and against any and all claims, damages and causes of action related to the Leases arising after the Effective Time.

In addition to this Assignment, Assignor shall execute, acknowledge, and deliver to Assignee, in a timely manner and without further consideration, any documents or instruments that Assignee may reasonably require, including, without limitation, further assignments or conveyances required by any state or federal authority, deeds and consents to further evidence the assignment and conveyance of the Leases by Assignor to Assignee. This Assignment may be executed in any number of counterparts. Each such counterpart shall be considered an original.

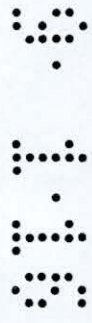
This Assignment shall be subject to the terms and conditions of that certain Letter Agreement dated April 21, 2016, by and between Assignor and Assignee. In the event of a conflict between any provision in the Letter Agreement and any provision in this Assignment, the provision in the Letter Agreement shall govern and control. Assignor and Assignee intend that the terms of the Letter Agreement remain separate and distinct from, and not merge into, the terms of this Assignment.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE



V
O
L

1
2
7
3

ASSIGNOR:

Energen Resources Corporation

By:  KR

Name: David W. Bolton
Title: Vice President - Land

P
G

ASSIGNEE:

Anadarko E&P Onshore LLC

By: 
Title: Attorney and Agent in Fact
CMP
BVC

0
0
2
1

ASSIGNEE:

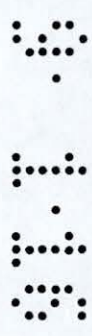
SWEPI LP

By: _____

Title: _____



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE



V
O
L

1
2
7
3

P
G

0
0
2
2

ASSIGNOR:

Energen Resources Corporation

By:  KR

Name: David W. Bolton
Title: Vice President - Land

ASSIGNEE:

Anadarko E&P Onshore LLC

By: _____

Title: _____

ASSIGNEE:

SWEPI LP

By: Mary D. Cameron CLMH
Title: Attorney-in-Fact 



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

1
2
3

V
O
L

1
2
7
3

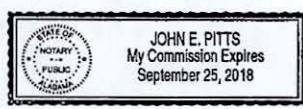
P
G

0
0
2
3

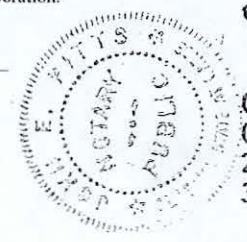
ACKNOWLEDGEMENT

STATE OF ALABAMA §
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on this 28th day of April, 2016, by David W. Bolton as Vice President - Land on behalf of Energen Resources Corporation, an Alabama Corporation.

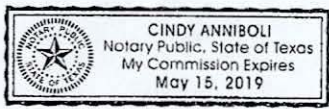


John E. Pitts
Notary Public, State of Alabama



STATE OF TEXAS
COUNTY OF Montgomery

This instrument was acknowledged before me on this 3rd day of May, 2016, by Lindsay N. Jaffee, as Agent and Attorney-in-Fact, of Anadarko E&P Onshore LLC, on behalf of said limited liability company.



Cindy Anniboli
Notary Public

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on this ____ day of _____, 2016, by _____, as _____, of SWEPI LP, on behalf of said limited partnership.

Notary Public



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

•••••
•••••
•••••
•••••

V
O
L

1
2
7
3

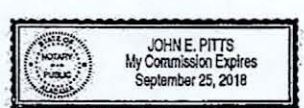
P
G

0
0
2
4

ACKNOWLEDGEMENT

STATE OF ALABAMA §
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on this 28th day of April, 2016, by David W. Bolton as Vice President - Land on behalf of Energen Resources Corporation, an Alabama Corporation.



John E. Pitts
Notary Public, State of Alabama



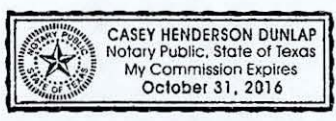
STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on this _____ day of _____, 2016, by Lindsay N. Jaffee, as Agent and Attorney-in-Fact, of Anadarko E&P Onshore LLC, on behalf of said limited liability company.

Notary Public

STATE OF TEXAS
COUNTY OF Harris

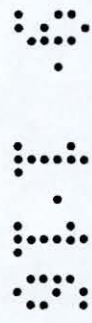
This instrument was acknowledged before me on this 29th day of April, 2016, by Gary D. Cameron, as Attorney-in-Fact, of SWEPI LP, on behalf of said limited partnership.



Casey Henderson Dunlap
Notary Public



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE



V
O
L

1
2
7
3

Exhibit "A"

Attached to and made a part of that certain Assignment dated April 21, 2016, entered into by and between Anadarko E&P Onshore LLC, SWEPI LP, Energen Resources Corporation.

LIMITED INSOFAR AND ONLY INSOFAR AS THE LEASES BELOW COVER THE DESCRIBED LANDS.

Energen Leases

P
G

LEASE NO 1-6

Intentionally excluded

LEASE NO. 7

Lessor: The State of Texas, acting by and through its agent, The de Compienge Property Company No. 20, Ltd.
Lessee: Energen Resources Corporation
Lease Date: 06/24/2015
Recording: Oil and Gas Lease recorded at file # 16-04225, of the Official Public Records of Reeves County, Texas
Legal Description: Section 40, Block 2, Less 269.50 acres being the SE 7/16 and S/2 SW/4 NW/4, A-1996, H&GN RR Co Survey, Reeves County, Texas
Net Revenue Interest: 75%

0 M-117480-D
0 active
2
5

MF1170210

LEASE NO. 8

Lessor: The State of Texas, acting by and through its agent, Word B. Wilson Investments, LP
Lessee: Energen Resources Corporation
Lease Date: 06/10/2015
Recording: Oil and Gas Lease recorded at Volume 1215, Page 632, of the Official Public Records of Reeves County, Texas
Legal Description: INSOFAR AND ONLY INSOFAR as the lease covers the following lands: Section 40, Block 2, 346.64 acres out of north portion being 346.64 gross acres, H&GN RR Company Survey, Reeves County, Texas
Net Revenue Interest: 75%

MF1172938

LEASE NO. 9

Lessor: James Robert Hill, Trustee for the Houston and Emma Hill Trust Estate
Lessee: Energen Resources Corporation
Lease Date: 12/01/2010



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

Recording: Oil and Gas Lease recorded at Volume 863, Page 335, of the Official Public Records of Reeves County, Texas
Extensions of Oil, Gas, and Mineral Lease recorded at Volume 1172, Page 467; Volume 1175, Page 240; Volume 1192, Page 122; Volume 1215, Page 701 of the Public Records of Reeves County, Texas
Legal Description: INSO FAR AND ONLY INSO FAR as the lease covers the following lands: Section 20, Block 56 T3S, T&P RR Company Survey, Reeves County, Texas
Net Revenue Interest: 75%

LEASE NO. 10

Lessor: The State of Texas, acting by and through its agent, Fred W. Shield and Company
Lessee: Energen Resources Corporation
Lease Date: 06/24/2015
Recording: Oil and Gas Lease recorded at file # 16-04224, of the Official Public Records of Reeves County, Texas
Legal Description: Section 40, Block 2, less 269.50 acres being the SE 7/16 and S/2 SW/4 NW/4, A-1996, H&GN RR Company Survey, Reeves County, Texas
Net Revenue Interest: 75%

LEASE NO. 11

Lessor: James Robert Hill, Trustee for the Houston and Emma Hill Trust Estate
Lessee: Energen Resources Corporation
Lease Date: 12/01/2010
Recording: Oil and Gas Lease recorded at Volume 863, Page 355, of the Official Public Records of Reeves County, Texas
Extensions of Oil, Gas, and Mineral Lease recorded at Volume 1172, Page 444, Volume 1175, Page 239; Volume 1200, Page 634; Volume 1200, Page 636; Volume 1204, Page 454; and Volume 1215, Page 724 of the Public Records of Reeves County, Texas
Legal Description: Section 40, Block 57 T3S, T&P RR Company Survey, Reeves County, Texas
Net Revenue Interest: 75%

LEASE NO. 12

Lessor: Alldale Minerals, LP
Lessee: Energen Resources Corporation
Lease Date: 04/01/2015
Recording: Oil and Gas Lease recorded at Volume 1215, Page 622, of the Official Public Records of Reeves County, Texas
Correction of Oil and Gas Lease recorded at file 16-04385

V
O
L

1
2
7
3

P
G

0
0
2
6

MF110210

M-117480-C
active

MF117293-C

active



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

Legal Description: INSOFAR AND ONLY INSOFAR as the lease covers the following lands: Section 40, Block 2, 346.64 acres out of north portion being 346.64 gross acres, H&GN RR Company Survey, Reeves County, Texas

Net Revenue Interest: 75%

LEASE NO. 13

Lessor: The State of Texas, acting by and through its agent, Oak Valley Mineral and Land, LP

Lessee: Energen Resources Corporation

Lease Date: 10/04/2014

Recording: Oil and Gas Lease recorded at Volume 1128, Page 041, of the Official Public Records of Reeves County, Texas

Legal Description: Section 40, Block 2, SAE S/2 SW/4 NW/4 and SE/269.5 acres, H&GN RR Company Survey, Reeves County, Texas

Net Revenue Interest: 75%

V
O
L

1
2
7
3

MF117480-A - active

P
G

0
0
2
7

LEASE NO. 14

Lessor: Fred W. Shield and Company

Lessee: Energen Resources Corporation

Lease Date: 09/10/2014

Recording: Oil and Gas Lease recorded at Volume 1156, Page 506, of the Official Public Records of Reeves County, Texas

Legal Description: INSOFAR AND ONLY INSOFAR as the lease covers the following lands: Section 40, Block 57 T3S, T&P RR Company Survey, Reeves County, Texas

Net Revenue Interest: 75%

LEASE NO. 15

Lessor: M. Brad Bennett

Lessee: Energen Resources Corporation

Lease Date: 08/01/2014

Recording: Oil and Gas Lease recorded at Volume 1109, Page 716, of the Official Public Records of Reeves County, Texas

Legal Description: Section 40, Block 57 T3S, T&P RR Company Survey, Reeves County, Texas

Net Revenue Interest: 75%

LEASE NO. 16

Lessor: The State of Texas, acting by and through its agent, Kennedy Minerals, LTD

Lessee: Energen Resources Corporation

Lease Date: 06/19/2015

M-117480-B - active

~~MF110210~~



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

Recording: Oil and Gas Lease recorded at file #16-04223, of the Official Public
Records of Reeves County, Texas
Legal Description: Section 40, Block 2, less 269.50 acres being the SE 7/16 and S/2 SW/4
NW/4, H&GN RR Company Survey, Reeves County, Texas
Net Revenue Interest: 75%

V
O
L

1
2
7
3

LEASE NO. 17

Lessor: The State of Texas, acting by and through its agent, James Robert Hill,
Trustee of the Houston and Emma Hill Trust Estate, et al.
Lessee: Energen Resources Corporation
Lease Date: 02/01/2015
Recording: Oil and Gas Lease recorded at Volume 1215, Page 642, of the Official
Public Records of Reeves County, Texas
Legal Description: INSOFAR AND ONLY INSOFAR as the lease covers the following
lands: Section 40, Blok 2, 346.64 acres out of the north portion being
346.64 gross acres, H&GN Survey, Reeves County, Texas
Net Revenue Interest: 75%

MF117293A

G

0
0
2
8

LEASE NO. 18

Lessor: The de Compiegne Property Company No. 20, Ltd
Lessee: Energen Resources Corporation
Lease Date: 09/10/2014
Recording: Oil and Gas Lease recorded at Volume 1130, Page 706, of the Official
Public Records of Reeves County, Texas
Legal Description: INSOFAR AND ONLY INSOFAR as the lease covers the following
lands: Section 40, Block 57 T3S, T&P RR Company Survey, Reeves
County, Texas
Net Revenue Interest: 75%

End Exhibit "A"



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

V
O
L

Exhibit "B"

Attached to and made a part of that certain Assignment dated April 21, 2016, entered into by and between
Anadarko E&P Onshore LLC, SWEPI LP, Energen Resources Corporation.

1
2
7
3

Excluded Assets

None.

Retained Wells

None.

P
G

End Exhibit "B"

0
0
2
9

Inst No. 16-06241
DIANNE O. FLOREZ
COUNTY CLERK
2016 May 19 at 03:24 PM
REEVES COUNTY, TEXAS
By: *Bridgette J. O'Leary* DEPUTY



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

9

011 0

File No. MF 117293
Assign ID # 9827
From: Energen To: Anadarko & Swepi
Date Filed: 9/28/16
George P. Bush, Commissioner
By AT

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. 1413, PAGE 019, THRU 029.

I hereby certified on 23 June 2016.



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Adriana Arreola, DEPUTY



Information for processing a Non Unit Multiple Lease Transaction (NUML)

NUML No. 8679

GENERAL INFORMATION

Name of NUML: Section 4 Blk. 3

Name of Operator: Energen Resources Corporation County: Reeves

Operator Contact Person: Phillip Williams Phone: 205-326-2967

ALLOCATION OF REVENUE

Lease Type	Lease No.	Gross Acreage	Lease Net Acres	Lease Ryty Decimal	RRAC Participation	Lease Decimal in NUML
RAL	MF117293	359.999997	323.737500	0.12500000	0.89927084	0.11240886
RAL	MF117481	359.999997	0.984377	0.12500000	0.00273438	0.00034180
RAL	MF118244	359.999997	0.281254	0.12500000	0.00078126	0.00009766
RAL	MF117949	359.999997	30.806240	0.12500000	0.08557289	0.01069661
RAL	MF118556	359.999997	3.206250	0.12500000	0.00890625	0.00111328
RAL	MF118260	359.999997	0.140627	0.12500000	0.00039063	0.00004883
RAL	MF118917	359.999997	0.843750	0.25000000	0.00234375	0.00058594

Totals:		359.999997			1.00000000	0.12529297
First Effective Date: Production						State Net Royalty Revenue

Comments:

Attach a plat showing the lease numbers in this geographic area.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

NUML Well(s):

API #	RRC ID #	Well Name
42-389-35255	816111	Quarterback State 3-4 # 701H
42-389-35254	816109	Quarterback State 3-4 # 601H
42-389-34700	801392	Quarterback State 3-4 # 801H
42-389-35256	816119	Quarterback State 3-4 # 7701H

Prepared by: Jm Alamo updated by: Jm RAM approval by: _____
GIS updated by: AM WI updated by: Jm

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

NUM170001

Unit Number 8679
Operator Name Energen Resources Corporation
Customer ID C000043130
Unit Name Section 4 Blk. 3
County 1 Reeves *RRC District 1* 08
County 2 *RRC District 2*
County 3 *RRC District 3*
County 4 *RRC District 4*
Unit type NUML
State Net Revenue Interest Oil 0.12529297
State Part in Unit 1.00000000
Unit Depth Allow All Depths
From Depth
To Depth
Well
Formation
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 06/01/2016
Unitized For Oil And Gas
Unit Term
Old Unit Number *Inactive Status Date*

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293	1	323.737500	359.999997	0.89927084	O/G	0.12500000	0.00000000	
MF117481	2	0.984377	359.999997	0.00273438	O/G	0.12500000	0.00034180	
MF118244	3	0.281254	359.999997	0.00078126	O/G	0.12500000	0.00009766	
MF117949	4	30.806240	359.999997	0.08557289	O/G	0.12500000	0.01069661	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF118556	5	3.206250	359.999997	0.00890625	O/G	0.12500000	0.00111328	
MF118260	6	0.140627	359.999997	0.00039063	O/G	0.12500000	0.00004883	No
MF118917	7	0.843750	359.999997	0.00234375	O/G	0.25000000	0.00058594	No

API Number

4238934700, 4238935254, 4238935255, 4238935256

Remarks:

NUML for Section 4 Blk. 3 Reeves County.

Prepared By:

Prepared Date:

GLO Base Updated By:

GLO Base Date:

RAM Approval By:

RAM Approval Date:

GIS By:

GIS Date:

Well Inventory By:

WI Date:

Pooling Committee Report

To: School Land Board

NUM170001

Date of Board Meeting:

Unit Number: 8679

Effective Date: 06/01/2016

Unit Expiration Date:

Applicant: Energen Resources Corporation

Attorney Rep:

Operator: Energen Resources Corporation,

Unit Name: Section 4 Blk. 3

Field Name:

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF117293	0.12500000	12/01/2018	46 months	896.460000	323.737500	0.00000000
RAL	MF117481	0.12500000	10/04/2017	3 years	2.850000	0.984377	0.00034180
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	30.806240	0.01069661
RAL	MF118244	0.12500000	06/13/2019	3 years	0.834000	0.281254	0.00009766
RAL	MF118260	0.12500000	08/26/2019	3 years	0.140600	0.140627	0.00004883
RAL	MF118556	0.12500000	01/06/2020	3 years	4.370000	3.206250	0.00111328
RAL UNL	MF118917	0.25000000	09/22/2017		0.843750	0.843750	0.00058594

Private Acres:	0.000000
State Acres:	359.999997
Total Unit Acres:	359.999997

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	12.53%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	



Printed: Sep 11, 2017

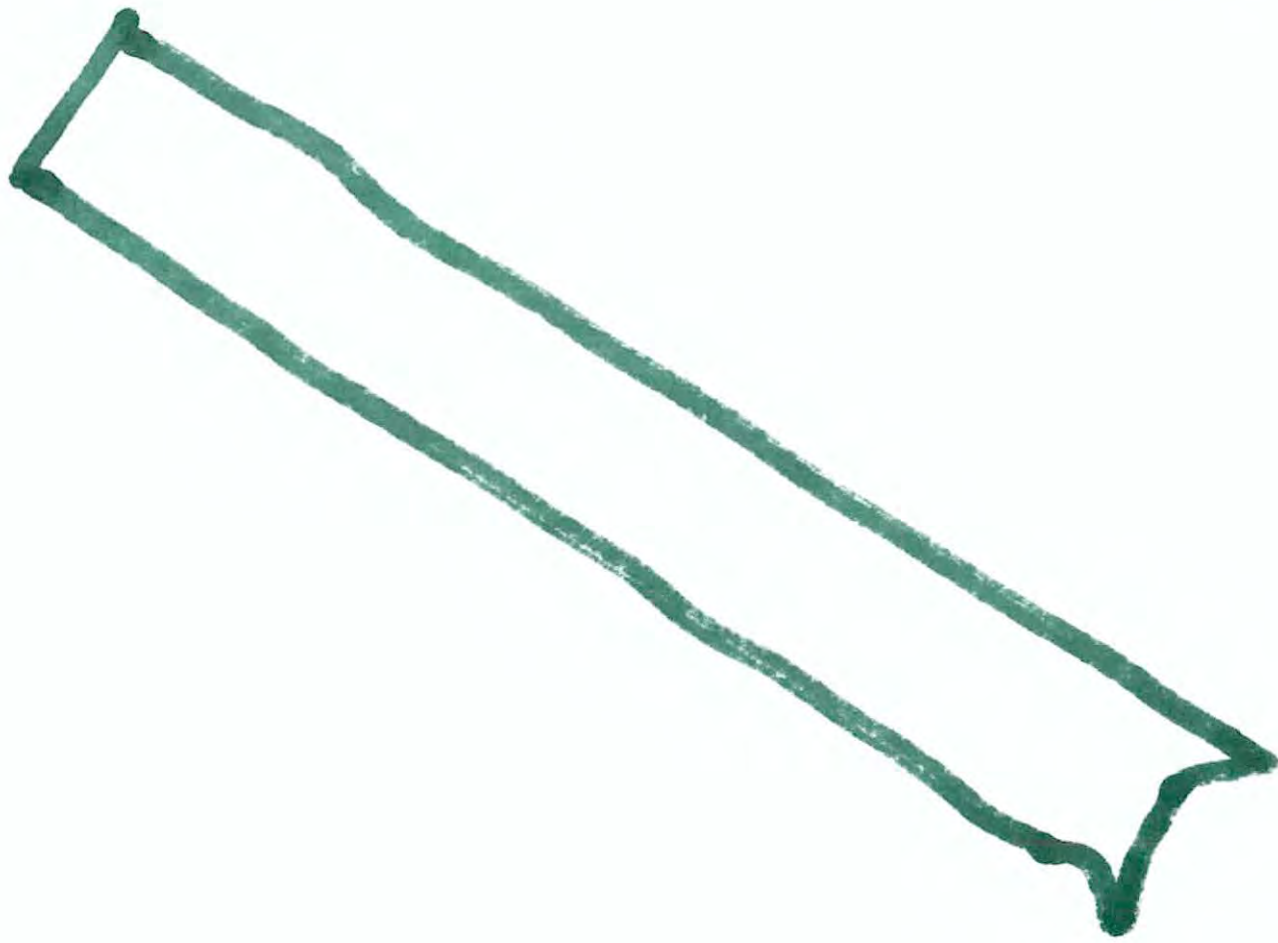
File No. MF117293

Reeves County

NUML 8679 Sec. 4 BIK3

Date Filed: _____

By Jm George P. Bush, Commissioner



RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 816111	DATE PERMIT ISSUED OR AMENDED Jun 15, 2016	DISTRICT * 08		
API NUMBER 42-389-35255	FORM W-1 RECEIVED Jun 07, 2016	COUNTY REEVES		
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 360		
OPERATOR ENERGEN RESOURCES CORPORATION 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581		
LEASE NAME QUARTERBACK STATE 3-4		WELL NUMBER 701H		
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 14500		
Section, Block and/or Survey SECTION 4 BLOCK 3 ABSTRACT 5979 SURVEY H&GN RR CO/HILL, G P & H				
DISTANCE TO SURVEY LINES 250 ft. SW 683 ft. NW		DISTANCE TO NEAREST LEASE LINE 330 ft.		
DISTANCE TO LEASE LINES 250 ft. SW 683 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below		
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *				
FIELD NAME	ACRES	DEPTH	WELL #	DIST
LEASE NAME	NEAREST LEASE		NEAREST WE	
-----	-----	-----	-----	-----
PHANTOM (WOLFCAMP)	360.00	14,400	701H	08
QUARTERBACK STATE 3-4	330		398	

WELLBORE PROFILE(s) FOR FIELD: Horizontal				

RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 250.0 F SW L 683.0 F NW L Terminus Location Lease Lines: 10194.0 F SW L 330.0 F NW L Survey Lines: 10194.0 F SW L 330.0 F NW L				
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS				

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 816111	DATE PERMIT ISSUED OR AMENDED Jun 15, 2016	DISTRICT * 08
API NUMBER 42-389-35255	FORM W-1 RECEIVED Jun 07, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 360
OPERATOR ENERGEN RESOURCES CORPORATION 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME QUARTERBACK STATE 3-4		WELL NUMBER 701H
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 14500
Section, Block and/or Survey SECTION 4 BLOCK 3 ABSTRACT 5979 SURVEY H&GN RR CO/HILL, G P & H		
DISTANCE TO SURVEY LINES 250 ft. SW 683 ft. NW		DISTANCE TO NEAREST LEASE LINE 330 ft.
DISTANCE TO LEASE LINES 250 ft. SW 683 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.		

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

REEVES (389) County

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

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

API No. <u>42-389-35255</u> Drilling Permit # <u>816111</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.			FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>252002</u>		2. Operator's Name (as shown on form P-5, Organization Report) ENERGEN RESOURCES CORPORATION		3. Operator Address (include street, city, state, zip). 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		
4. Lease Name QUARTERBACK STATE 3-4		5. Well No. <u>701H</u>				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): ☐ Vertical ☒ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack						
8. Total Depth <u>14500</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>16.3</u> miles in a <u>NW</u> direction from <u>PECOS</u> which is the nearest town in the county of the well site.						
15. Section <u>4</u>	16. Block <u>3</u>	17. Survey <u>H&GN RR CO/HILL, G P & H</u>		18. Abstract No. <u>A-5979</u>	19. Distance to nearest lease line: <u>330</u> ft	
20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>360</u>						
21. Lease Perpendiculars: <u>250</u> ft from the <u>SW</u> line and <u>683</u> ft from the <u>NW</u> line.						
22. Survey Perpendiculars: <u>250</u> ft from the <u>SW</u> line and <u>683</u> ft from the <u>NW</u> line.						
23. Is this a pooled unit? ☐ Yes ☒ No		24. Unitization Docket No. _____		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	
<u>08</u>	<u>71052900</u>	<u>PHANTOM (WOLFCAMP)</u>		<u>Oil or Gas Well</u>	<u>14400</u>	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Jun 7, 2016 10:02 AM]: Thank you! This is a regular horizontal.; [RRC STAFF Jun 8, 2016 8:20 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 15, 2016 9:07 AM]: Problems identified with this permit are resolved.; [RRC STAFF Jun 15, 2016 9:07 AM]: Revised plat attached showing new terminus location at a regular location.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. Vonda Freeman Ms., Regulatory Analyst Name of filer _____ Date submitted <u>Jun 07, 2016</u> <u>(432)684-3693</u> <u>midlandrrc@energen.com</u> Phone E-mail Address (OPTIONAL)		
RRC Use Only Data Validation Time Stamp: <u>Jun 15, 2016 9:08 AM ('As Approved' Version)</u>						

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

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

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

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

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

Permit #	816111
Approved Date:	Jun 15, 2016

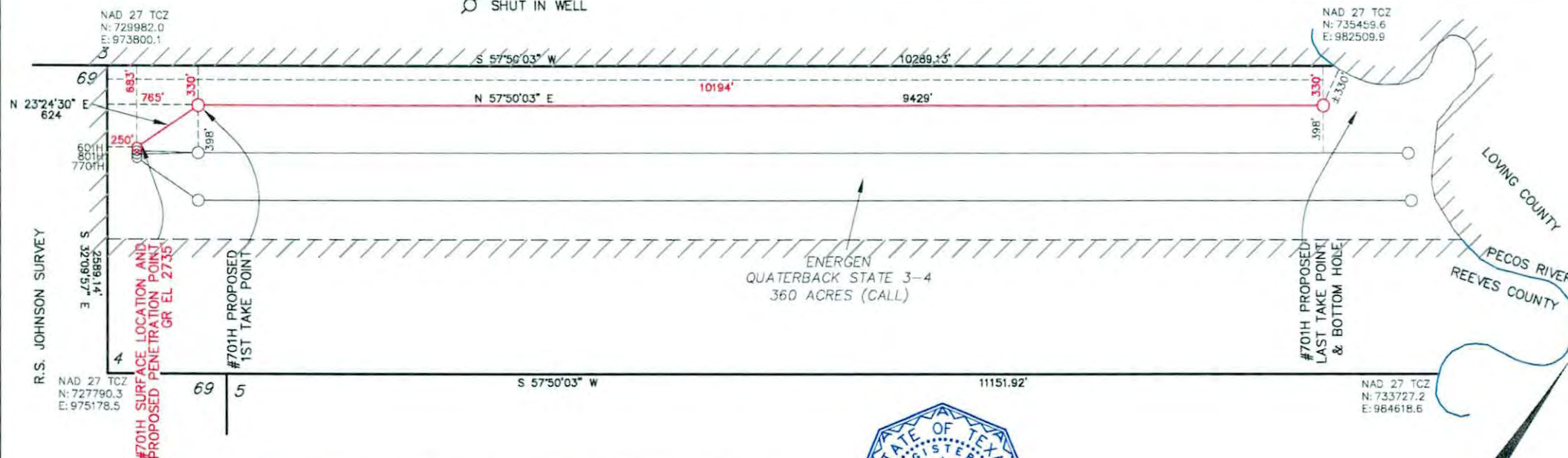
1. RRC Operator No. 252002	2. Operator's Name (exactly as shown on Form P-5, Organization Report) ENERGEN RESOURCES CORPORATION	3. Lease Name QUARTERBACK STATE 3-4	4. Well No. 701H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 4	7. Block 3	8. Survey H&GN RR CO/HILL, G P & H	9. Abstract 5979
		10. County of BHL REEVES	
11. Terminus Lease Line Perpendiculars 10194 ft. from the SW line. and 330 ft. from the nw line			
12. Terminus Survey Line Perpendiculars 10194 ft. from the SW line. and 330 ft. from the nw line			
13. Penetration Point Lease Line Perpendiculars 250 ft. from the SW line. and 683 ft. from the NW line			

A-5979
**SECTION 4, BLOCK 3
H & GN RR SURVEY**

- ☼ GAS WELL
- ⊙ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- ⊙ WATER WELL
- ⊙ SHUT IN WELL

NAD 83, TEXAS CENTRAL ZONE		NAD 27, TEXAS CENTRAL ZONE	
S/L: N=10572113.1', E=1270839.0'	LAT=31.6309307 N, LONG=103.6295539 W	S/L: N=729537.0', E=974375.4'	LAT=31.6308006 N, LONG=103.6290950 W
1ST/P: N=10572686.1', E=1271087.0'	LAT=31.6325254 N, LONG=103.6288120 W	1ST/P: N=730109.9', E=974623.4'	LAT=31.6323954 N, LONG=103.6283531 W
L/P: N=10577705.8', E=1279068.6'	LAT=31.6469664 N, LONG=103.6036510 W	L/P: N=735129.6', E=982605.1'	LAT=31.6468354 N, LONG=103.6031929 W

APPROXIMATELY 16.3 MILES NW OF PECOS, TEXAS



- NOTES:
- COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE," WITH REFERENCE TO USGS TRI-STATION "INGL" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
 - THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
 - SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.
 - LEASE INFORMATION PROVIDED BY ENERGEN PERSONNEL.
 - LOCATION OF RIVER BOUNDARY IS APPROXIMATE AND WAS SCANNED FROM USGS TOPOGRAPHIC DATA.
 - REVISED 6/9/16 TO ADD CORNER COORDINATES AND TO CHANGE PROPOSED BOTTOM HOLE.



FILE: M:enterprise production/dwg/w13307.dwg

**Watson
Professional
Group Inc**



P.O. DRAWER 11186
MIDLAND, TEXAS 79702
(432) 520-9200
FAX (432) 520-9212
tahlstrand@wpg-us.com

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

6/3/16, REVISED 6/9/16
Thais Watson Ahlstrand TEXAS R.P.L.S. No. 6359 DATE

PERMIT PLAT
ENERGEN RESOURCES CORPORATION
QUARTERBACK STATE 3-4 #701H
S/L & PROPOSED P/P: 250' FSWL & 683' FNWL
PROPOSED 1ST T/P: 765' FSWL & 330' FNWL
PROPOSED LAST T/P & B/H: 10194' FSWL & 330' FNWL
SECTION 4, BLOCK 3, H & GN RR SURVEY
REEVES COUNTY, TEXAS

DATE: JUNE 2, 2016 DATE SURVEYED: 5/19/16
JOB NO.: 16-1043-00 FIELD BOOK 815/18 DRAFT TA REV. 1

Dpd 7-3-16

01.00.00

File No. ME 117293
Reeves County
Drilling Permit for 389-35255
Date Filed: 09/28/2017
George P. Bush, Commissioner
By Jm

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 801392	DATE PERMIT ISSUED OR AMENDED (AMENDED) Jun 08, 2016	DISTRICT * 08
API NUMBER 42-389-34700	FORM W-1 RECEIVED Jun 06, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 360
OPERATOR ENERGEN RESOURCES CORPORATION 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME QUARTERBACK STATE 3-4		WELL NUMBER 801H
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 14500
Section, Block and/or Survey SECTION 4 BLOCK 3 ABSTRACT 5979 SURVEY H&GN RR CO/HILL, G P & H		
DISTANCE TO SURVEY LINES 250 ft. SW 743 ft. NW		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. SW 743 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
PHANTOM (WOLFCAMP)	360.00	14,400
QUARTERBACK STATE 3-4	200	0
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 250.0 F SW L 743.0 F NW L Terminus Location Lease Lines: 200.0 F E L 728.0 F SE L Survey Lines: 200.0 F E L 1861.0 F SE L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 801392	DATE PERMIT ISSUED OR AMENDED (AMENDED) Jun 08, 2016	DISTRICT * 08
API NUMBER 42-389-34700	FORM W-1 RECEIVED Jun 06, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 360
OPERATOR ENERGEN RESOURCES CORPORATION 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME QUARTERBACK STATE 3-4		WELL NUMBER 801H
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 14500
Section, Block and/or Survey SECTION 4 BLOCK 3 ABSTRACT 5979 SURVEY H&GN RR CO/HILL, G P & H		
DISTANCE TO SURVEY LINES 250 ft. SW 743 ft. NW		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. SW 743 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH WELL # DIST NEAREST WE
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.		

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

REEVES (389) County

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

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

API No. <u>42-389-34700</u> Drilling Permit # <u>801392</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.			FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>252002</u>		2. Operator's Name (as shown on form P-5, Organization Report) ENERGEN RESOURCES CORPORATION		3. Operator Address (include street, city, state, zip): 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		
4. Lease Name QUARTERBACK STATE 3-4		5. Well No. <u>801H</u>				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☒ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): ☐ Vertical ☒ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack						
8. Total Depth <u>14500</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>16.3</u> miles in a <u>NW</u> direction from <u>PECOS</u> which is the nearest town in the county of the well site.						
15. Section <u>4</u>	16. Block <u>3</u>	17. Survey <u>H&GN RR CO/HILL, G P & H</u>		18. Abstract No. <u>A-5979</u>	19. Distance to nearest lease line: <u>200</u> ft.	
20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>360</u>						
21. Lease Perpendiculars: <u>250</u> ft from the <u>SW</u> line and <u>743</u> ft from the <u>NW</u> line.						
22. Survey Perpendiculars: <u>250</u> ft from the <u>SW</u> line and <u>743</u> ft from the <u>NW</u> line.						
23. Is this a pooled unit? ☐ Yes ☒ No		24. Unitization Docket No. _____		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No. <u>08</u>	27. Field No. <u>71052900</u>	28. Field Name (exactly as shown in RRC records) <u>PHANTOM (WOLFCAMP)</u>		29. Well Type <u>Oil or Gas Well</u>	30. Completion Depth <u>14400</u>	
				31. Distance to Nearest Well in this Reservoir <u>0.00</u>	32. Number of Wells on this lease in this Reservoir <u>1</u>	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Jun 6, 2016 2:36 PM]: Amending to change lease name and well number. Revised plat attached with the new survey calls. This will be a parent well.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. Vonda Freeman Ms., Regulatory Analyst Name of filer _____ Date submitted <u>Jun 06, 2016</u> <u>(432)684-3693</u> <u>midlandrrc@energen.com</u> Phone E-mail Address (OPTIONAL)		
RRC Use Only Data Validation Time Stamp: Jun 8, 2016 8:18 AM('As Approved' Version)						

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

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

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

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

Form W-1H		07/2004
Supplemental Horizontal Well Information		
Permit #	801392	
Approved Date:	Jun 08, 2016	

1. RRC Operator No. 252002	2. Operator's Name (exactly as shown on form P-5, Organization Report) ENERGEN RESOURCES CORPORATION	3. Lease Name QUARTERBACK STATE 3-4	4. Well No. 801H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 4	7. Block 3	8. Survey H&GN RR CO/HILL, G P & H	9. Abstract 5979
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 200 ft. from the e line. and 728 ft. from the se line			
12. Terminus Survey Line Perpendiculars 200 ft. from the e line. and 1861 ft. from the SE line			
13. Penetration Point Lease Line Perpendiculars 250 ft. from the SW line. and 743 ft. from the NW line			

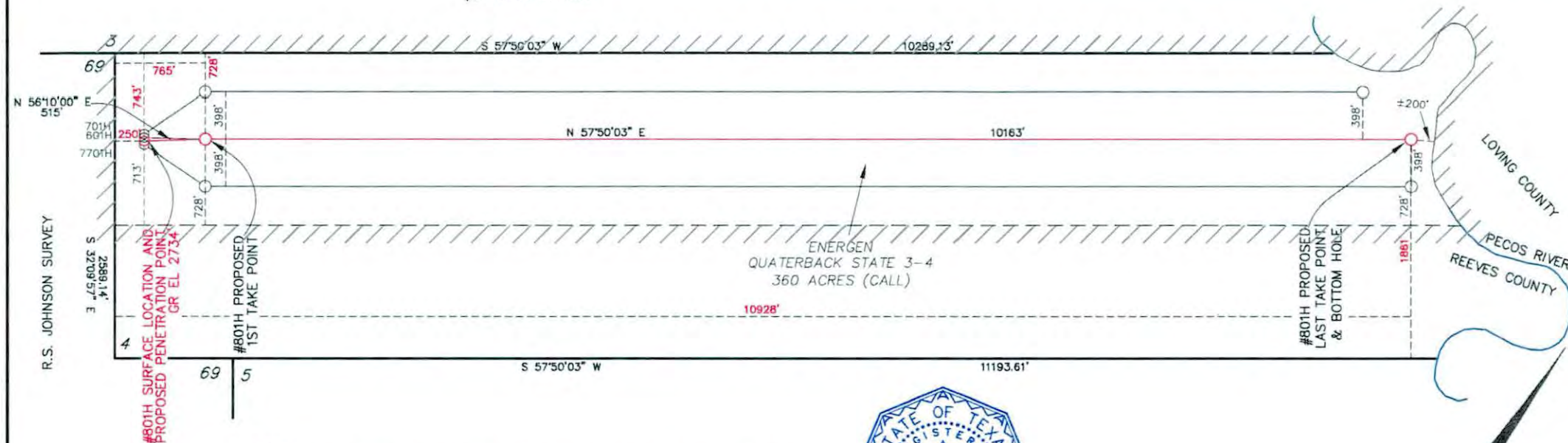
PERMIT PLAT

A-5979
**SECTION 4, BLOCK 3
H & GN RR SURVEY**

- ☼ GAS WELL
- ⚙ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- ⊙ WATER WELL
- ⊘ SHUT IN WELL

NAD 83, TEXAS CENTRAL ZONE	NAD 27, TEXAS CENTRAL ZONE
S/L: N=10572062.3', E=1270870.9' LAT=31.6307937 N, LONG=103.6294466 W	S/L: N=729486.2', E=974407.3' LAT=31.6306636 N, LONG=103.6289877 W
1ST/P: N=10572349.2', E=1271298.9' LAT=31.6316169 N, LONG=103.6280994 W	1ST/P: N=729773.1', E=974835.3' LAT=31.6314868 N, LONG=103.6276405 W
L/P: N=10577759.7', E=1279902.0' LAT=31.6471818 N, LONG=103.6009797 W	L/P: N=735183.5', E=983438.3' LAT=31.6470518 N, LONG=103.6005217 W

APPROXIMATELY 16.3 MILES NW OF PECOS, TEXAS



- NOTES:
- COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE," WITH REFERENCE TO USGS TRI-STATION "ANGLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
 - THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
 - SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.
 - LEASE INFORMATION PROVIDED BY ENERGEN PERSONNEL.



FILE: M:enterprose production/dwg/w13307.dwg



P.O. DRAWER 11186
MIDLAND, TEXAS 79702
(432) 520-9200
FAX (432) 520-9212
tahlstrand@wpg-us.com

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

Thais Watson Ahlstrand TEXAS R.P.L.S. No. 6359
DATE 6/3/16

ENERGEN RESOURCES CORPORATION
QUARTERBACK STATE 3-4 #801H
S/L & PROPOSED P/P: 250' FSWL & 743' FNWL
PROPOSED 1ST T/P: 765' FSWL & 728' FNWL
PROPOSED LAST T/P & B/H: 10928' FSWL & 1861' FSEL
SECTION 4, BLOCK 3, H & GN RR SURVEY
REEVES COUNTY, TEXAS

DATE: JUNE 2, 2016 DATE SURVEYED: 5/19/16
JOB NO.: 16-1129-00 FIELD BOOK 815/18 DRAFT TA REV. 0

Spud 8-21-16

01.03.06

RAILROAD COMMISSION OF TEXAS

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

Form P.

Pag
Rev. 01/

Acreage Designation

SECTION I. OPERATOR INFORMATION

r Name: Energen Resources Corporation

Operator P-5 No.: 252002

r Address: 3510 N A St Bldgs A & B Midland, TX 79705

SECTION II. WELL INFORMATION

No.: 08

County: Reeves

: 801H

API No.: 42-389

ase Acres: 360

Drilling Permit No.:

Time: Quarterback State 3-4

Lease No.:

me: Phantom (Wolfcamp)

Field No.: 71052900

Purpose of Filing:

Drilling Permit Application (Form W-1)

☐ Completion Report
(Form G-1/W-2)

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

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

No. or e No.	Well No.	H-Horizontal D-Directional V-Vertical	Lease Name	API No.	Acres Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing oper.
	801H	H-Parent Well	Quarterback State 3-4	389-	360	N	
All Count >	1	360	< A. Total Assigned Horiz. Acreage		360	< C. Total Assigned Acreage	
		0	< Total Remaining Horiz. Acreage		0	< Total Remaining Acreage	
			< B. Total Assigned Vert./Dir. Acreage				
			< Total Remaining Vert./Dir. Acreage				

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

Additional Pages As Needed.

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

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

Yonda Freeman Yonda Freeman

vonda.freeman@energen.com

Name and title (type or print)

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

A St Bldas A & B

Midland	TX	79705
City,	State,	Zip Code

432	684-3693	6/06/2016
Tel: Area Code	Number	Date: mo. day yr.

12.
File No. MF117293
Roose County
Drilling Permit for 389-34700
Date Filed: 09/28/2017
By George P. Bush, Commissioner
gm

2.58.70

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 816119	DATE PERMIT ISSUED OR AMENDED Jun 08, 2016	DISTRICT * 08
API NUMBER 42-389-35256	FORM W-1 RECEIVED Jun 07, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 360
OPERATOR ENERGEN RESOURCES CORPORATION 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME QUARTERBACK STATE 3-4		WELL NUMBER 7701H
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 14500
Section, Block and/or Survey SECTION 4 BLOCK 3 ABSTRACT 5979 SURVEY H&GN RR CO/HILL, G P & H		
DISTANCE TO SURVEY LINES 250 ft. SW 773 ft. NW		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. SW 773 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME	ACRES	DEPTH
LEASE NAME	NEAREST LEASE	WELL # NEAREST WE
-----	-----	-----
PHANTOM (WOLFCAMP)	360.00	14,400
QUARTERBACK STATE 3-4	200	398
-----	-----	-----
WELLBORE PROFILE(s) FOR FIELD: Horizontal		

RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 250.0 F SW L 773.0 F NW L Terminus Location Lease Lines: 200.0 F E L 1463.0 F SE L Survey Lines: 10931.0 F SW L 1463.0 F SE L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 816119	DATE PERMIT ISSUED OR AMENDED Jun 08, 2016	DISTRICT * 08
API NUMBER 42-389-35256	FORM W-1 RECEIVED Jun 07, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 360
OPERATOR ENERGEN RESOURCES CORPORATION 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME QUARTERBACK STATE 3-4		WELL NUMBER 7701H
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 14500
Section, Block and/or Survey SECTION 4 BLOCK 3 ABSTRACT 5979 SURVEY H&GN RR CO/HILL, G P & H		
DISTANCE TO SURVEY LINES 250 ft. SW 773 ft. NW		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. SW 773 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.		

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

REEVES (389) County

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

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

API No. <u>42-389-35256</u> Drilling Permit # <u>816119</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.			FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>252002</u>		2. Operator's Name (as shown on form P-5, Organization Report) ENERGEN RESOURCES CORPORATION		3. Operator Address (include street, city, state, zip) 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		
4. Lease Name QUARTERBACK STATE 3-4		5. Well No. <u>7701H</u>				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): ☐ Vertical ☒ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack						
8. Total Depth <u>14500</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>16.3</u> miles in a <u>NW</u> direction from <u>PECOS</u> which is the nearest town in the county of the well site.						
15. Section <u>4</u>	16. Block <u>3</u>	17. Survey <u>H&GN RR CO/HILL, G P & H</u>		18. Abstract No. <u>A-5979</u>	19. Distance to nearest lease line: <u>200</u> ft.	
				20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>360</u>		
21. Lease Perpendiculars: <u>250</u> ft from the <u>SW</u> line and <u>773</u> ft from the <u>NW</u> line.						
22. Survey Perpendiculars: <u>250</u> ft from the <u>SW</u> line and <u>773</u> ft from the <u>NW</u> line.						
23. Is this a pooled unit? ☐ Yes ☒ No		24. Unitization Docket No. _____		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	
<u>08</u>	<u>71052900</u>	<u>PHANTOM (WOLFCAMP)</u>		<u>Oil or Gas Well</u>	<u>14400</u>	
				31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir	
				<u>398.00</u>	<u>3</u>	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Jun 7, 2016 10:54 AM]: Thank you!				Certification: I certify that information stated in this application is true and complete, to the best of my knowledge. Vonda Freeman Ms., Regulatory Analyst Name of filer _____ Date submitted <u>Jun 07, 2016</u> <u>(432)684-3693</u> <u>midlandrrc@energen.com</u> Phone E-mail Address (OPTIONAL)		
RRC Use Only Data Validation Time Stamp: Jun 8, 2016 8:23 AM('As Approved' Version)						

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

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

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

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

Form W-1H		07/2004
Supplemental Horizontal Well Information		
Permit #	816119	
Approved Date:	Jun 08, 2016	

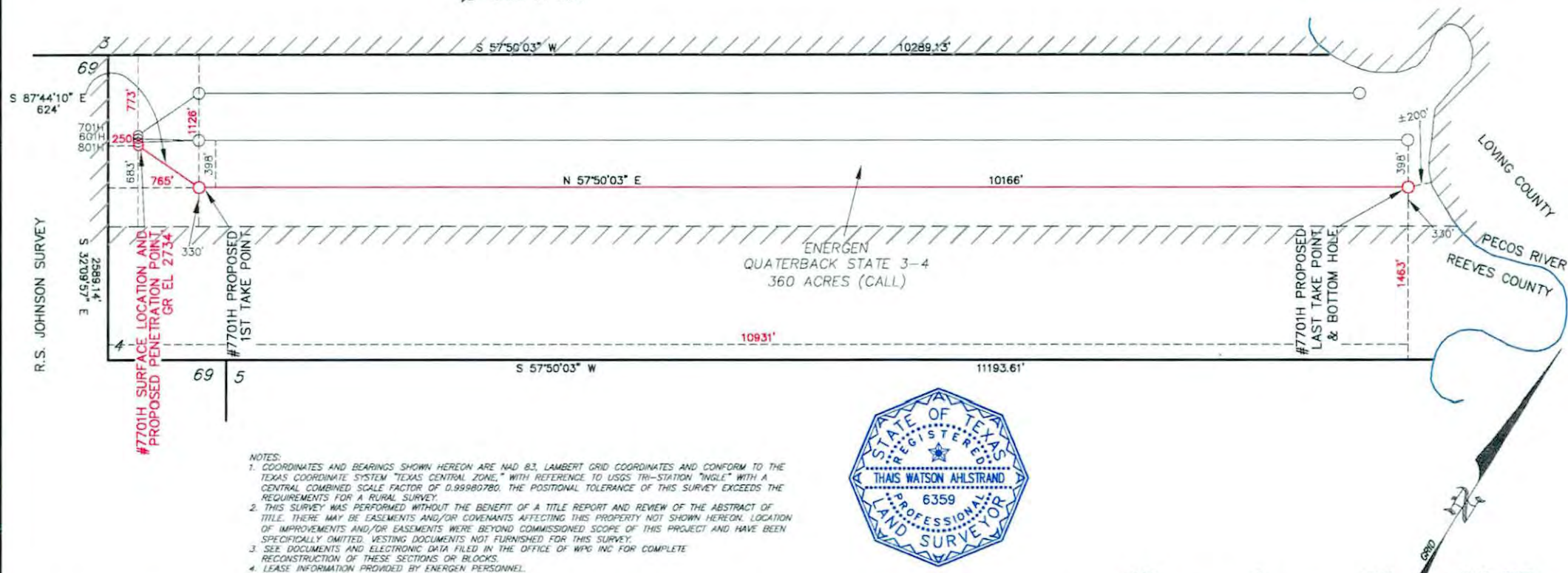
1. RRC Operator No. 252002	2. Operator's Name (exactly as shown on form P-5, Organization Report) ENERGEN RESOURCES CORPORATION	3. Lease Name QUARTERBACK STATE 3-4	4. Well No. 7701H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 4	7. Block 3	8. Survey H&GN RR CO/HILL, G P & H	9. Abstract 5979
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 200 ft. from the e line, and 1463 ft. from the SE line			
12. Terminus Survey Line Perpendiculars 10931 ft. from the SW line, and 1463 ft. from the SE line			
13. Penetration Point Lease Line Perpendiculars 250 ft. from the SW line, and 773 ft. from the NW line			

A-5979
**SECTION 4, BLOCK 3
H & GN RR SURVEY**

- ☼ GAS WELL
- ⚙ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- ⊙ WATER WELL
- ⊙ SHUT IN WELL

NAD 83, TEXAS CENTRAL ZONE		NAD 27, TEXAS CENTRAL ZONE	
S/L: N=10572036.9', E=1270886.9'	LAT=31.6307252 N, LONG=103.6293928 W	S/L: N=729460.8', E=974423.3'	LAT=31.6305951 N, LONG=103.6289339 W
1ST/P: N=10572012.3', E=1271510.8'	LAT=31.6307084 N, LONG=103.627084 W	1ST/P: N=729436.2', E=975047.2'	LAT=31.6305783 N, LONG=103.6269280 W
L/P: N=10577424.5', E=1280116.6'	LAT=31.6462780 N, LONG=103.6002588 W	L/P: N=734848.3', E=983652.9'	LAT=31.6461480 N, LONG=103.5998008 W

APPROXIMATELY 16.3 MILES NW OF PECOS, TEXAS



- NOTES:
- COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE," WITH REFERENCE TO USGS TRI-STATION "INGLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
 - THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
 - SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.
 - LEASE INFORMATION PROVIDED BY ENERGEN PERSONNEL.



FILE: M:enterprose production/dwg/w13307.dwg



P.O. DRAWER 11186
MIDLAND, TEXAS 79702
(432) 520-0200
FAX (432) 520-0212
tahlstrand@wpg-us.com

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

Thais Watson Ahlstrand TEXAS R.P.L.S. No. 6359
DATE 6/3/16

PERMIT PLAT
ENERGEN RESOURCES CORPORATION
QUARTERBACK STATE 3-4 #7701H
S/L & PROPOSED P/P: 250' FSWL & 773' FNWL
PROPOSED 1ST T/P: 765' FSWL & 1126' FNWL
PROPOSED LAST T/P & B/H: 10931' FSWL & 1463' FSEL
SECTION 4, BLOCK 3, H & GN RR SURVEY
REEVES COUNTY, TEXAS

DATE: JUNE 2, 2016 DATE SURVEYED: 5/19/16
JOB NO.: 16-1130-00 FIELD BOOK 815/18 DRAFT TA REV. 0

Spud 9-5-16

97.97.6

13.
File No. MF117293
Reeves County
Drilling Permit for 389-35256
Date Filed: 09/28/2017
By George P. Bush, Commissioner

3.50.70

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 816109	DATE PERMIT ISSUED OR AMENDED Jun 08, 2016	DISTRICT * 08
API NUMBER 42-389-35254	FORM W-1 RECEIVED Jun 07, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 360
OPERATOR ENERGEN RESOURCES CORPORATION 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME QUARTERBACK STATE 3-4		WELL NUMBER 601H
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 14500
Section, Block and/or Survey SECTION 4 BLOCK 3 ABSTRACT 5979 SURVEY H&GN RR CO/HILL, G P & H		
DISTANCE TO SURVEY LINES 250 ft. SW 723 ft. NW		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. SW 723 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
PHANTOM (WOLFCAMP) QUARTERBACK STATE 3-4	360.00 200	14,400 0
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 250.0 F SW L 723.0 F NW L Terminus Location BH County: REEVES Section: 4 Block: 3 Abstract: 4212 Survey: H&GN RR CO/GOODNER, E S Lease Lines: 200.0 F E L 1861.0 F SE L Survey Lines: 200.0 F E L 1861.0 F SE L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 816109	DATE PERMIT ISSUED OR AMENDED Jun 08, 2016	DISTRICT * 08
API NUMBER 42-389-35254	FORM W-1 RECEIVED Jun 07, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 360
OPERATOR ENERGEN RESOURCES CORPORATION 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME QUARTERBACK STATE 3-4		WELL NUMBER 601H
LOCATION 16.3 miles NW direction from PECOS		TOTAL DEPTH 14500
Section, Block and/or Survey SECTION 4 BLOCK 3 ABSTRACT 5979 SURVEY H&GN RR CO/HILL, G P & H		
DISTANCE TO SURVEY LINES 250 ft. SW 723 ft. NW		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. SW 723 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH WELL # NEAREST WE
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.		

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

REEVES (389) County

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

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

API No. <u>42-389-35254</u> Drilling Permit # <u>816109</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.			FORM W-1 07/2004 Permit Status: Approved	
RRC Operator No. <u>252002</u>		2. Operator's Name (as shown on form P-5, Organization Report) ENERGEN RESOURCES CORPORATION		3. Operator Address (include street, city, state, zip): 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000		
Lease Name QUARTERBACK STATE 3-4		5. Well No. <u>601H</u>				
GENERAL INFORMATION						
Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)						
Wellbore Profile (mark ALL appropriate boxes): ☐ Vertical ☒ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack						
8. Total Depth <u>14500</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>16.3</u> miles in a <u>NW</u> direction from <u>PECOS</u> which is the nearest town in the county of the well site.						
15. Section <u>4</u>	16. Block <u>3</u>	17. Survey <u>H&GN RR CO/HILL, G P & H</u>		18. Abstract No. <u>A-5979</u>	19. Distance to nearest lease line: <u>200</u> ft	
20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>360</u>						
21. Lease Perpendiculars: <u>250</u> ft from the <u>SW</u> line and <u>723</u> ft from the <u>NW</u> line.						
22. Survey Perpendiculars: <u>250</u> ft from the <u>SW</u> line and <u>723</u> ft from the <u>NW</u> line.						
23. Is this a pooled unit? ☐ Yes ☒ No		24. Unitization Docket No: _____		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	14400	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Jun 7, 2016 9:06 AM]: SL to 801H, DP 801392. Thank you; [RRC STAFF Jun 7, 2016 1:17 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 7, 2016 1:25 PM]: Problems identified with this permit are resolved.			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. Vonda Freeman Ms., Regulatory Analyst Name of filer _____ Date submitted <u>Jun 07, 2016</u> <u>(432)684-3693</u> Phone _____ E-mail Address (OPTIONAL) <u>midlandrrc@energen.com</u>			
RRC Use Only Data Validation Time Stamp: Jun 8, 2016 8:19 AM('As Approved' Version)						

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

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

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

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

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

Permit #	816109
Approved Date:	Jun 08, 2016

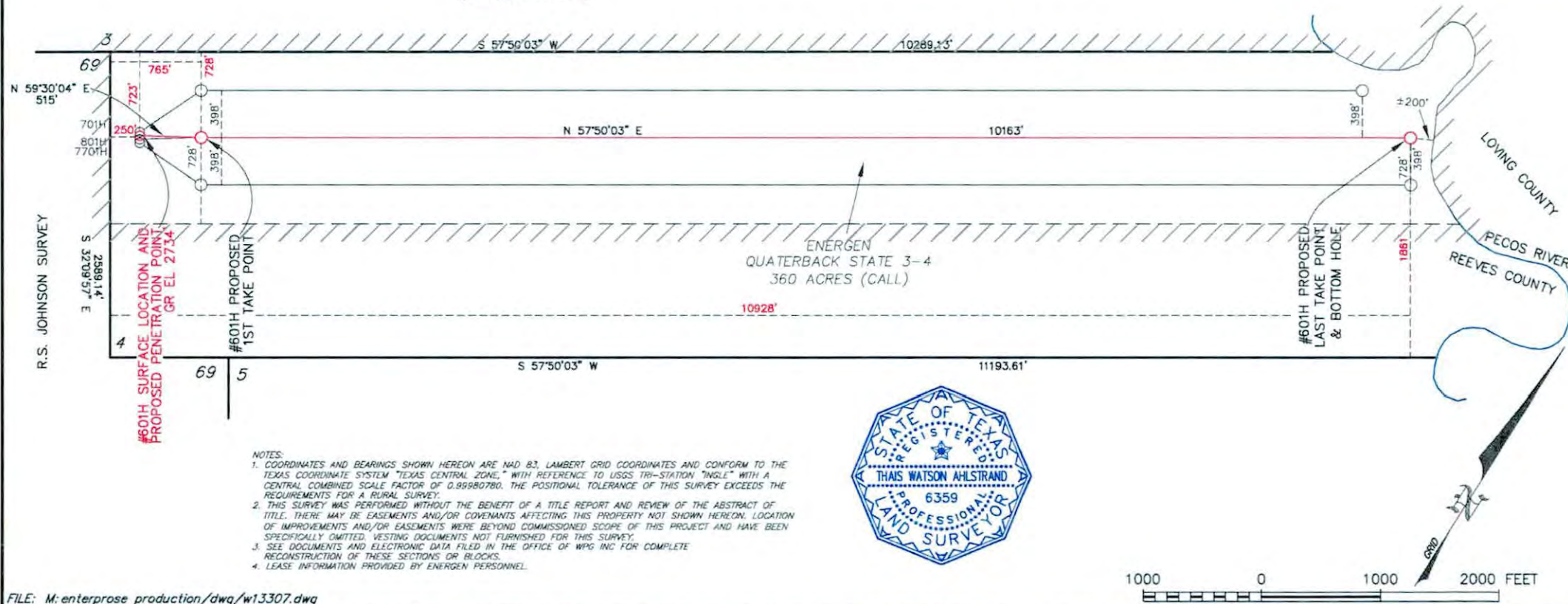
1. RRC Operator No. 252002	2. Operator's Name (exactly as shown on form P-5, Organization Report) ENERGEN RESOURCES CORPORATION	3. Lease Name QUARTERBACK STATE 3-4	4. Well No. 601H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 4	7. Block 3	8. Survey H&GN RR CO/GOODNER, E S	9. Abstract 4212
10. County of BHL REEVES			
11. Terminus Lease Line Perpendiculars 200 ft. from the e line, and 1861 ft. from the se line			
12. Terminus Survey Line Perpendiculars 200 ft. from the e line, and 1861 ft. from the se line			
13. Penetration Point Lease Line Perpendiculars 250 ft. from the SW line, and 723 ft. from the NW line			

PERMIT PLAT

A-5979
**SECTION 4, BLOCK 3
H & GN RR SURVEY**

- ☼ GAS WELL
- 💧 WATER INJECTION WELL
- ⬤ OIL WELL
- LOCATED WELL
- ⊙ DRY HOLE
- ⊕ WATER WELL
- ⊖ SHUT IN WELL

NAD 83, TEXAS CENTRAL ZONE	NAD 27, TEXAS CENTRAL ZONE
S/L: N=10572087.7', E=1270854.9' LAT=31.6308622 N, LONG=103.6295004 W	S/L: N=729511.6', E=974391.3' LAT=31.6307321 N, LONG=103.6290415 W
1ST/P: N=10572349.2', E=1271298.9' LAT=31.6316169 N, LONG=103.6280994 W	1ST/P: N=729773.1', E=974835.3' LAT=31.6314868 N, LONG=103.6276405 W
L/P: N=10577759.7', E=1279902.0' LAT=31.6471818 N, LONG=103.6009797 W	L/P: N=735183.5', E=983438.3' LAT=31.6470518 N, LONG=103.6005217 W
APPROXIMATELY 16.3 MILES NW OF PECOS, TEXAS	



- NOTES:
- COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE," WITH REFERENCE TO USGS TRI-STATION "ANGLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
 - THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
 - SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.
 - LEASE INFORMATION PROVIDED BY ENERGEN PERSONNEL.



FILE: M:enterprose production/dwg/w13307.dwg



P.O. DRAWER 11186
MIDLAND, TEXAS 79702
(432) 520-9200
FAX (432) 520-9212
tahlstrand@wpg-usa.com

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

Thais Watson Ahlstrand TEXAS R.P.L.S. No. 6359
DATE 6/3/16

PERMIT PLAT
ENERGEN RESOURCES CORPORATION
QUARTERBACK STATE 3-4 #601H
S/L & PROPOSED P/P: 250' FSWL & 723' FNWL
PROPOSED 1ST T/P: 765' FSWL & 728' FNWL
PROPOSED LAST T/P & B/H: 10928' FSWL & 1861' FSEL
SECTION 4, BLOCK 3, H & GN RR SURVEY
REEVES COUNTY, TEXAS

DATE: JUNE 2, 2016 DATE SURVEYED: 5/19/16
JOB NO.: 16-1128-00 FIELD BOOK 815/18 DRAFT TA REV. 0

Spnd. 7-27-16

01.02.0

RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

Form P.

Pag

Rev. 01/

Acreage Designation

SECTION I. OPERATOR INFORMATION

r Name: Energen Resources Corporation

Operator P-5 No.: 252002

r Address: 3510 N A St Bldgs A & B Midland, TX 79705

SECTION II. WELL INFORMATION

No.: 08

County: Reeves

Purpose of Filing:

: 601H

API No.: 42-389

☐ Drilling Permit Application
(Form W-1)

Base Acres: 360

Drilling Permit No.:

☐ Completion Report
(Form G-1/W-2)

ame: Quarterback State 3-4

Lease No.:

me: Phantom (Wolfcamp)

Field No.: 71052900

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

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

No. or e No.	Well No.	H-Horizontal D-Directional V-Vertical	Lease Name	API No.	Acres Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (if different from filing oper.
301392	801H	H-Parent Well	Quarterback State 3-4	389-	360	N	
	601H	H-Child to 801H	Quarterback State 3-4	389-	0	N	
Total Count >	2	360	< A. Total Assigned Horiz. Acreage		360	< C. Total Assigned Acreage	
		0	< Total Remaining Horiz. Acreage		0	< Total Remaining Acreage	
			< B. Total Assigned Vert./Dir. Acreage				
			< Total Remaining Vert./Dir. Acreage				

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

KED LATERAL WITH 801H (DP # 801392)

Additional Pages As Needed.

☐ No additional pages

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

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

Vonda Freeman Vonda Freeman
Name and title (to be filled in by the participant)

vonda.freeman@energen.com

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

A St Bldgs A & B

Midland	TX	79705
City.	State.	Zip Code

432	684-3693	6/07/2016
Tel: Area Code	Number	Date: mo. day yr.

14.
File No. ME117293
Reeves County
Drilling Permit API 389-35254
Date Filed: 09/28/2017
George P. Bush, Commissioner
By Jm

8.50.10



September 29, 2017

Mr. J. Daryl Morgan
Texas General Land Office
P O Box 12873
Austin, Texas 78711-2873

Re: Cold Harbor State 2-40 Unit 1H – Notice of Spud Date
Section 40, Block 2, H&GN RR Co Svy
REEVES COUNTY, TEXAS

Dear Mr. Morgan:

Please be advised that Anadarko E&P Onshore LLC intends to spud the subject well on October 9, 2017.

Enclosed for your records, please find copy of said permit and plat.

Should you have any questions, please feel free to contact me at (432) 247-3451.

Sincerely,

ANADARKO E&P ONSHORE LLC

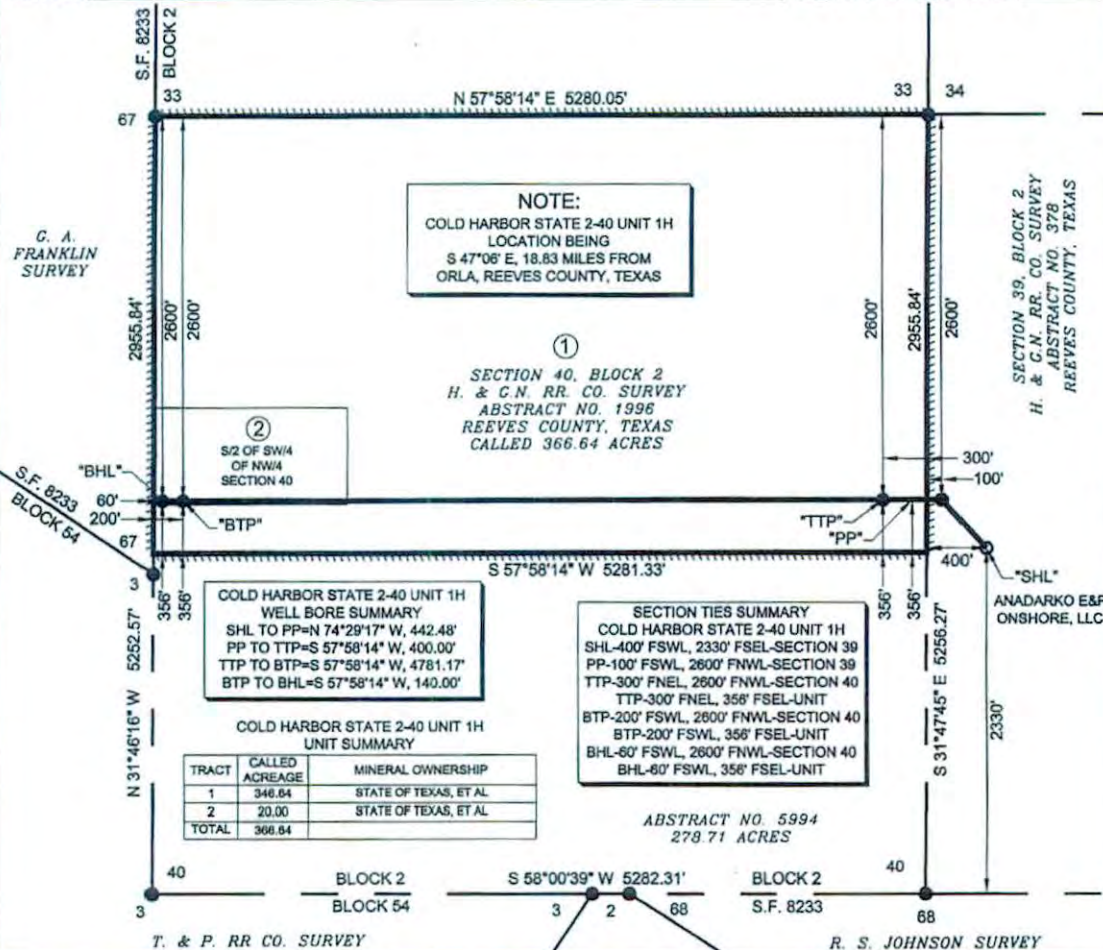
A handwritten signature in blue ink that reads "Melissa Urey". The signature is written in a cursive, flowing style.

Melissa Urey
Landman

Enclosure



NATURE OF WORK WELL LOCATION STAKING DATE 09-01-17 SRID NO. 9492
 PROJECT COLD HARBOR STATE 2-40 UNIT 1H JOB OR AFE NO. 2136075.PDE
 SEC. 40 BLK OR RANGE 2 TWP SURVEY H. & G.N. RR. CO. CO. REEVES STATE TEXAS
 REMARKS RE: ☐ AS-BUILT ☒ STAKING



STATE PLANE COORDINATE DATUM NAD 83 - TEXAS CENTRAL ZONE 4203		STATE PLANE COORDINATE DATUM NAD 83 - TEXAS CENTRAL ZONE 4203		STATE PLANE COORDINATE DATUM NAD 83 - TEXAS CENTRAL ZONE 4203	
COLD HARBOR STATE 2-40 UNIT 1H SHL (ELEV = 2765.05')		COLD HARBOR STATE 2-40 UNIT 1H SHL (ELEV = 2765.05')		COLD HARBOR STATE 2-40 UNIT 1H SHL (ELEV = 2765.05')	
X = 962597.66	Y = 735186.15	X = 1259031.34	Y = 10577764.40	X = 1259031.34	Y = 10577764.40
COLD HARBOR STATE 2-40 UNIT 1H PP		COLD HARBOR STATE 2-40 UNIT 1H PP		COLD HARBOR STATE 2-40 UNIT 1H PP	
X = 962141.50	Y = 735306.48	X = 1258604.98	Y = 10577882.74	X = 1258604.98	Y = 10577882.74
COLD HARBOR STATE 2-40 UNIT 1H TTP		COLD HARBOR STATE 2-40 UNIT 1H TTP		COLD HARBOR STATE 2-40 UNIT 1H TTP	
X = 961802.48	Y = 735094.35	X = 1258265.86	Y = 10577670.60	X = 1258265.86	Y = 10577670.60
COLD HARBOR STATE 2-40 UNIT 1H BTP		COLD HARBOR STATE 2-40 UNIT 1H BTP		COLD HARBOR STATE 2-40 UNIT 1H BTP	
X = 957749.16	Y = 732556.68	X = 1254212.50	Y = 10575134.88	X = 1254212.50	Y = 10575134.88
COLD HARBOR STATE 2-40 UNIT 1H BHL		COLD HARBOR STATE 2-40 UNIT 1H BHL		COLD HARBOR STATE 2-40 UNIT 1H BHL	
X = 957630.48	Y = 732484.43	X = 1254093.81	Y = 10575060.63	X = 1254093.81	Y = 10575060.63

Plat notes

- 1) BEARINGS, DISTANCES, AREA AND COORDINATES SHOWN HEREON ARE GRID BASED ON THE TEXAS COORDINATE SYSTEM OF 1983 (2011), CENTRAL ZONE 4203, AS DETERMINED BY GPS OBSERVATIONS REFERENCED TO TRANSLOCAL CONTROL POINT "TILLA 1" (N 10575681.12, E 1282539.16) WHERE THE CONVERGENCE ANGLE IS -1° 42' 41.5" AND THE COMBINED SCALE FACTOR IS 0.99991569. ELEVATIONS ARE NAVD83 (GEOID 128). THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSLOCAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 09-01-17 DATE SURVEYED 08-01-17 DRAFT SBB
 JOB NO. 1707140 FIELD BOOK V. JG19, P. 13 REV. 3
 FILE 1707140 COLD HARBOR STATE 2-40 UNIT 1H RRC PERMIT PLAT

2000' 0' 2000' 4000'

MAGNETIC NORTH IS CURRENT AS OF 08/01/2017.
 MAGNETIC NORTH CHANGES WEST 0.10" PER YEAR.

TRANSLOCAL SERVICES LLC
 TBLPS FIRM# 10193740
 8205 Camp Bowie West, Suite 204
 Fort Worth, Texas 76116
 (817) 529-1180 - Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

Robert P. Allen
 ROBERT P. ALLEN TEXAS R.P.L.S. NO. 6495

9/1/2017
 DATE

Railroad Commission of Texas

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

CONDITIONS AND INSTRUCTIONS

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

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

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

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

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

Before Drilling

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

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

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

*NOTIFICATION

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

During Drilling

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

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



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

Completion and Plugging Reports

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

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

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

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

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

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

PHONE
(512) 463-6751

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

RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

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

PERMIT NUMBER 830020	DATE PERMIT ISSUED OR AMENDED Aug 25, 2017	DISTRICT * 08	
API NUMBER 42-389-36284	FORM W-1 RECEIVED Aug 17, 2017	COUNTY REEVES	
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 358.33	
OPERATOR ANADARKO E&P ONSHORE LLC ATTN FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581	
LEASE NAME COLD HARBOR STATE 2-40 UNIT		WELL NUMBER 1H	
LOCATION 18.83 miles SE direction from ORLA		TOTAL DEPTH 11600	
Section, Block and/or Survey SECTION ◀ 39 BLOCK ◀ 2 ABSTRACT ◀ 378 SURVEY ◀ H&GN RR CO			
DISTANCE TO SURVEY LINES 400 ft. SW 2330 ft. SE		DISTANCE TO NEAREST LEASE LINE 200 ft.	
DISTANCE TO LEASE LINES 400 ft. SW 2330 ft. SE		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below	
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0306459			
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE	WELL # DIST
** PHANTOM (WOLFCAMP)	358.33	11,600	1H 08
COLD HARBOR STATE 2-40 UNIT	200	0	
WELLBORE PROFILE(s) FOR FIELD: Horizontal			
RESTRICTIONS: The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application. This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 100.0 F SW L 2600.0 F NW L Terminus Location BH County: REEVES Section: 40 Block: Abstract: 1996			

RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

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

PERMIT NUMBER 830020	DATE PERMIT ISSUED OR AMENDED Aug 25, 2017	DISTRICT * 08																																			
API NUMBER 42-389-36284	FORM W-1 RECEIVED Aug 17, 2017	COUNTY REEVES																																			
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 358.33																																			
OPERATOR ANADARKO E&P ONSHORE LLC ATTN: FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581																																			
LEASE NAME COLD HARBOR STATE 2-40 UNIT		WELL NUMBER 1H																																			
LOCATION 18.83 miles SE direction from ORLA		TOTAL DEPTH 11600																																			
Section, Block and/or Survey SECTION ◀ 39 BLOCK ◀ 2 ABSTRACT ◀ 378 SURVEY ◀ H&GN RR CO																																					
DISTANCE TO SURVEY LINES 400 ft. SW 2330 ft. SE		DISTANCE TO NEAREST LEASE LINE 200 ft.																																			
DISTANCE TO LEASE LINES 400 ft. SW 2330 ft. SE		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below																																			
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0306459 <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">FIELD NAME</td> <td style="width: 10%;">ACRES</td> <td style="width: 10%;">DEPTH</td> <td style="width: 10%;">WELL #</td> <td style="width: 10%;">DIST</td> </tr> <tr> <td>LEASE NAME</td> <td>NEAREST LEASE</td> <td></td> <td>NEAREST WE</td> <td></td> </tr> <tr> <td colspan="5">Survey: H&GN RR CO/CASE, H W</td> </tr> <tr> <td>Lease Lines:</td> <td>60.0 F SW L</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>356.0 F SE L</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Survey Lines:</td> <td>60.0 F SW L</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>2600.0 F NW L</td> <td></td> <td></td> <td></td> </tr> </table> *** PRECEDING FIELD NAME INDICATES RULE (R37) THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.			FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE		Survey: H&GN RR CO/CASE, H W					Lease Lines:	60.0 F SW L					356.0 F SE L				Survey Lines:	60.0 F SW L					2600.0 F NW L			
FIELD NAME	ACRES	DEPTH	WELL #	DIST																																	
LEASE NAME	NEAREST LEASE		NEAREST WE																																		
Survey: H&GN RR CO/CASE, H W																																					
Lease Lines:	60.0 F SW L																																				
	356.0 F SE L																																				
Survey Lines:	60.0 F SW L																																				
	2600.0 F NW L																																				

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

REEVES (389) County

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

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



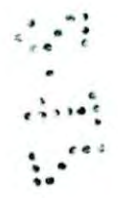
File No. M-117293

Ltr. From Angelo County

Date Filed. 10/2/17

George P. Bush, Commissioner

By [Signature]





November 2, 2017

VIA UPS OVERNIGHT MAIL

Mr. J. Daryl Morgan
Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701-1495

RE: Cold Harbor State 2-40 Unit – Pooling Agreement
State of Texas GLO Unit No. 8643 effective September 5, 2017
Reeves County, Texas

Dear Mr. Morgan:

Per your transmittal dated September 11, 2017, returned herewith are duplicate originals of the captioned pooling agreement for execution by the Commissioner of the Texas General Land Office.

Thank you for your assistance in having this document executed. Upon receipt of a fully executed original, same will be recorded in Reeves County, Texas, and a recorded copy will then be returned to you for the completion of your files.

Sincerely,

ANADARKO E&P ONSHORE LLC

A handwritten signature in blue ink that reads "Pat Kennedy". The signature is written in a cursive, flowing style.

Pat Kennedy
Land Analyst Advisor
Enclosure as stated

(16)

File No. M-117293

Ltr. From Angelo County

Date Filed: 11/3/17

George P. Bush, Commissioner

By [Signature]

TT. 244



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 9, 2017

Ms. Pat Kennedy
Anadarko E&P Onshore LLC
6 Desta Drive, Suite 1800
Midland, Texas 79705

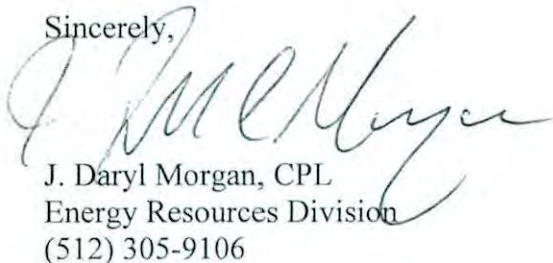
Re: Pooling Agreement
Cold Harbor State 2-40 Unit
GLO Unit No. 8643
Reeves County, Texas

Dear Ms. Kennedy,

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

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

Sincerely,



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

Enclosure

File No. M-117293

Ltr. to Anulyko County

Date Filed: 11/9/17

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA170050

Unit Number 8643
Operator Name Anadarko E&P Onshore LLC
Customer ID C000044444
Unit Name Cold Harbor State 2-40
County 1 Reeves *RRC District 1* 08
County 2 *RRC District 2*
County 3 *RRC District 3*
County 4 *RRC District 4*
Unit type Permanent
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 09/05/2017
Unitized For Oil And Gas
Unit Term
Old Unit Number *Inactive Status Date*

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF117480	1	3.170000	358.330000	0.00884659	O/G	0.12500000	0.00110582	
MF117293	2	303.100000	358.330000	0.84586833	O/G	0.12500000	0.10573354	
MF118556	3	4.700000	358.330000	0.01311640	O/G	0.12500000	0.00163955	
MF117949	4	27.460000	358.330000	0.07663327	O/G	0.12500000	0.00957916	

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117307	5	19.900000	358.330000	0.05553540	O/G	0.12500000	0.00694193	

API Number

Remarks:

Prepared By:

JM

Prepared Date:

09/05/2017

GLO Base Updated By:

JM

GLO Base Date:

09/05/2017

RAM Approval By:

AM

RAM Approval Date:

9/5/17

GIS By:

VH

GIS Date:

11/17/17

Well Inventory By:

JM

WI Date:

09/05/2017

Pooling Committee Report

To: School Land Board

UPA170050

Date of Board Meeting: 09/05/2017

Unit Number: 8643

Effective Date: 09/05/2017

Unit Expiration Date:

Applicant: Anadarko E&P Onshore LLC

Attorney Rep:

Operator: ANADARKO E&P ONSHORE LLC,

Unit Name: Cold Harbor State 2-40

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF117293	0.12500000	12/01/2018	46 months	896.460000	303.100000	0.10573354
RAL	MF117307	0.12500000	11/12/2017	3 years	20.000000	19.900000	0.00694193
RAL	MF117480	0.12500000	10/04/2017	3 years	6.080000	3.170000	0.00110582
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	27.460000	0.00957916
RAL	MF118556	0.12500000	01/06/2020	3 years	4.370000	4.700000	0.00163955

Private Acres:	0.000000
State Acres:	358.330000
Total Unit Acres:	358.330000

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

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	704 acres for a 4,700 foot lateral (FTP to LTP).

REMARKS:

- Anadarko E&P Onshore LLC is requesting permanent oil and gas pooling from the Surface to the base of the Wolfcamp formation as seen on the Amtex Energy Lee -128- # 1 well log (API 42-475-30939) in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well by or before October 4, 2017 with a proposed total depth of 10,850 feet TVD. A 4,700 foot lateral is expected to be drilled.
- With Board approval of the unit the State's unit royalty participation will be 12.5%.
- The State will participate on a unitized basis from the date of first production
- The applicant agrees to drill a total of two unit wells. The first well will be spud by or before October 4, 2017 and the second unit well will be spud in accordance with the continuous development clause in the leases or the unit will decrease in size to +/- 179.165 acres.

POOLING COMMITTEE RECOMMENDATION:

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

Shelly M. Duggett for Mary Smith

Mary Smith - Office of the Attorney General

8/23/17

Date

R. J. Hatter

Robert Hatter - General Land Office

8/23/17

Date

Diane Morris

Diane Morris - Office of the Governor

8/23/2017

Date



Unit #8643
Anadarko E&P Onshore, LLC.
Cold Harbor State 2-40 Unit
Phantom (Wolfcamp) Field
Reeves County, Texas

1,000 500 0 1,000 Feet



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



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

POOLING AGREEMENT
ANADARKO E&P ONSHORE LLC
COLD HARBOR STATE 2-40 UNIT
GLO UNIT NO. 8643
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to stratigraphic equivalent of the base of the Wolfcamp formation as seen on the log of the Amtex Energy, Inc., Lee-128 #1 well, API No. 42-475-30939 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

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

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of September 5, 2017.

SPECIAL TERMS AND CONDITIONS:

8.

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

TERM:

9.

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

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed

11/7/17

STATE OF TEXAS

Legal
Content
Geology
Executive

firm
[Signature]
[Signature]

By:

[Signature]

George P. Bush, Commissioner
General Land Office

Date Executed

10/16/17

ANADARKO E&P ONSHORE LLC

By:

[Signature]

Joseph M. Colerick
Agent and Attorney-in-Fact

MAN

Its:

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed _____

STATE OF TEXAS

Legal
Content
Geology
Executive

By: _____

George P. Bush, Commissioner
General Land Office

Date Executed 10/26/2017

SWEPI LP

By: _____

Its: _____

Jeff Turnbull

Attorney-In-Fact

CSS 

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed _____

STATE OF TEXAS

Legal
Content
Geology
Executive

By: _____
George P. Bush, Commissioner
General Land Office

Date Executed 10-20-17

SUMMIT WEST RESOURCES LP

BY: SUMMIT WEST MANAGEMENT LLC, its General Partner

By:

Its:

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 5th day of September, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 7th day of November, 2017.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF

Midland

This instrument was acknowledged before me on

Oct. 16

, 2017, by

Joseph M. Colerick

as

Agent and Attorney-in-Fact

for

Anadarko E&P Onshore LLC, a

Delaware

limited liability

company on behalf of said company.

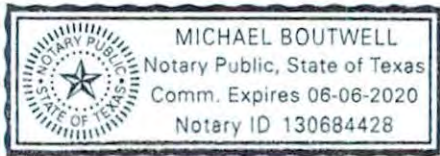


Patricia A. Kennedy
Notary Public in and for the
State of Texas

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on October 26th, 2017, by Jeff Turnbull
as Attorney-in-Fact for SWEPI LP, a Delaware limited partnership on behalf of said
company.



Michael Boutwell

Notary Public in and for the State of Texas

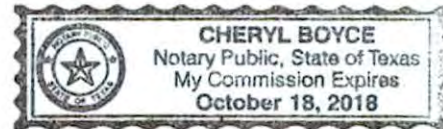
STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on October 20th, 2017, by Matt Johnson, President & COO of Summit West Management LLC, General Partner for SUMMIT WEST RESOURCES LP, a limited partnership on behalf of said company.

Cheryl Boyce

Notary Public in and for the State of Texas



Addendum "A"

To that certain Pooling Agreement for the Cold Harbor State 2-40 Unit

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

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of two (2) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, and only the first well is drilled and completed on the pooled unit, then the unit shall shrink down to 179.165 acres as close as is reasonably practicable to the shape of a rectangle surrounding the first unit well. If Lessee choses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

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

- First well** - spud on or before November 12, 2017;
- Subsequent well or wells** - drilled pursuant to the 180-day continuous drilling provisions of State Lease M-117293, being "no longer than 180 consecutive days elapsing between the completion of one well and the commencement of operations for drilling or reworking of the next succeeding well".

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

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

End of Addendum "A"

EXHIBIT "A"

1. APC LEASE NO: PENDING
LESSOR: JAMIE WINKLER AND RICHARD MANDELSON, CO-TRUSTEE OF
THE MORRIS WINKLER BYPASS TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 37, REEVES COUNTY, TEXAS
2. AP LEASE NO: PENDING
LESSOR: CHRISTINE WINKLER, TRUSTEE OF THE WINKLER FAMILY
TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 747, REEVES COUNTY, TEXAS
3. APC LEASE NO: 1363911000
LESSOR: OAK VALLEY LAND AND MINERAL LP, AS AGENT FOR THE
STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 10/4/2014
RECORDING: VOLUME 1128, PAGE 41, REEVES COUNTY, TEXAS
4. APC LEASE NO: 1363910000
LESSOR: ALLDALE MINERALS LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 4/1/2015
RECORDING: VOLUME 1215, PAGE 622, REEVES COUNTY, TEXAS
5. APC LEASE NO: 1363906000
LESSOR: WORD BE WILSON INBESTMENTS, LP, AS AGENT FOR THE
STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/10/2015
RECORDING: VOLUME 1215, PAGE 632, REEVES COUNTY, TEXAS
6. APC LEASE NO: 1363914000
LESSOR: JAMES ROBERT HILL ET AL, AS AGENTS FOR THE STATE OF
TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 2/1/2015
RECORDING: VOLUME 1215, PAGE 642, REEVES COUNTY, TEXAS
7. APC LEASE NO: N/A
LESSOR: TRIANGLE ROYALTY LP AND JK ROYALTY LP, AS AGENTS FOR
THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 467, REEVES COUNTY, TEXAS
8. APC LEASE NO: N/A
LESSOR: CG INTERESTS, LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 640, REEVES COUNTY, TEXAS
9. APC LEASE NO: 1363919000
LESSOR: KENNEDY MINERALS LTD., AS AGENT FOR THE STATE OF
TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/19/2015
RECORDING: VOLUME 1258, PAGE 418, REEVES COUNTY, TEXAS
10. APC LEASE NO: 1363918000
LESSOR: FRED W. SHIELD AND COMPANY, AS AGENT FOR THE STATE
OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 427, REEVES COUNTY, TEXAS
11. APC LEASE NO: 1363917000
LESSOR: THE DE COMPIEGNE PROPERTY COMPANY NO. 20 LTD, AS
AGENT FOR THE STATE OF TEXAS

LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 436, REEVES COUNTY, TEXAS

12. APC LEASE NO: N/A
LESSOR: LEGADO INVESTMENTS LLC, AS AGENT FOR THE STATE OF
TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 1/6/2017
RECORDING: VOLUME 1373, PAGE 654, REEVES COUNTY, TEXAS

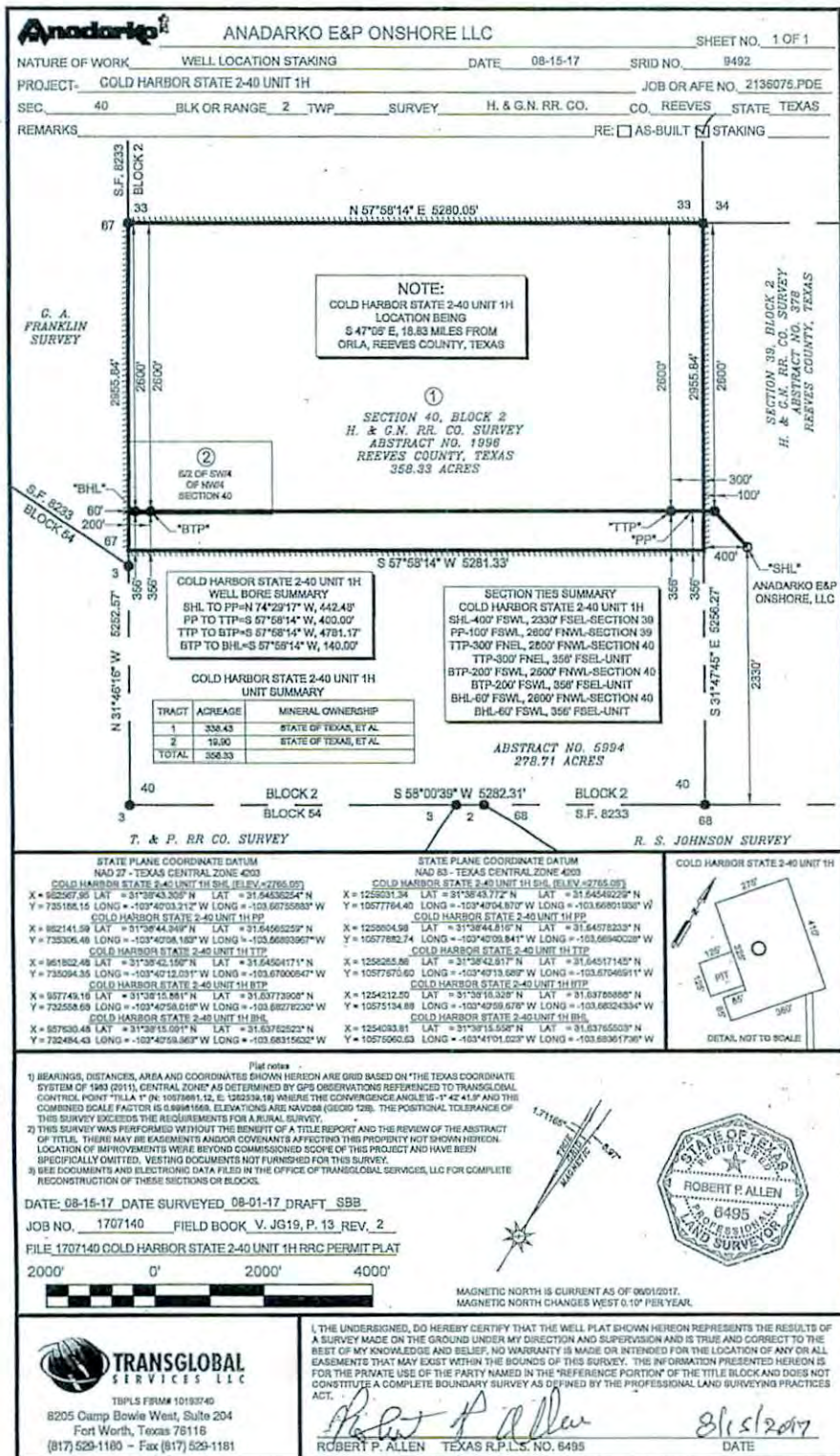
[END OF EXHIBIT "A"]

EXHIBIT "B"

358.33 acres, being the North 9/16ths of Section 40, Block 2, H&GN RR Co. Survey,
A-1996, Reeves County, Texas.

[END OF EXHIBIT "B"]

EXHIBIT "C"



(18)

File No. M-117293
Pooling Agmt. Packet # 9643 County
Cold Harbor State 2-40 Unit
Date Filed: 11/9/17
George P. Bush, Commissioner
By: [Signature]

11. 3. 11

MF118556, MF117293, MF117480, MF117949
MF117307

Anadarko E&P Onshore LLC

Division Order

COMMISSIONER OF THE TEXAS
GENERAL LAND OFFICE
STEPH F AUSTIN BLDG
1700 NORTH CONGRESS AVE
AUSTIN, TX 78701

See reverse for list of
Properties and Interests.

Effective Date: Next Settlement

The undersigned certifies the ownership of their decimal interest in production as described above payable by Anadarko E&P Onshore LLC (Payor).

Payor shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100, or Sept. 30 whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Note: NADOA Model Form Division Order (Adopted 9/95)

Special Clause(s): Payee agrees that by execution of this DO and returning the signature page to Payor that the signature page will be attached to Payor's duplicate original of this instrument and treated as an original for all purposes.

THIS D.O. REFLECTS YOUR INTEREST IN THE PRODUCTION SOLD FROM THE COLD HARBOR STATE 2-40 UNIT 1H WELL, #122249, WELL #J1957, REEVES, COUNTY, TX., EFFECTIVE FIRST PRODUCTION ON 1/9/18.

RV81527304
COMMISSIONER OF THE TEXAS
GENERAL LAND OFFICE

Signature of Witness

Owner Signature/Corporate Title

Owner Address (if different from above)

Signature of Witness

Owner Signature/Corporate Title

City, State Zip Code

Owner Daytime Phone

Email Address

YOUR COPY

*Failure to furnish your Social Security/Tax ID number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by payor.

** All individual parties must complete and return the enclosed W9 to ensure proper payment. Additional forms may be obtained at www.irs.gov

Please return to:
Anadarko E&P Onshore LLC
P.O. BOX 1330
HOUSTON, TX 77251-9874
1-800-359-1692

Date Prepared: January 22, 2018
Prepared By: BRENDA COPELAND
Suspense Flag: N

<u>Property</u>	<u>Property Name</u>	<u>Product</u>	<u>State/County</u>	<u>Int Type</u>	<u>Int Seq</u>	<u>Interest</u>
122249	COLD HARBOR STATE 2-40 UNIT 1H	All Products	TX/REEVES	RI	1	0.11719723
122249	COLD HARBOR STATE 2-40 UNIT 1H	All Products	TX/REEVES	RI	2	0.00694193
122249	COLD HARBOR STATE 2-40 UNIT 1H	All Products	TX/REEVES	RI	3	0.00172168

389-36284

Legal Description:

358.33 POOLED ACRES BEING COMPRISED OF THE NORTH 9/16TH OF SEC. 40, BLK 2, H&GN RR CO SURVEY,
A-1996 & BEING TR. 1 (338.43 ACS) & TR. 2 (19.9 ACS), REEVES COUNTY, TEXAS.

*Failure to furnish your Social Security/Tax ID number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by payor.

** All individual parties must complete and return the enclosed W9 to ensure proper payment. Additional forms may be obtained at www.irs.gov

Please return to:
Anadarko E&P Onshore LLC
P.O. BOX 1330
HOUSTON, TX 77251-9874
1-800-359-1692

Date Prepared: January 22, 2018
Prepared By: BRENDA COPELAND
Suspense Flag: N



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 15, 2018

Brenda Copeland
Division Order Analyst
Anadarko E&P Onshore LLC
P.O. Box 1330
Houston, TX 77251-9874

Re: State Lease Nos. MF118556, MF117293, MF117480, MF117949 and MF117307
Cold Harbor State 2-40 Unit 1H

Dear Mrs. Copeland:

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

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

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

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

Thank you,

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

19

File No. ME117293

____ County

Division Order

Date Filed: 3-15-2018

George P. Bush, Commissioner

By V.H.



March 26, 2018

VIA: FEDEX

Mr. Robert Hatter
Deputy of Energy
General Land Office
1700 N. Congress Avenue, Room 840
Austin, Texas 78701

Re: Waiver of Objection to Exception to Rule 37
Energen Resources Corporation – Misbehaving State Unit C19-19-14 #605H well
Phantom (Wolfcamp) Field, Reeves County, Texas *M-117293*

Dear Mr. Hatter:

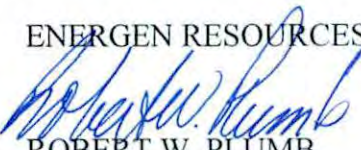
Energen Resources Corporation seeks the waiver of objection of the General Land Office to the exception to Rule 37 relative to Energen's drilling of the captioned well in its Misbehaving State Unit C19-19-14 GLO No. 8760 as per the attached permit plat. As you know, Tract 2 within the pooled unit is subject to the Relinquishment Act in which the State of Texas owns the minerals. Because Energen has been unable to lease small partial interests in this tract, a waiver of objection to the exception of Rule 37 is appropriate from the GLO on behalf of the State as the owner of these partial unleased mineral interests. As shown on the permit plat, all of the minerals in all of the acreage within the subject pooled unit are owned by the State of Texas as Relinquishment Act and State Fee interests.

If the GLO has no objection to this Rule 37 exception, please so indicate by signing in the space provided below and returning one (1) copy of this to the attention of the undersigned at the letterhead address. Please email such response to rplumb@energen.com with original to follow by mail.

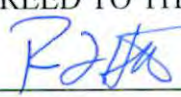
Thank you for your attention and cooperation. Should you have any questions concerning this matter, please call me at (205) 326-4395.

Yours very truly,

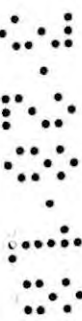
ENERGEN RESOURCES CORPORATION

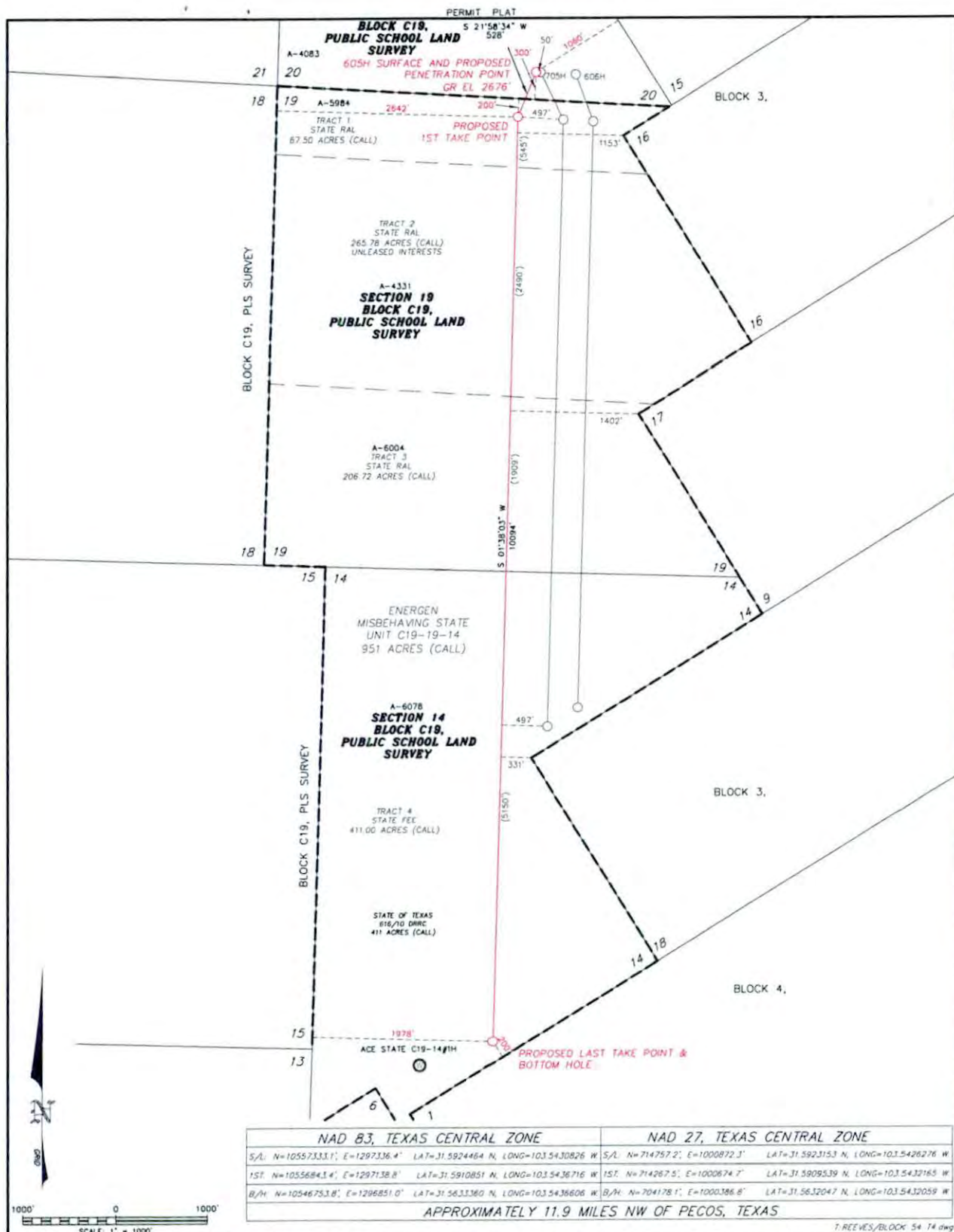

ROBERT W. PLUMB
Land Advisor

AGREED TO THIS 6th DAY OF April, 2018


Robert Hatter
Deputy of Energy
General Land Office

ENERGEN RESOURCES CORPORATION
605 Richard Arrington, Jr. Boulevard North, Birmingham, Alabama 35203-2707
Telephone: (205) 326-2700





I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT".

Thois Watson Ahlstrand TEXAS R.P.L.S. No. 6359

MARCH 23, 2018 DATE



Watson Professional Group Inc



P.O. DRAWER 1106
MIDLAND, TEXAS 79702
(432) 520-0200
FAX (432) 520-9212
tah@wpgm.com

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

- ☼ GAS WELL
- ⚙️ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- ⊕ WATER WELL
- ⊖ PLUGGED WELL

NOTES:
1. BEARINGS SHOWN HEREON ARE NAD 83 GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS NORTH CENTRAL ZONE," WITH A CONVERGENCE ANGLE OF -1.521647728" AND A COMBINED SCALE FACTOR OF 0.999981309. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
2. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
3. SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

PERMIT PLAT
ENERGEN RESOURCES CORPORATION
MISBEHAVING STATE UNIT C19-19-14 605H
S/L AND PROPOSED P/P: 300' FSL & 1060' FNL
SECTION 20, BLOCK C19, PUBLIC SCHOOL LAND SURVEY
PROPOSED 1ST T/P: 200' FNL & 2642' FWL
SECTION 19, BLOCK C19, PUBLIC SCHOOL LAND SURVEY
PROPOSED LAST T/P AND B/H: 200' FSEL & 1978' FWL
SECTION 14, BLOCK C19, PUBLIC SCHOOL LAND SURVEY
REEVES COUNTY, TEXAS

DATE: 3/18/18 DATE SURVEYED: 3/1/18
JOB NO.: 18-1056-00 FIELD BOOK: 839/27 DRAFT: NGH REV: 0

01007

20

File No. M-117293

County

Ltr. with Energen

Date Filed: 4/6/18

George P. Bush, Commissioner

By GR



March 26, 2018

VIA: FEDEX

Mr. Robert Hatter
Deputy of Energy
General Land Office
1700 N. Congress Avenue, Room 840
Austin, Texas 78701

Re: Waiver of Objection to Exception to Rule 37
Energen Resources Corporation – Misbehaving State Unit C19-19-14 #606H well
Phantom (Wolfcamp) Field, Reeves County, Texas

Dear Mr. Hatter:

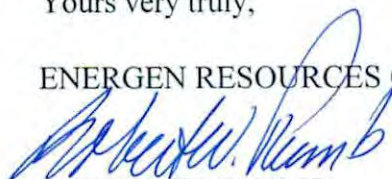
Energen Resources Corporation seeks the waiver of objection of the General Land Office to the exception to Rule 37 relative to Energen's drilling of the captioned well in its Misbehaving State Unit C19-19-14 GLO No. 8760 as per the attached permit plat. As you know, Tract 2 within the pooled unit is subject to the Relinquishment Act in which the State of Texas owns the minerals. Because Energen has been unable to lease small partial interests in this tract, a waiver of objection to the exception of Rule 37 is appropriate from the GLO on behalf of the State as the owner of these partial unleased mineral interests. As shown on the permit plat, all of the minerals in all of the acreage within the subject pooled unit are owned by the State of Texas as Relinquishment Act and State Fee interests.

If the GLO has no objection to this Rule 37 exception, please so indicate by signing in the space provided below and returning one (1) copy of this to the attention of the undersigned at the letterhead address. Please email such response to rplumb@energen.com with original to follow by mail.

Thank you for your attention and cooperation. Should you have any questions concerning this matter, please call me at (205) 326-4395.

Yours very truly,

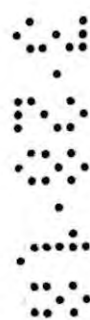
ENERGEN RESOURCES CORPORATION

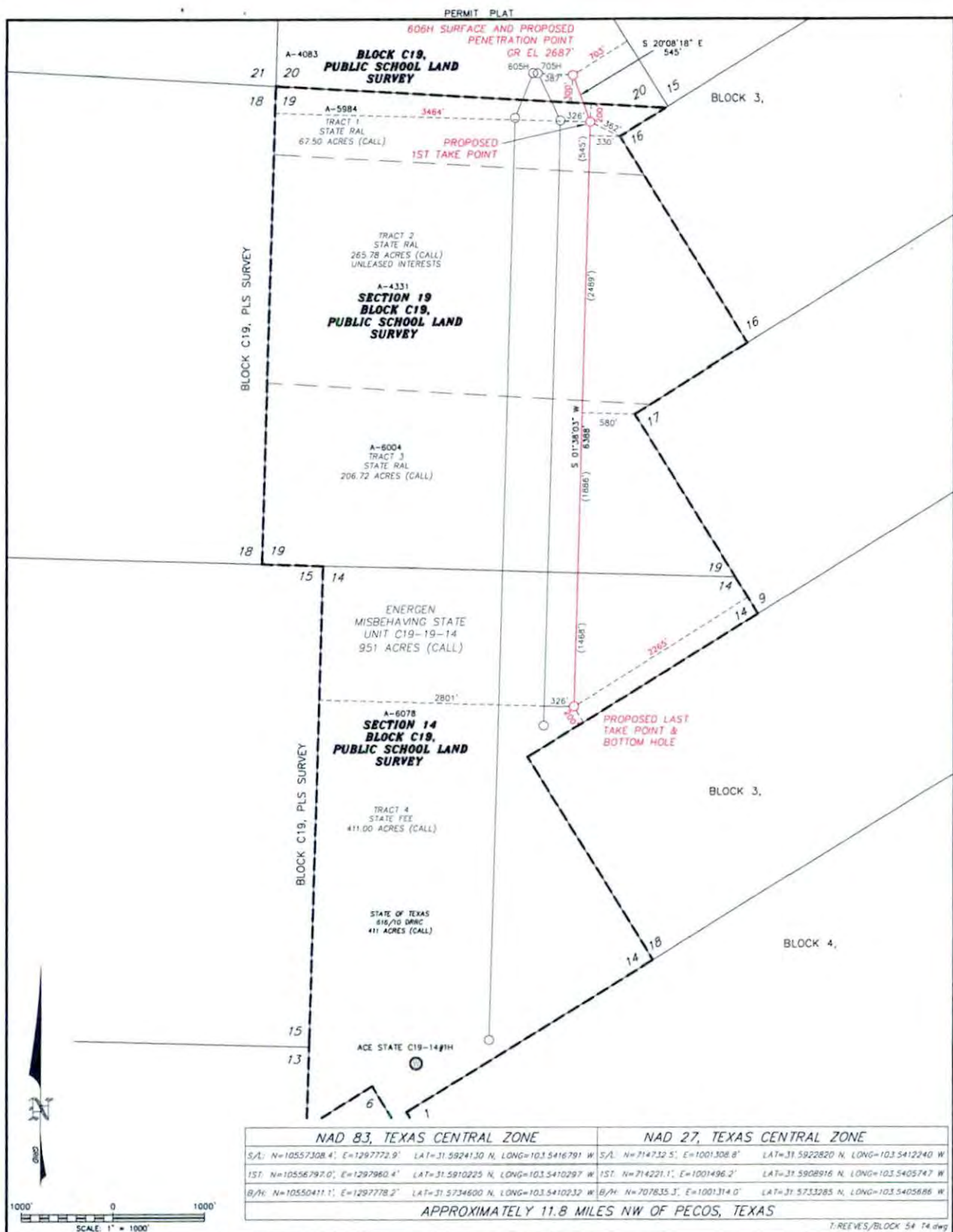

ROBERT W. PLUMB
Land Advisor

AGREED TO THIS 6th DAY OF April, 2018


Robert Hatter
Deputy of Energy
General Land Office

ENERGEN RESOURCES CORPORATION
605 Richard Arrington, Jr. Boulevard North, Birmingham, Alabama 35203-2707
Telephone: (205) 326-2700





I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

Thais Watson Ahlstrand
Thais Watson Ahlstrand TEXAS R.P.L.S. No. 6359

MARCH 23, 2018
DATE



Watson Professional Group Inc



P.O. DRAWER 1106
MIDLAND, TEXAS 79702
(432) 510-0000
FAX (432) 510-0012
t@wpgroup.com

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

- ☼ GAS WELL
- ⚡ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- ⊗ WATER WELL
- ⊙ PLUGGED WELL

NOTES:
1. BEARINGS SHOWN HEREON ARE NAD 83 GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM, "TEXAS NORTH CENTRAL ZONE," WITH A CONVERGENCE ANGLE OF -1.5216472286 AND A COMBINED SCALE FACTOR OF 0.999981308. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
2. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. HEARING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
3. SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF MFG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

PERMIT PLAT
ENERGEN RESOURCES CORPORATION
MISBEHAVING STATE UNIT C19-19-14 606H
S/L AND PROPOSED P/P: 300' FSL & 703' FNEL
SECTION 20, BLOCK C19, PUBLIC SCHOOL LAND SURVEY
PROPOSED 1ST T/P: 200' FNL & 3464' FNL
SECTION 19, BLOCK C19, PUBLIC SCHOOL LAND SURVEY
PROPOSED LAST T/P AND B/H: 200' FSEL & 2265' FNEL
SECTION 14, BLOCK C19, PUBLIC SCHOOL LAND SURVEY
REEVES COUNTY, TEXAS

DATE: 3/18/18
JOB NO.: 18-1057-00
FIELD BOOK: 839/27
DATE SURVEYED: 3/1/18
DRAFT: NGH
REV: 0

01-05-0

(12)

File No. M-117293

County

Ltr. w: Hy Enoyen

Date Filed: 4/6/18

George P. Bush, Commissioner

By [Signature]



March 26, 2018

VIA: FEDEX

Mr. Robert Hatter
Deputy of Energy
General Land Office
1700 N. Congress Avenue, Room 840
Austin, Texas 78701

Re: Waiver of Objection to Exception to Rule 37
Energen Resources Corporation – Misbehaving State Unit C19-19-14 #705H well
Phantom (Wolfcamp) Field, Reeves County, Texas

Dear Mr. Hatter:

Energen Resources Corporation seeks the waiver of objection of the General Land Office to the exception to Rule 37 relative to Energen's drilling of the captioned well in its Misbehaving State Unit C19-19-14 GLO No. 8760 as per the attached permit plat. As you know, Tract 2 within the pooled unit is subject to the Relinquishment Act in which the State of Texas owns the minerals. Because Energen has been unable to lease small partial interests in this tract, a waiver of objection to the exception of Rule 37 is appropriate from the GLO on behalf of the State as the owner of these partial unleased mineral interests. As shown on the permit plat, all of the minerals in all of the acreage within the subject pooled unit are owned by the State of Texas as Relinquishment Act and State Fee interests.

If the GLO has no objection to this Rule 37 exception, please so indicate by signing in the space provided below and returning one (1) copy of this to the attention of the undersigned at the letterhead address. Please email such response to rplumb@energen.com with original to follow by mail.

Thank you for your attention and cooperation. Should you have any questions concerning this matter, please call me at (205) 326-4395.

Yours very truly,

ENERGEN RESOURCES CORPORATION


ROBERT W. PLUMB
Land Advisor

AGREED TO THIS 6th DAY OF April, 2018



Robert Hatter
Deputy of Energy
General Land Office

ENERGEN RESOURCES CORPORATION
605 Richard Arrington, Jr. Boulevard North, Birmingham, Alabama 35203-2707
Telephone: (205) 326-2700



01007

File No. M-117293

County

Ltr. with Energy

Date Filed: 4/6/16

George P. Bush, Commissioner

By [Signature]



April 11, 2018

Texas General Land Office
Attn: Mr. Daryl Morgan
1700 North Congress Avenue
Austin, Texas 78701-1495

RE: Pooling Agreement
Misbehaving State Unit C19-19-14 (GLO Unit No. 8760)
Sections 19 and 14, Block C19, PSL Survey, Reeves County, Texas

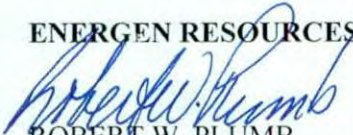
Dear Mr. Morgan:

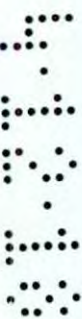
Enclosed please find two (2) original State Pooling Agreements for the Misbehaving State Unit C19-19-14 (GLO Unit No. 8760) executed on behalf of Energen Resources Corporation and Summit West Resources LP.

Once the State has executed the agreements, please return one (1) complete original to my attention at the letterhead address. We will provide you with a recorded copy once it is available. If you have any questions concerning this matter, please call me at (205) 326-4395 or email me at rplumb@energen.com.

Yours very truly,

ENERGEN RESOURCES CORPORATION


ROBERT W. PLUMB
Land Advisor



01.91.4

File No. M-117293

(23)

County

Ltr. From Enoyen

Date Filed: 4/23/18

George P. Bush, Commissioner

By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 23, 2018

Mr. Robert W. Plumb
Energen Resources Corporation
605 Richard Arrington, Jr., Boulevard North
Birmingham, Alabama 35203-2707

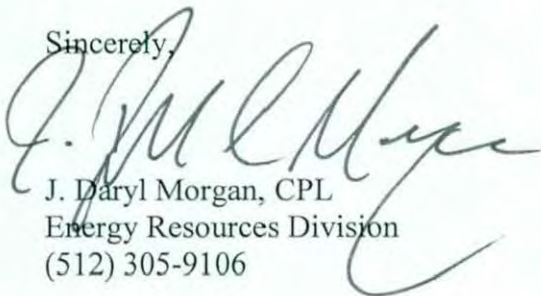
Re: Pooling Agreement
Misbehaving State Unit C19-19-14
GLO Unit No. 8760
Reeves County, Texas

Dear Mr. Plumb:

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

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

Sincerely,



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

Enclosure

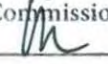
File No. M- 117293

County

Ltr. to Enrgen

Date Filed: 4/23/18

George P. Bush, Commissioner

By 

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA170141

Unit Number 8760
Operator Name Energen Resources Corporation
Customer ID C000043130
Unit Name Misbehaving State Unit C19-19-14
County 1 Reeves *RRC District 1* 08
County 2 *RRC District 2*
County 3 *RRC District 3*
County 4 *RRC District 4*
Unit type Permanent
State Net Revenue Interest Oil 0.17946968
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth 7640
To Depth 13044
Well
Formation Top of Bone Springs to Base of Wolfcamp
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 11/07/2017
Unitized For Oil And Gas
Unit Term
Old Unit Number *Inactive Status Date*

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF118543	1	67.500000	951.000000	0.07097792	O/G	0.12500000	0.00887224	No
MF117293	2	238.039213	951.000000	0.25030411	O/G	0.12500000	0.03128801	
MF117949	3	21.566940	951.000000	0.02267817	O/G	0.12500000	0.00283477	
MF118244	4	0.553708	951.000000	0.00058224	O/G	0.12500000	0.00007278	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF117736	5	206.720000	951.000000	0.21737119	O/G	0.12500000	0.02717140	
MF118128	6	411.000000	951.000000	0.43217666	O/G	0.25000000	0.10804416	No
MF117484	7	5.620139	951.000000	0.00590972	O/G	0.20073892	0.00118631	

API Number

Remarks:

Prepared By:

SSD

Prepared Date:

3/7/18

GLO Base Updated By:

SSD

GLO Base Date:

3/7/18

RAM Approval By:

AK

RAM Approval Date:

3/7/18

GIS By:

JL

GIS Date:

4/26/2018

Well Inventory By:

SSD

WI Date:

3/7/18

Pooling Committee Report

To: School Land Board

UPA170141

Date of Board Meeting: 11/07/2017

Unit Number: 8760

Effective Date: 11/07/2017

Unit Expiration Date:

Applicant: Energen Resources Corporation

Attorney Rep: Mickey Olmstead

Operator: Energen Resources Corporation,

Unit Name: Misbehaving State Unit C19-19-14

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

Lease Type	Lease Number	Lease Royalty	Expiration Date	Lease Term	Lease Acres	Lease Acres In Unit	Royalty Participation
RAL	MF117293	0.12500000	12/01/2018	46 months	896.460000	238.039200	0.03128801
RAL	MF117484	0.12500000	10/04/2017	3 years	2.733000	5.620000	0.00073870
RAL	MF117736	0.12500000	06/18/2018	3 years	206.720000	206.720000	0.02717140
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	21.566900	0.00283477
RAL	MF118244	0.12500000	06/13/2019	3 years	0.834000	0.553900	0.00007280
RAL	MF118543	0.12500000	01/25/2020	3 years	67.500000	67.500000	0.00887224
U Fee	MF118128	0.25000000	07/19/2019	3 years	411.000000	411.000000	0.10804416

Private Acres: 0.000000
State Acres: 951.000000
Total Unit Acres: 951.000000

Participation Basis: Surface Acreage
Surface Acreage
State Acreage: 100.00%
State Net Revenue Interest: 17.90%

Unit Type: Unitized for:
Permanent Oil And Gas
Term:

RRC Rules: Spacing Acres:
Yes 704 acres for a 10,000 foot lateral (FTP to LTP).

MF#	MF118543	MF117293	MF117949	MF118244	MF117736	MF118128	MF117484	
LEASE AC. IN UNIT	67.5	238.0392	21.5669	0.5539	206.72	411	5.62	951
TOTAL UNIT AC.	951	951	951	951	951	951	951	
STATE PARTICIPATION	0.07097792	0.25030410	0.02267813	0.00058244	0.21737119	0.43217666	0.00590957	1.00000000
LEASE ROYALTY	0.125	0.125	0.125	0.125	0.125	0.25	0.125	
PART OF UNIT NRI	0.00887224	0.031288013	0.002834766	7.28049E-05	0.02717140	0.108044164	0.00073870	0.17902208

REMARKS:

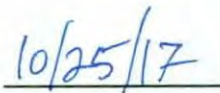
- Energen Resources Corporation is requesting permanent oil and gas pooling from the top of the Bone Spring formation to the base of the Wolfcamp formation in order to test the Bone Spring and Wolfcamp formations.
- The applicant plans to spud the unit well in October 2018 with a proposed total depth of 13,044 feet. A 10,000 foot lateral is expected to be drilled.
- With Board approval of the unit, the State's unit royalty participation will be 17.95%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill a total of three unit wells. The first unit well will be spud by or before October 1, 2018 and the second and third wells will be spud by or before July 19, 2021.

POOLING COMMITTEE RECOMMENDATION:

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



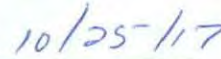
Mary Smith - Office of the Attorney General



Date



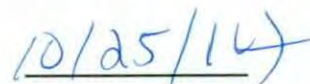
Robert Hatter - General Land Office



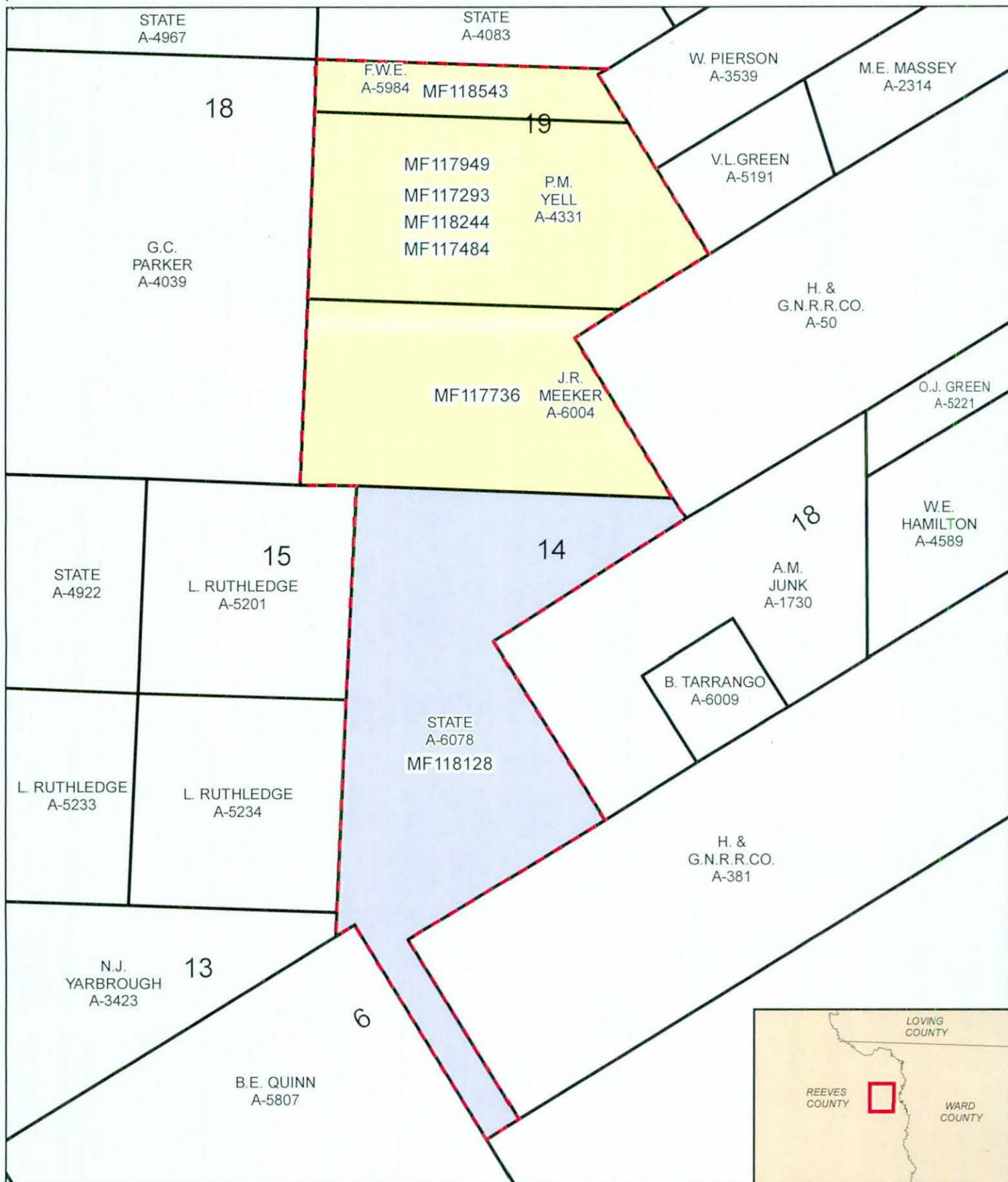
Date



Diane Morris - Office of the Governor



Date



Unit #8760
Energen Resources Corporation
Misbehaving State C19-19-14 Unit
Phantom (Wolfcamp) Field
Reeves County, Texas

1,500 750 0 1,500 Feet



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



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

POOLING AGREEMENT
ENERGEN RESOURCES CORPORATION
MISBEHAVING STATE UNIT C19-19-14
GLO UNIT NO. 8760
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Bone Spring Formation to the base of the Wolfcamp Formation, being defined as the stratigraphic interval or its correlative equivalent occurring from 7,640 feet to 13,044 feet as seen on the Resistivity log of the Petroplex Energy, Petrey #1 well, API No. 42-389-30421 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of November 7, 2017.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

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

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

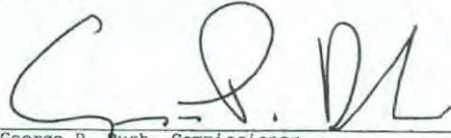
IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

Date Executed

4/19/18

STATE OF TEXAS

By:


George P. Bush, Commissioner
of the General Land Office

Legal
Content
Geology
Executive



Date Executed

12/13/2017

ENERGEN RESOURCES CORPORATION

By:


David W. Bolton

Its:

Vice President-Land

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 7th day of November, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

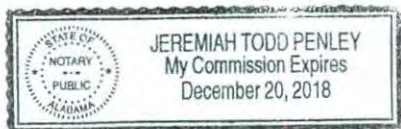
IN TESTIMONY WHEREOF, witness my hand this the 18th day of April, 2018.


Secretary of the School Land Board

STATE OF ALABAMA

COUNTY OF Jefferson

This instrument was acknowledged before me on 12/13, 2017, by David W. Bolton
as Vice President-Land of Energen Resources Corporation, an Alabama corporation on behalf of
said corporation.




Notary Public in and for the
State of Alabama



Date Executed March 31, 2018

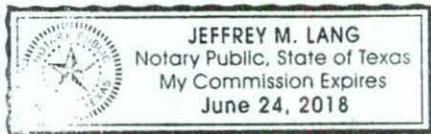
SUMMIT WEST RESOURCES LP

[Signature] *JML*
By: SUMMIT WEST MANAGEMENT LLC, its General
Partner, Matt Johnson, President and COO

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on March 31st, 2018 by Matt Johnson as President and COO of Summit West Management LLC, as General Partner of Summit West Resources LP, on behalf of said limited partnership.



[Signature]
Notary Public in and for the State of Texas

Attached to and made a part of that certain
Pooling Agreement for the Misbehaving State Unit
C19-19-14 (GLO Unit No. 8760) dated effective
November 7, 2017



Addendum "A"

To that certain Pooling Agreement for the Misbehaving State Unit C19-19-14

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

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of three (3) horizontal unit wells, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of approximately 320 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the well or wells. In the event that Lessee choses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

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

- | | | |
|-----------------------|---|------------------------------------|
| First well | – | Spud on or before October 1, 2018; |
| Second and third well | – | Spud on or before July 19, 2021. |

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

In the event Lessee commences actual drilling operations on all three (3) unit wells committed to be drilled hereunder as provided above and such wells are thereafter completed as wells that can produce oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph eight (8) of this Agreement.

End of Addendum "A"



EXHIBIT "A"

Attached to and made a part of that certain Pooling Agreement dated effective November 7, 2017 (GLO Unit No. 8760) for the Misbehaving State Unit C19-19-14 situated in Reeves County, Texas

The following oil and gas leases, including all extensions, ratifications, amendments and corrections thereof:

1. Lease Date: January 25, 2017
Lessor: Carrie Lyn Ford
Lessee: Energen Resources Corporation
Recording: Volume 1372, Page 676, Official Public Records, Reeves County, Texas
Lands: Tract 1
2. Lease Date: January 25, 2017
Lessor: Michael Lee Mackey
Lessee: Energen Resources Corporation
Recording: Volume 1372, Page 663, Official Public Records, Reeves County, Texas
Lands: Tract 1
3. Lease Date: February 1, 2015
Lessor: James Robert Hill, Individually and as Trustee of the Houston and Emma Hill Trust Estate et al
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 642, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
4. Lease Date: June 10, 2015
Lessor: Word B. Wilson Investments, LP
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 632, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
5. Lease Date: April 1, 2015
Lessor: Alldale Minerals, LP
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 622, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
6. Lease Date: June 13, 2016
Lessor: The de Compiegne Property Company
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 21, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands

7. Lease Date: June 13, 2016
Lessor: Fred W. Shield and Company
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 8, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
8. Lease Date: October 25, 2017
Lessor: Oak Valley Mineral and Land, LP
Lessee: Energen Resources Corporation
Recording: Volume 1526, Page 518, Official Public Records, Reeves County, Texas
Lands: Tract 2
9. Lease Date: June 28, 2016
Lessor: Kennedy Minerals, Ltd.
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 47, Official Public Records, Reeves County, Texas
Lands: Tract 2
10. Lease Date: August 26, 2016
Lessor: Bruno and Marshall Investments
Lessee: Energen Resources Corporation
Recording: Volume 1329, Page 189, Official Public Records, Reeves County, Texas
Lands: Tract 2
11. Lease Date: February 8, 2016
Lessor: Triangle Royalty, LP and JK Royalty, LP
Lessee: Summit West Resources LP
Recording: Volume 1250, Page 467, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
12. Lease Date: February 8, 2016
Lessor: CG Interests LLC
Lessee: Summit West Resources LP
Recording: Volume 1250, Page 640, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
13. Lease Date: September 29, 2015
Lessor: Meeker Investments, Inc.
Lessee: SWEPI LP
Recording: Volume 1227, Page 746, Official Public Records, Reeves County, Texas
Lands: Tract 3



14. Lease Date: June 18, 2015
Lessor: Charles R. Meeker Trust
Lessee: SWEPI LP
Recording: Volume 1185, Page 276, Official Public Records, Reeves County, Texas
Lands: Tract 3
15. Lease Date: October 9, 2015
Lessor: AWP 1983 Trust
Lessee: SWEPI LP
Recording: Volume 1227, Page 783, Official Public Records, Reeves County, Texas
Lands: Tract 3
16. Lease Date: September 29, 2015
Lessor: Callaghan 320 Trust
Lessee: SWEPI LP
Recording: Volume 1227, Page 769, Official Public Records, Reeves County, Texas
Lands: Tract 3
17. Lease Date: October 20, 2015
Lessor: Dan H. Meeker Children's Irrevocable Trust
Lessee: SWEPI LP
Recording: Volume 1227, Page 729, Official Public Records, Reeves County, Texas
Lands: Tract 3
18. Lease Date: September 29, 2015
Lessor: JWM Minerals, LLC
Lessee: SWEPI LP
Recording: Volume 1227, Page 708, Official Public Records, Reeves County, Texas
Lands: Tract 3
19. Lease Date: October 20, 2015
Lessor: Crestview Resources, LLC
Lessee: SWEPI LP
Recording: Volume 1227, Page 715, Official Public Records, Reeves County, Texas
Lands: Tract 3
20. Lease Date: July 19, 2016
Lessor: State of Texas
Lessee: Lincoln Land and Title, LLC
Recording: Volume 1346, Page 205, Official Public Records, Reeves County, Texas
Lands: Tract 4

END OF EXHIBIT "A"



EXHIBIT "B"

Attached to and made a part of that certain Pooling Agreement dated effective November 7, 2017
(GLO Unit No. 8760) for the Misbehaving State Unit C19-19-14 situated in Reeves County,
Texas

Description of Lands:

Tract 1:

All of the North One-Eighth (N 1/8) of Section 19, Block C19, PSL Survey, Reeves County, Texas, containing 67.50 acres, more or less.

Tract 2:

All of the North Nine-Sixteenths (N 9/16) of the South Seven-Eighths (S 7/8) of Section 19, Block C19, PSL Survey, Reeves County, Texas, containing 265.78 acres, more or less.

Tract 3:

All of the South Seven-Sixteenths (S 7/16) of the South Seven-Eighths (S 7/8) of Section 19, Block C19, PSL Survey, Reeves County, Texas, containing 206.72 acres, more or less.

Tract 4:

All of Section 14, Block C19, PSL Survey, Reeves County, Texas, containing 411.00 acres, more or less.

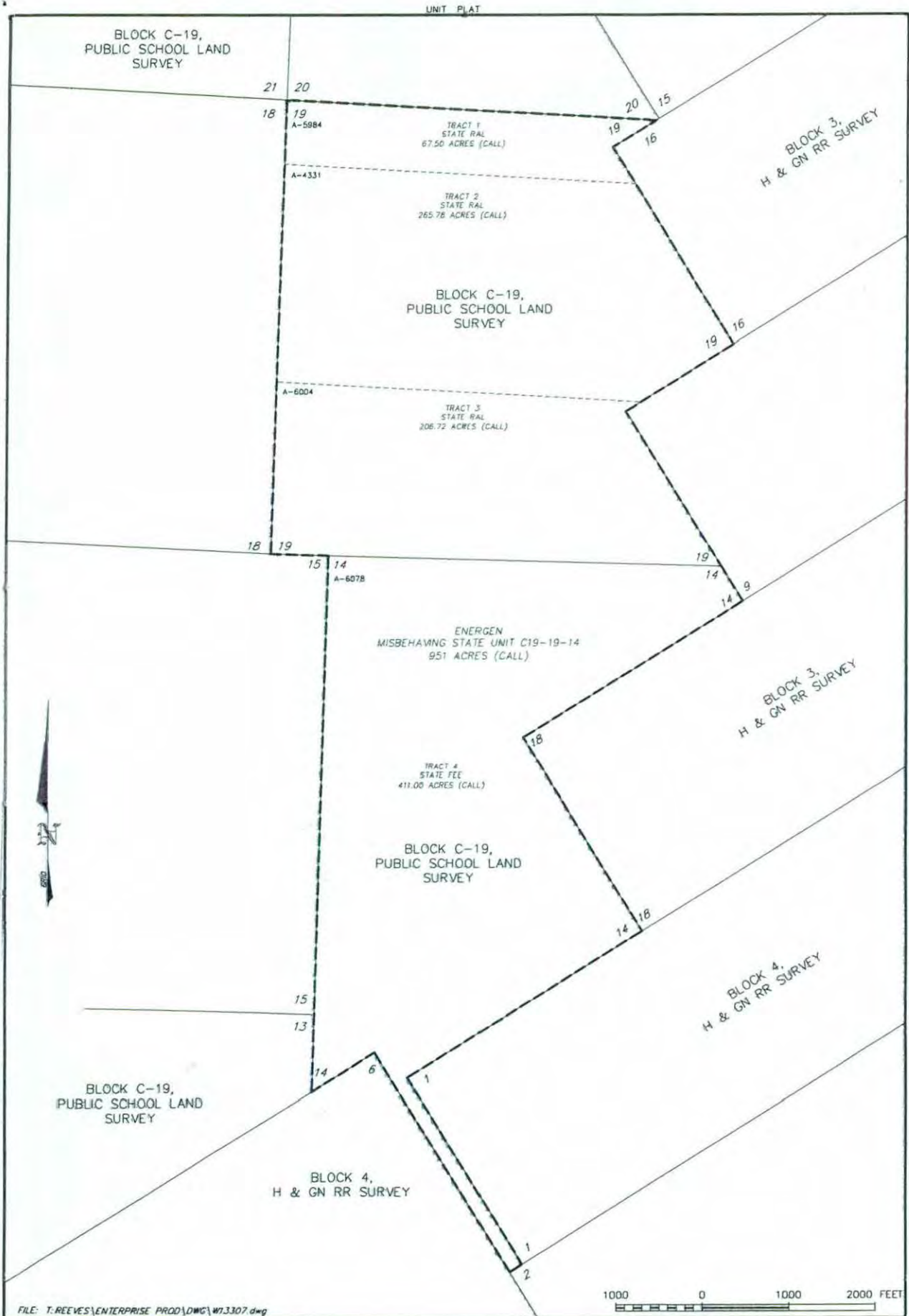
Tracts 1, 2, 3 and 4 combining to total 951.00 acres, more or less.

END OF EXHIBIT "B"



EXHIBIT "C"

Attached to and made a part of that certain Pooling Agreement dated effective November 7, 2017 (GLO Unit No. 8760) for the Misbehaving State Unit C19-19-14 situated in Reeves County, Texas



FILE: T.REEVES\ENTERPRISE PROD\DWG\W13307.dwg

Watson Professional Group Inc



P.A. DRAWER 1186
MIDLAND, TEXAS 79702
(432) 532-9232
FAX (432) 532-9232
wpg@watsonpg.com

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

ENERGEN RESOURCES CORPORATION
MISBEHAVING STATE UNIT C19-19-14
951 ACRES (CALL)
ALL OF SECTIONS 14 & 19,
BLOCK C-19, P.S.L. SURVEY,
REEVES COUNTY, TEXAS

DATE: JULY 19, 2017 DATE SURVEYED: -
JOB NO.: 17-1173-00 FIELD BOOK: - DRAFT 1A REV. 0

01514

(25)

File No. M-117293
Podling Agrmt. Packet # 8760
Mishbehaving State Unit CL9-19-14
Date Filed: 4/23/18
George P. Bush, Commissioner
By [Signature]

Daryl Morgan

From: Robert Plumb <Robert.Plumb@energen.com>
Sent: Friday, June 08, 2018 1:59 PM
To: Daryl Morgan
Subject: RE: Recorded Copies of Pooling Agreements
Attachments: 3368_001.pdf; 3369_001.pdf

Daryl,

Attached please find recorded copies of the following for your files:

Misbehaving State Unit C19-19-14 – GLO Unit No. 8760 *M-117293*
Skyfall State Unit 55-8 – GLO Unit No. 8929

Thanks,

Bobby

Robert W. (Bobby) Plumb
Land Advisor
Energen Resources Corporation
605 Richard Arrington, Jr. Blvd. North
Birmingham, AL 35203-2707
Office: 205-326-4395
Email: rplumb@energen.com

20
File No. MF 117 293

E-Mail from Enoyen County

Date Filed: 6/11/18

George P. Bush, Commissioner

By GB

POOLING AGREEMENT
ENERGEN RESOURCES CORPORATION
MISBEHAVING STATE UNIT C19-19-14
GLO UNIT NO. 8760
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Bone Spring Formation to the base of the Wolfcamp Formation, being defined as the stratigraphic interval or its correlative equivalent occurring from 7,640 feet to 13,044 feet as seen on the Resistivity log of the Petroplex Energy, Petrey #1 well, API No. 42-389-30421 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

True & Correct Copy of a
Document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 12

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of November 7, 2017.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

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

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed 4/19/18

STATE OF TEXAS

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

By: *[Signature]*
George P. Bush, Commissioner
of the General Land Office

Date Executed 12/13/2017

ENERGEN RESOURCES CORPORATION

By: *[Signature]*
David W. Bolton
Vice President-Land
Its: _____

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 7th day of November, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

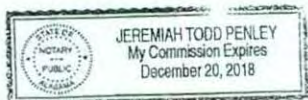
IN TESTIMONY WHEREOF, witness my hand this the 15th day of April, 2018.


Secretary of the School Land Board

STATE OF ALABAMA

COUNTY OF Telfer

This instrument was acknowledged before me on 12/13, 2017, by David W. Bolton
as Vice President-Land of Energen Resources Corporation, an Alabama corporation on behalf of
said corporation.




Notary Public in and for the
State of Alabama

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 4 of 12

Date Executed March 31, 2018

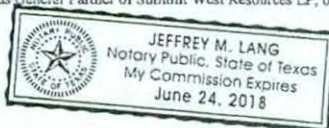
SUMMIT WEST RESOURCES LP

[Signature]
By: SUMMIT WEST MANAGEMENT LLC, its General Partner, Matt Johnson, President and COO juhl

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on March 31st, 2018, by Matt Johnson as President and COO of Summit West Management LLC, as General Partner of Summit West Resources LP, on behalf of said limited partnership.



[Signature]
Notary Public in and for the State of Texas

Attached to and made a part of that certain
Pooling Agreement for the Misbehaving State Unit
C19-19-14 (GLO Unit No. 8760) dated effective
November 7, 2017

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Flores, County Clerk
Page 5 of 12

Addendum "A"

To that certain Pooling Agreement for the Misbehaving State Unit C19-19-14

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

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of three (3) horizontal unit wells, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of approximately 320 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the well or wells. In the event that Lessee chooses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

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

- | | | |
|-----------------------|---|------------------------------------|
| First well | — | Spud on or before October 1, 2018; |
| Second and third well | — | Spud on or before July 19, 2021. |

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

In the event Lessee commences actual drilling operations on all three (3) unit wells committed to be drilled hereunder as provided above and such wells are thereafter completed as wells that can produce oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph eight (8) of this Agreement.

End of Addendum "A"

True & Correct Copy of a
Woodruff on Sheet
Reeves County Taxes,
Dianne O. Flores, County Clerk
Page 6 of 12

EXHIBIT "A"

Attached to and made a part of that certain Pooling Agreement dated effective November 7, 2017 (GLO Unit No. 8760) for the Misbehaving State Unit C19-19-14 situated in Reeves County, Texas

The following oil and gas leases, including all extensions, ratifications, amendments and corrections thereof:

1. Lease Date: January 25, 2017
Lessor: Carrie Lyn Ford
Lessee: Energen Resources Corporation
Recording: Volume 1372, Page 676, Official Public Records, Reeves County, Texas
Lands: Tract 1
2. Lease Date: January 25, 2017
Lessor: Michael Lee Mackey
Lessee: Energen Resources Corporation
Recording: Volume 1372, Page 663, Official Public Records, Reeves County, Texas
Lands: Tract 1
3. Lease Date: February 1, 2015
Lessor: James Robert Hill, Individually and as Trustee of the Houston and Emma Hill Trust Estate et al
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 642, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
4. Lease Date: June 10, 2015
Lessor: Word B. Wilson Investments, LP
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 632, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
5. Lease Date: April 1, 2015
Lessor: Alldale Minerals, LP
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 622, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
6. Lease Date: June 13, 2016
Lessor: The de Compiegne Property Company
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 21, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands

7. Lease Date: June 13, 2016
Lessor: Fred W. Shield and Company
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 8, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
8. Lease Date: October 25, 2017
Lessor: Oak Valley Mineral and Land, LP
Lessee: Energen Resources Corporation
Recording: Volume 1526, Page 518, Official Public Records, Reeves County, Texas
Lands: Tract 2
9. Lease Date: June 28, 2016
Lessor: Kennedy Minerals, Ltd.
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 47, Official Public Records, Reeves County, Texas
Lands: Tract 2
10. Lease Date: August 26, 2016
Lessor: Bruno and Marshall Investments
Lessee: Energen Resources Corporation
Recording: Volume 1329, Page 189, Official Public Records, Reeves County, Texas
Lands: Tract 2
11. Lease Date: February 8, 2016
Lessor: Triangle Royalty, LP and JK Royalty, LP
Lessee: Summit West Resources LP
Recording: Volume 1250, Page 467, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
12. Lease Date: February 8, 2016
Lessor: CG Interests LLC
Lessee: Summit West Resources LP
Recording: Volume 1250, Page 640, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
13. Lease Date: September 29, 2015
Lessor: Meeker Investments, Inc.
Lessee: SWEPI LP
Recording: Volume 1227, Page 746, Official Public Records, Reeves County, Texas
Lands: Tract 3

14. Lease Date: June 18, 2015
Lessor: Charles R. Meeker Trust
Lessee: SWEPI LP
Recording: Volume 1185, Page 276, Official Public Records, Reeves County, Texas
Lands: Tract 3
15. Lease Date: October 9, 2015
Lessor: AWP 1983 Trust
Lessee: SWEPI LP
Recording: Volume 1227, Page 783, Official Public Records, Reeves County, Texas
Lands: Tract 3
16. Lease Date: September 29, 2015
Lessor: Callaghan 320 Trust
Lessee: SWEPI LP
Recording: Volume 1227, Page 769, Official Public Records, Reeves County, Texas
Lands: Tract 3
17. Lease Date: October 20, 2015
Lessor: Dan H. Meeker Children's Irrevocable Trust
Lessee: SWEPI LP
Recording: Volume 1227, Page 729, Official Public Records, Reeves County, Texas
Lands: Tract 3
18. Lease Date: September 29, 2015
Lessor: JWM Minerals, LLC
Lessee: SWEPI LP
Recording: Volume 1227, Page 708, Official Public Records, Reeves County, Texas
Lands: Tract 3
19. Lease Date: October 20, 2015
Lessor: Crestview Resources, LLC
Lessee: SWEPI LP
Recording: Volume 1227, Page 715, Official Public Records, Reeves County, Texas
Lands: Tract 3
20. Lease Date: July 19, 2016
Lessor: State of Texas
Lessee: Lincoln Land and Title, LLC
Recording: Volume 1346, Page 205, Official Public Records, Reeves County, Texas
Lands: Tract 4

END OF EXHIBIT "A"

EXHIBIT "B"

Attached to and made a part of that certain Pooling Agreement dated effective November 7, 2017
(GLO Unit No. 8760) for the Misbehaving State Unit C19-19-14 situated in Reeves County,
Texas

Description of Lands:

Tract 1:

All of the North One-Eighth (N 1/8) of Section 19, Block C19, PSL Survey, Reeves County,
Texas, containing 67.50 acres, more or less.

Tract 2:

All of the North Nine-Sixteenths (N 9/16) of the South Seven-Eighths (S 7/8) of Section 19,
Block C19, PSL Survey, Reeves County, Texas, containing 265.78 acres, more or less.

Tract 3:

All of the South Seven-Sixteenths (S 7/16) of the South Seven-Eighths (S 7/8) of Section 19,
Block C19, PSL Survey, Reeves County, Texas, containing 206.72 acres, more or less.

Tract 4:

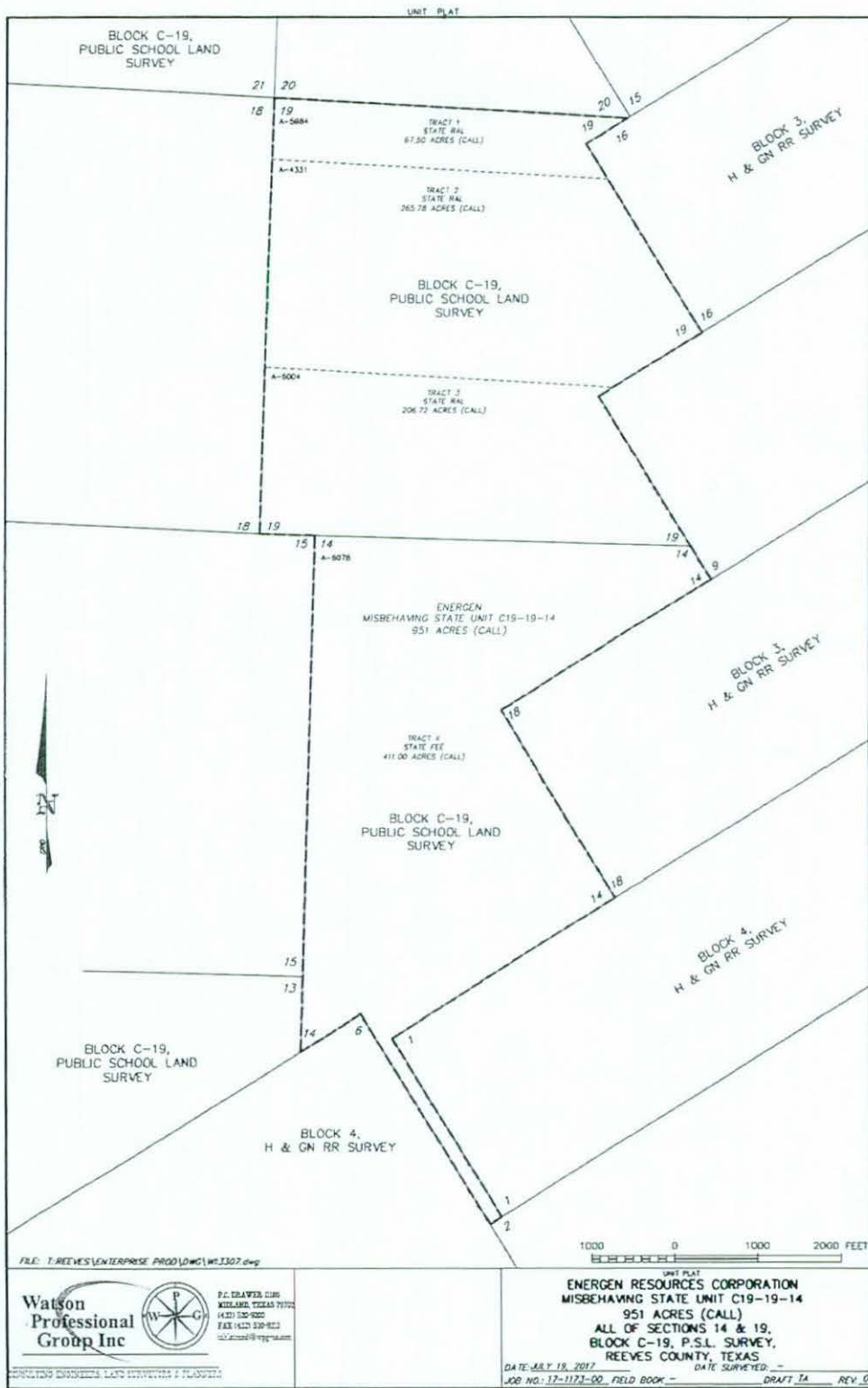
All of Section 14, Block C19, PSL Survey, Reeves County, Texas, containing 411.00 acres,
more or less.

Tracts 1, 2, 3 and 4 combining to total 951.00 acres, more or less.

END OF EXHIBIT "B"

EXHIBIT "C"

Attached to and made a part of that certain Pooling Agreement dated effective November 7, 2017 (GLO Unit No. 8760) for the Misbehaving State Unit C19-19-14 situated in Reeves County, Texas



True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Flores, County Clerk
Page 11 of 12

Inst No. 18-07711
DIANNE C. FLOREZ
COUNTY CLERK
2018 May 04 at 03:08 PM
REEVES COUNTY, TEXAS
By: MS Abaldana DEPUTY

True & Correct Copy of a
Certified on file at
Reeves County Texas,
Dianne C. Florez, County Clerk
Page 12 of 12

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
Pooling Agreement dated April 18, 2018,
filed for record in my office this 4th day of May at
308 P.M. under Clerk's File No. 18-07711, to be recorded in the
Official Public Records
Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 4th day of May, 2018.

By U. Galdaña Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

27
File No. MF 117293

Recorded Misbehaving State Uni County

Date Filed: 6/11/18

George P. Bush, Commissioner

By GB

POOLING AGREEMENT
ANADARKO E&P ONSHORE LLC
COLD HARBOR STATE 2-40 UNIT
GLO UNIT NO. 8643
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to stratigraphic equivalent of the base of the Wolfcamp formation as seen on the log of the Antex Energy, Inc., Lee-128 #1 well, API No. 42-475-30939 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

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

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of September 5, 2017.

SPECIAL TERMS AND CONDITIONS:

8.

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

TERM:

9.

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

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed

11/7/17

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

STATE OF TEXAS

By:

[Signature]
George P. Bush, Commissioner
General Land Office

Date Executed

10/16/17

ANADARKO E&P ONSHORE LLC

By:

[Signature]
Joseph M. Colerick
Agent and Attorney-in-Fact

MAN

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed _____

STATE OF TEXAS

Legal
Content
Geology
Executive

By: _____

George P. Bush, Commissioner
General Land Office

Date Executed 10/26/2017

SWEPI LP

By: _____

Jeff Turnbull

Its: _____

Attorney-In-Fact

CSS

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

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

Date Executed _____

STATE OF TEXAS

Legal
Content
Geology
Executive

By: _____
George P. Bush, Commissioner
General Land Office

Date Executed 10-20-17

SUMMIT WEST RESOURCES LP

BY: SUMMIT WEST MANAGEMENT LLC, its General Partner

By:

Its:

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 5th day of September, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 7th day of November, 2017.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF

Midland

This instrument was acknowledged before me on Oct. 16, 2017, by Joseph M. Colerick
as Agent and Attorney-in-fact for Anadarko E&P Onshore LLC, a Delaware limited liability
company on behalf of said company.

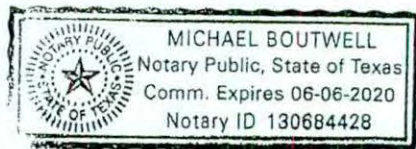


Patricia A. Kennedy
Notary Public in and for the
State of Texas

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on October 26th, 2017, by Jeff Turnbull
as Attorney-in-Fact for SWEPI LP, a Delaware limited partnership on behalf of said
company.



Michael Boutwell

Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on October 20th, 2017, by Matt Johnson, President & COO of Summit West Management LLC, General Partner for SUMMIT WEST RESOURCES LP, a limited partnership on behalf of said company.

Cheryl Boyce

Notary Public in and for the State of Texas



Addendum "A"

To that certain Pooling Agreement for the Cold Harbor State 2-40 Unit

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

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C". Lessee agrees to drill a minimum of two (2) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, and only the first well is drilled and completed on the pooled unit, then the unit shall shrink down to 179.165 acres as close as is reasonably practicable to the shape of a rectangle surrounding the first unit well. If Lessee chooses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

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

- First well** - spud on or before November 12, 2017;
- Subsequent well or wells** - drilled pursuant to the 180-day continuous drilling provisions of State Lease M-117293, being "no longer than 180 consecutive days elapsing between the completion of one well and the commencement of operations for drilling or reworking of the next succeeding well".

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

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

End of Addendum "A"

EXHIBIT "A"

1. APC LEASE NO: PENDING
LESSOR: JAMIE WINKLER AND RICHARD MANDELSON, CO-TRUSTEE OF
THE MORRIS WINKLER BYPASS TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 37, REEVES COUNTY, TEXAS
2. APC LEASE NO: PENDING
LESSOR: CHRISTINE WINKLER, TRUSTEE OF THE WINKLER FAMILY
TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 747, REEVES COUNTY, TEXAS
3. APC LEASE NO: 1363911000
LESSOR: OAK VALLEY LAND AND MINERAL LP, AS AGENT FOR THE
STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 10/4/2014
RECORDING: VOLUME 1128, PAGE 41, REEVES COUNTY, TEXAS
4. APC LEASE NO: 1363910000
LESSOR: ALLDALE MINERALS LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 4/1/2015
RECORDING: VOLUME 1215, PAGE 622, REEVES COUNTY, TEXAS
5. APC LEASE NO: 1363906000
LESSOR: WORD BE WILSON INBESTMENTS, LP, AS AGENT FOR THE
STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/10/2015
RECORDING: VOLUME 1215, PAGE 632, REEVES COUNTY, TEXAS
6. APC LEASE NO: 1363914000
LESSOR: JAMES ROBERT HILL ET AL, AS AGENTS FOR THE STATE OF
TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 2/1/2015
RECORDING: VOLUME 1215, PAGE 642, REEVES COUNTY, TEXAS
7. APC LEASE NO: N/A
LESSOR: TRIANGLE ROYALTY LP AND JK ROYALTY LP, AS AGENTS FOR
THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 467, REEVES COUNTY, TEXAS
8. APC LEASE NO: N/A
LESSOR: CG INTERESTS, LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 640, REEVES COUNTY, TEXAS
9. APC LEASE NO: 1363919000
LESSOR: KENNEDY MINERALS LTD., AS AGENT FOR THE STATE OF
TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/19/2015
RECORDING: VOLUME 1258, PAGE 418, REEVES COUNTY, TEXAS
10. APC LEASE NO: 1363918000
LESSOR: FRED W. SHIELD AND COMPANY, AS AGENT FOR THE STATE
OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 427, REEVES COUNTY, TEXAS
11. APC LEASE NO: 1363917000
LESSOR: THE DE COMPIEGNE PROPERTY COMPANY NO. 20 LTD, AS
AGENT FOR THE STATE OF TEXAS

LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 436, REEVES COUNTY, TEXAS

12. APC LEASE NO: N/A
LESSOR: LEGADO INVESTMENTS LLC, AS AGENT FOR THE STATE OF
TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 1/6/2017
RECORDING: VOLUME 1373, PAGE 654, REEVES COUNTY, TEXAS

[END OF EXHIBIT "A"]

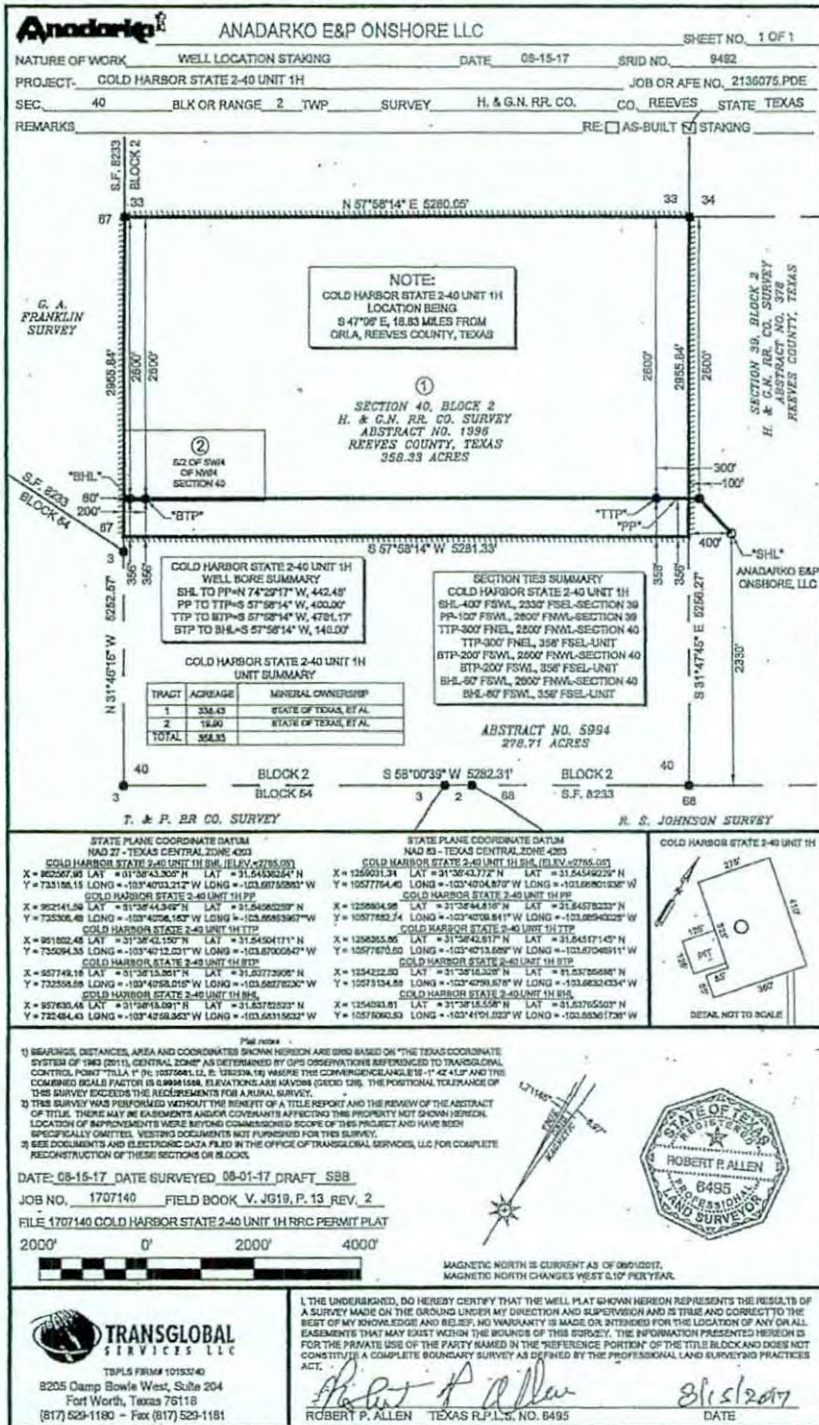
EXHIBIT "B"

358.33 acres, being the North 9/16ths of Section 40, Block 2, H&GN RR Co. Survey, A-1996, Reeves County, Texas.

[END OF EXHIBIT "B"]



EXHIBIT "C"



Inst No. 17-19200
DIANNE O. FLOREZ
COUNTY CLERK
2017 Nov 17 at 08:57 AM
REEVES COUNTY, TEXAS
By: MS *Abaldana*, DEPUTY

28

File No. M-117297

Recorded Cold Harbor Unit County

Date Filed: 7/6/18

George P. Bush, Commissioner

By [Signature]

Daryl Morgan

From: Daryl Morgan
Sent: Friday, July 06, 2018 11:00 AM
To: 'Urey, Melissa'
Subject: RE: Cold Harbor State 2-40 Unit Pooling Agreement

You are correct, sorry I missed the 20 days.

Daryl

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

From: Urey, Melissa [<mailto:Melissa.Urey@anadarko.com>]
Sent: Friday, July 06, 2018 10:55 AM
To: Daryl Morgan <Daryl.Morgan@GLO.TEXAS.GOV>
Subject: RE: Cold Harbor State 2-40 Unit Pooling Agreement

Hi Daryl,

I just doubled checked the Word B. Wilson lease. It has a strange primary term of 3years, 5 months and 20 days which gets us to 11/30/2018.

From: Daryl Morgan <Daryl.Morgan@GLO.TEXAS.GOV>
Sent: Friday, July 06, 2018 9:08 AM
To: Urey, Melissa <Melissa.Urey@anadarko.com>
Subject: RE: Cold Harbor State 2-40 Unit Pooling Agreement

Good morning Melissa,

This is to confirm what you have stated below, that continuous development would begin as provided in the leases and from the date of the first to reach the end of the primary term. After looking at the file, should the date be 11/10/18 being the expiration date of the Word B. Wilson lease dated 6/10/15 with a 3 year and 5 mo. primary term. Let me know what you think.

Daryl

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

From: Urey, Melissa [mailto:Melissa.Urey@anadarko.com]
Sent: Monday, July 02, 2018 9:26 AM
To: Daryl Morgan <Daryl.Morgan@GLO.TEXAS.GOV>
Subject: RE: Cold Harbor State 2-40 Unit Pooling Agreement

Good Morning Daryl,

I've attached the recorded Cold Harbor State Pooling Agreement. We had a conversation back in 2017 pertaining to the CDC interpretation and I have notes which indicate that we ultimately landed on the idea that APC would have 180 days from the expiration of the earliest lease with a CDC to drill the second well in the Cold Harbor State Unit. Therefore, the second well would spud on or before 180 days from the November 30, 2018 expiration. Although I recall our conversation, have notes and we even adjusted the pooling addendum to specifically reference the lease series with the CDC, I thought it would be good to have an email confirmation from the GLO that confirms that they interpret the provision this way as well. We have drilled, completed and are producing the 1st Cold Harbor well. Below is the CDC from State Lease M-117293.

15. If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has not drilled a well (s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or reobtain oil or gas, Lessee shall have the option to commence a continuous development program on said lease and this lease shall have force and effect during such time as said continuous drilling program on the lands covered by this lease is in effect. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased lands by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and the commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well shall be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date the well is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is first drilled. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, except as to each well capable of producing oil or gas in paying quantities, together with the proration units thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination. The surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall release and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except the proration units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration units will be treated as separate units.
16. Lessee agrees to provide the Owner of the Soil with a chromatograph test for any gas well completed on the lease, if possible.

Thank you for confirming this when you get a moment.

Melissa Urey, RPL
Anadarko Petroleum Corporation
Landman - Delaware Basin
Office: 432-247-3451
Fax: 832-636-0155

From: Daryl Morgan <Daryl.Morgan@GLO.TEXAS.GOV>
Sent: Tuesday, October 24, 2017 11:20 AM
To: Urey, Melissa <Melissa.Urey@anadarko.com>
Subject: RE: Cold Harbor State 2-40 Unit Pooling Agreement

Melissa,

As we discussed, see attached.

Daryl

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

[Click here for Anadarko's Electronic Mail Disclaimer](#)

(29)

File No. M-117293

E-Mail with Angelika County

Date Filed: 7/6/18

George P. Bush, Commissioner

By [Signature]



Information for processing a Non Unit Multiple Lease Transaction (NUML)

NUML No. 8994

GENERAL INFORMATION

Name of NUML: Section 4 Blk. 3

Name of Operator: Energen Resources Corporation County: Reeves

Operator Contact Person: Phillip Williams Phone: 205-326-2967

ALLOCATION OF REVENUE

Lease Type	Lease No.	Gross Acreage	Lease Net Acres	Lease Rylty Decimal	RRAC Participation	Lease Decimal in NUML
RAL	MF117293	359.999997	323.737500	0.12500000	0.89927084	0.11240886
RAL	MF117481	359.999997	0.984377	0.12500000	0.00273438	0.00034180
RAL	MF118244	359.999997	0.281254	0.12500000	0.00078126	0.00009766
RAL	MF117949	359.999997	30.806240	0.12500000	0.08557289	0.01069661
RAL	MF118556	359.999997	3.206250	0.12500000	0.00890625	0.00111328
RAL	MF118260	359.999997	0.140627	0.12500000	0.00039063	0.00004883
RAL	MF119276	359.999997	0.843750	0.25000000	0.00234375	0.00058594
Totals:			359.999997		1.00000000	0.12529297
First Effective Date: Production						State Net Royalty Revenue

Comments:

Attach a plat showing the lease numbers in this geographic area.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

NUML Well(s):

API #	RRC ID #	Well Name
42-389-35255	816111	Quarterback State 3-4 # 701H
42-389-35254	816109	Quarterback State 3-4 # 601H
42-389-34700	801392	Quarterback State 3-4 # 801H
42-389-35256	816119	Quarterback State 3-4 # 7701H

Prepared by: JM Alamo updated by: JM RAM approval by: JW
GIS updated by: JM WI updated by: JM

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

NUM180001

Unit Number 8994
Operator Name Energen Resources Corporation
Customer ID C000043130
Unit Name Section 4 Blk. 3
County 1 RRC District 1
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type NUML
State Net Revenue Interest Oil 0.12529297
State Part in Unit 1.00000000
Unit Depth Allow All Depths
From Depth
To Depth
Well
Formation
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks
Effective Date 07/01/2017
Unitized For Oil And Gas
Unit Term
Old Unit Number *Inactive Status Date*

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293	1	323.737500	359.999997	0.89927084	O/G	0.12500000	0.11240886	
MF117481	2	0.984377	359.999997	0.00273438	O/G	0.12500000	0.00034180	
MF118244	3	0.281254	359.999997	0.00078126	O/G	0.12500000	0.00009766	
MF117949	4	30.806240	359.999997	0.08557289	O/G	0.12500000	0.10696610	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF118556	5	3.206250	359.999997	0.00890625	O/G	0.12500000	0.00111328	
MF118260	6	0.140627	359.999997	0.00039063	O/G	0.12500000	0.00004883	No
MF119276	7	0.843750	359.999997	0.00234375	O/G	0.25000000	0.00058594	No

API Number

4238934700, 4238935254, 4238935255, 4238935256

Remarks:

This NUML is replacing NUML 8679.

Prepared By:

Prepared Date:

GLO Base Updated By:

GLO Base Date:

RAM Approval By:

RAM Approval Date:

GIS By:

GIS Date:

Well Inventory By:

WI Date:

Pooling Committee Report

To: School Land Board

NUM180001

Date of Board Meeting:

Unit Number: 8994

Effective Date: 07/01/2017

Unit Expiration Date:

Applicant: Energen Resources Corporation

Attorney Rep:

Operator: Energen Resources Corporation,

Unit Name: Section 4 Blk. 3

Field Name: PHANTOM (WOLFCAMP)

County:

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF117293	0.12500000	12/01/2018	46 months	896.460000	323.737500	0.11240886
RAL	MF117481	0.12500000	10/04/2017	3 years	2.850000	0.984377	0.00034180
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	30.806240	0.10696610
RAL	MF118244	0.12500000	06/13/2019	3 years	0.834000	0.281254	0.00009766
RAL	MF118260	0.12500000	08/26/2019	3 years	0.140600	0.140627	0.00004883
RAL	MF118556	0.12500000	01/06/2020	3 years	4.370000	3.206250	0.00111328
RAL UNL	MF119276	0.25000000	03/23/2018		0.843750	0.843750	0.00058594

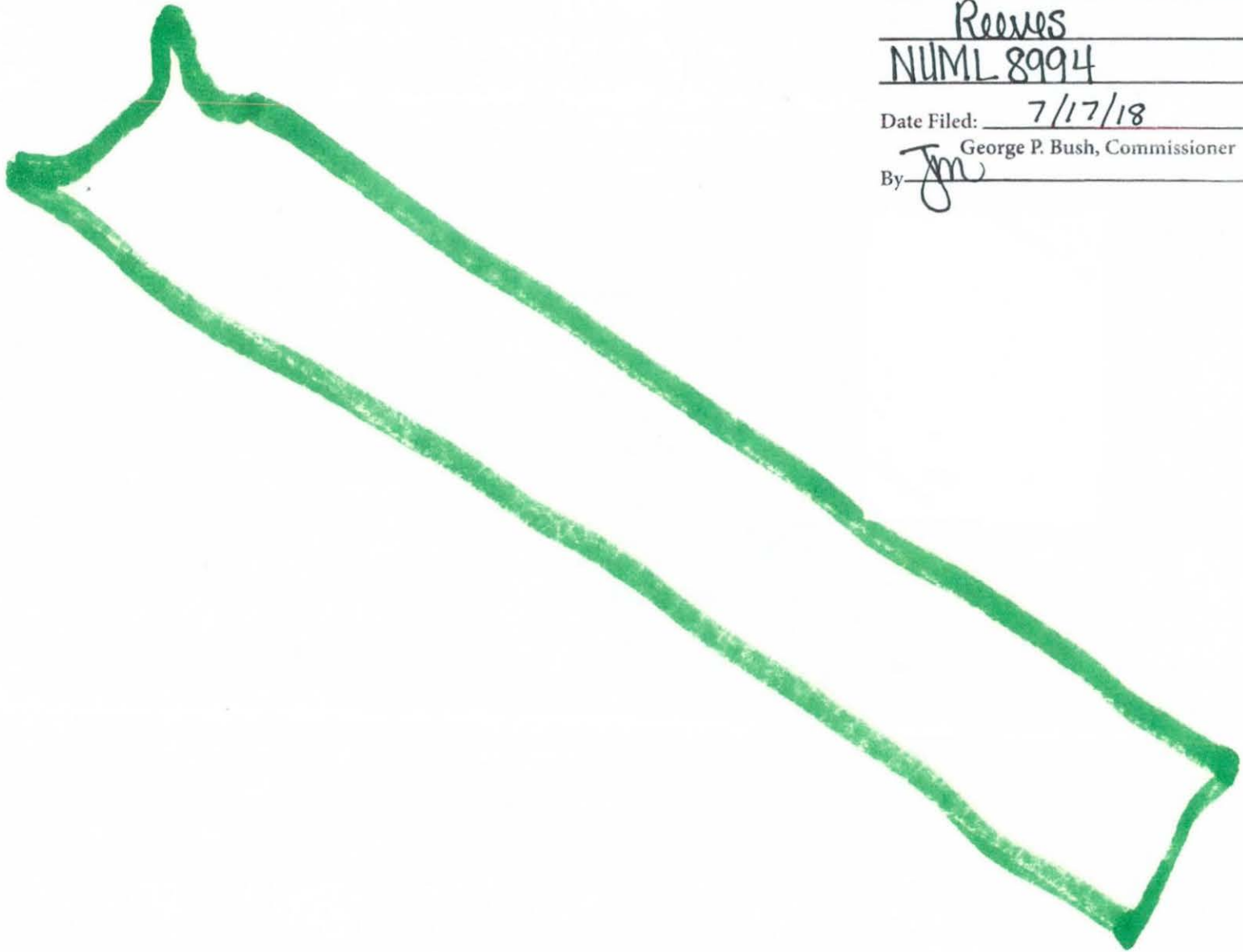
Private Acres:	0.000000
State Acres:	359.999997
Total Unit Acres:	359.999997

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	12.53%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

File No. MF117293 30.
Reeves County
NUML 8994
Date Filed: 7/17/18
George P. Bush, Commissioner
By: Jm



RATIFICATION AND AMENDMENT TO OIL & GAS LEASE

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated February 1st, 2015, by and between GeoMar Resources, Inc., H-S Minerals & Realty, Ltd., and Thomas Hill Puff, as Lessors, and Energen Resources Corporation, as Lessee, recorded in Volume 1215, Page 0642, and covering the following described lands,

H&GN Railroad Company Survey, Block 3

Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 2

Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19

Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with Energen Resources Corporation, that said lease is hereby amended as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other goods and valuable considerations, I, Noam Lockshin as Vice President of KMF Land, LLC., do hereby ratify, approve, confirm, and adopt the above described oil and gas lease noted and as amended above thereof as it covers the above described land to the same extent and in the same manner and for the purposes and effects as though, I, the undersigned, had duly executed and delivered the original oil and gas lease described above. Therefore, I do hereby lease, grant, demise, and let said land unto Energen Resources Corporation, subject to and under all of the terms and provisions of said lease, and as to said land, do hereby agree and declare that said lease thereof is now in full force and effect.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 16 day of November, 2017.

LESSORS: State of Texas, acting by and through its agents, GeoMar Resources, Inc., H-S Minerals & Realty, Ltd., and Thomas Hill Puff.

Noam Lockshin, Vice President of KMF Land, LLC., as successor in title to GeoMar Resources, Inc., H-S Minerals & Realty, Ltd., and Thomas Hill Puff.

Acknowledgement

STATE OF COLORADO
COUNTY OF DENVER

(Corporate Acknowledgement)

Before me, the undersigned, a authority, on this day personally appeared Noam Lockshin, known to me to be the person whose name is subscribed to the foregoing instruments as Vice President of KMF Land LLC., and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 16th day of November, 2017

CATHERINE E WALP
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 20114058646
MY COMMISSION EXPIRES SEPTEMBER 09, 2019

Catherine Walp
Notary Public

Notary Public in and for the state of Colorado
Expires 09/09/2019

Inst No. 17-19555
DIANNE O. FLOREZ
COUNTY CLERK
2017 Nov 22 at 03:23 PM
REEVES COUNTY, TEXAS
By: MS Abaladna DEPUTY

True & Correct Copy of a
Document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1525, PAGE 534, THRU 535.

I hereby certified on 7 25 18

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Aranda DEPUTY



AMENDMENT TO OIL & GAS LEASE
(to amend Exhibit "A")

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated February 1st, 2015, by and between Hill Investments, Ltd., as Lessor, and Energen Resources Corporation, as Lessee, recorded in Volume 1215, Page 0642, and covering the following described lands,

H&GN Railroad Company Survey, Block 3
Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 2
Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with Energen Resources Corporation, that said lease is hereby amended as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well; or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

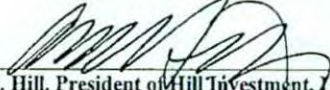
- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 14th day of November, 2017.

LESSOR: State of Texas, acting by and through its agent, Hill Investments, Ltd.


Alan M. Hill, President of Hill Investment, Ltd.

Acknowledgement

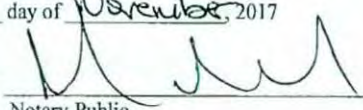
STATE OF Texas
COUNTY OF Williamson

(Corporate Acknowledgement)

Before me, the undersigned, a authority, on this day personally appeared Alan M. Hill, known to me to be the person whose name is subscribed to the foregoing instruments as President of Hill Investments, Ltd., 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 15 day of November, 2017




Notary Public

Notary Public in and for State of Texas

Inst No. 17-19554
DIANNE O. FLOREZ
COUNTY CLERK
2017 Nov 22 at 03:23 PM
REEVES COUNTY, TEXAS
By: MS M. Maldana DEPUTY

True & Correct Copy of a
Document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2



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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1505, PAGE 532 THRU 533.

I hereby certified on 7 25 18



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Myra Aranda DEPUTY

AMENDMENT TO OIL & GAS LEASE
(to amend Exhibit "A")

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated February 1st, 2015, by and between **James Robert Hill**, as Lessor, and **Energen Resources Corporation**, as Lessee, recorded in Volume 1215, Page 0642, and covering the following described lands,

H&GN Railroad Company Survey, Block 3
Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 2
Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with **Energen Resources Corporation**, that said lease is hereby amended as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 27th day of November, 2017.

LESSOR: State of Texas, acting by and through its agent, James Robert Hill.

James Robert Hill
James Robert Hill

Acknowledgement

STATE OF Texas

(Individual Acknowledgement)

COUNTY OF Tarrant

BEFORE ME, the undersigned authority, on this day personally appeared James Robert Hill, 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 November, 2017



Melissa Appleby
Notary Public

Notary Public in and for Texas

Inst No. 17-19959
DIANNE O. FLOREZ
COUNTY CLERK
2017 Dec 04 at 04:07 PM
REEVES COUNTY, TEXAS
By: MS Abaldana DEPUTY

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

V
O
L

1
5
0
8

P
G

0
7
2
7

011

**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. 508,
PAGE 726 THRU 727

I hereby certified on 7 25 18



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Alyra Franda DEPUTY

AMENDMENT TO OIL & GAS LEASE
(to amend Exhibit "A")

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated February 1st, 2015, by and between John A. Styrsky, Trustee of the Houston and Emma Hill Trust Estate, as Lessor, and Energen Resources Corporation, as Lessee, recorded in Volume 1215, Page 0642, and covering the following described lands,

H&GN Railroad Company Survey, Block 3
Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 2
Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with Energen Resources Corporation, that said lease is hereby amended as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

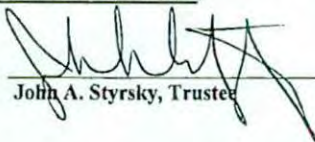
- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 27th day of November, 2017.

LESSOR: State of Texas, acting by and through its agent, John A. Styrsky, Trustee of the Houston and Emma Hill Trust Estate.


John A. Styrsky, Trustee

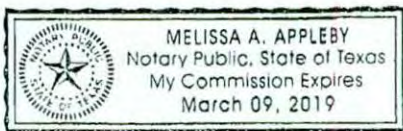
Acknowledgement

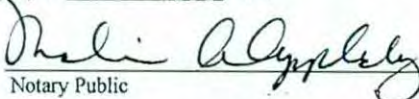
STATE OF Texas
COUNTY OF Tarrant

(Trust Acknowledgement)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 27th day of November, 2017, personally appeared John A. Styrsky, Trustee of the Houston and Emma Hill Trust Estate, personally known to me to be such Trustee, and to be the same person who executed as such Trustee the foregoing instrument of writing in behalf of said Trust, and he duly acknowledges the execution of the same for himself and for said Trust for the uses and purposes therein set forth.

Given under my hand and seal of office this the 27th day of November, 2017




Notary Public

Notary Public in and for Texas

Inst No. 17-19956
DIANNE O. FLOREZ
COUNTY CLERK

2017 Dec 04 at 04:07 PM
REEVES COUNTY, TEXAS

By: MS M. Baldana DEPUTY

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2



V
O
L

1
5
0
8

P
G

0
7
2
1

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1508
PAGE 720, THRU 721

I hereby certified on 7 25 18

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Melissa Aranda DEPUTY



AMENDMENT TO OIL & GAS LEASE
(to amend Exhibit "A")

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated February 1st, 2015, by and between James Robert Hill, Trustee of the Houston and Emma Hill Trust Estate, as Lessor, and Energen Resources Corporation, as Lessee, recorded in Volume 1215, Page 0642, and covering the following described lands,

H&GN Railroad Company Survey, Block 3
Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 2
Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with Energen Resources Corporation, that said lease is hereby amended as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 2

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 27th day of November, 2017.

LESSOR: State of Texas, acting by and through its agent, James Robert Hill, Trustee of the Houston and Emma Hill Trust Estate.

James Robert Hill, Trustee

Acknowledgement

STATE OF Texas

(Trust Acknowledgement)

COUNTY OF Tarrant

Before me, the undersigned, a Notary Public, in and for said County and State, on this 27th day of November, 2017, personally appeared James Robert Hill, Trustee of the Houston and Emma Hill Trust Estate, personally known to me to be such Trustee, and to be the same person who executed as such Trustee the foregoing instrument of writing in behalf of said Trust, and he duly acknowledges the execution of the same for himself and for said Trust for the uses and purposes therein set forth.

Given under my hand and seal of office this the 27th day of November, 2017



Melissa Applesby
Notary Public

Notary Public in and for Texas

Inst No. 17-19958
DIANNE O. FLOREZ
COUNTY CLERK

2017 Dec 04 at 04:07 PM
REEVES COUNTY, TEXAS

By: MS Maldana DEPUTY

True & Correct Copy of a
Document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1508
PAGE 724, THRU 725.

I hereby certified on 7 25 18



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Aljira Aranda DEPUTY

AMENDMENT TO OIL & GAS LEASE
(to amend Exhibit "A")

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated February 1st, 2015, by and between Virginia Glenn Hill Lattimore, Trustee of the Houston and Emma Hill Trust Estate, as Lessor, and Energen Resources Corporation, as Lessee, recorded in Volume 1215, Page 0642, and covering the following described lands,

H&GN Railroad Company Survey, Block 3
Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 2
Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with Energen Resources Corporation, that said lease is hereby amended as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 27th day of November, 2017.

LESSOR: State of Texas, acting by and through its agent, Virginia Glenn Hill Lattimore, Trustee of the Houston and Emma Hill Trust Estate.

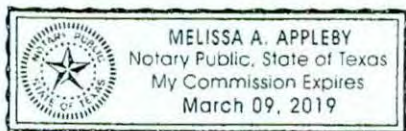
Virginia Glenn Hill Lattimore, Trustee
Acknowledgement

STATE OF TEXAS
COUNTY OF Tarrant

(Trust Acknowledgement)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 27th day of November, 2017, personally appeared Virginia Glenn Hill Lattimore, Trustee of the Houston and Emma Hill Trust Estate, personally known to me to be such Trustee, and to be the same person who executed as such Trustee the foregoing instrument of writing in behalf of said Trust, and she duly acknowledges the execution of the same for herself and for said Trust for the uses and purposes therein set forth.

Given under my hand and seal of office this the 27th day of November, 2017



Melissa Appleby
Notary Public
Notary Public in and for Texas

Inst No. 17-19955
DIANNE O. FLOREZ
COUNTY CLERK
2017 Dec 04 at 04:07 PM
REEVES COUNTY, TEXAS
By: MS Abaldana, DEPUTY

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1508, PAGE 718, THRU 719.

I hereby certified on 7 25 18

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

B: Myna Aranda DEPUTY



AMENDMENT TO OIL & GAS LEASE
(to amend Exhibit "A")

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated February 1st, 2015, by and between Nancy Puff Jones Trust, as Lessor, and Energen Resources Corporation, as Lessee, recorded in Volume 1215, Page 0642, and covering the following described lands,

H&GN Railroad Company Survey, Block 3
Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 2
Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with Energen Resources Corporation, that said lease is hereby **amended** as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 16TH day of NOVEMBER, 2017.

LESSOR: State of Texas, acting by and through its agent, Nancy Puff Jones Trust.

Dorothy Jean Hill
Dorothy Jean Hill, Trustee of the Nancy Puff Jones Trust

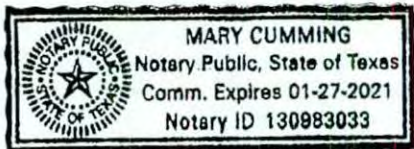
Acknowledgement

STATE OF TEXAS
COUNTY OF TARRANT

(Trust Acknowledgement)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 16TH day of NOVEMBER, 2017, personally appeared Dorothy Jean Hill, Trustee of the Nancy Puff Jones Trust, personally known to me to be such Trustee, and to be the same person who executed as such Trustee the foregoing instrument of writing in behalf of said Trust, and she duly acknowledges the execution of the same for herself and for said Trust for the uses and purposes therein set forth.

Given under my hand and seal of office this the 16TH day of NOVEMBER, 2017



Mary Cumming
Notary Public

Notary Public in and for STATE OF TEXAS

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

Inst No. 17-19934
DIANNE O. FLOREZ
COUNTY CLERK
2017 Dec 04 at 01:07 PM
REEVES COUNTY, TEXAS
By: MS U. Saldaña DEPUTY

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 1508, PAGE 629, THRU 630.

I hereby certified on 7 25 18

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Myra Aranda DEPUTY



AMENDMENT TO OIL & GAS LEASE
(to amend Exhibit "A")

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated February 1st, 2015, by and between Virginia Glenn Hill Latimore, as Lessor, and Energen Resources Corporation, as Lessee, recorded in Volume 1215, Page 0642, and covering the following described lands,

H&GN Railroad Company Survey, Block 3
Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 2
Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with Energen Resources Corporation, that said lease is hereby amended as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

True & Correct Copy of a
Document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 2

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 27th day of November, 2017.

LESSOR: State of Texas, acting by and through its agent, Virginia Glenn Hill Latimore.

Virginia Glenn Hill Latimore
Virginia Glenn Hill Latimore

Acknowledgement

STATE OF TEXAS

(Individual Acknowledgement)

COUNTY OF Tarrant

BEFORE ME, the undersigned authority, on this day personally appeared Virginia Glenn Hill Latimore, 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 November, 2017



Melissa A. Appleby
Notary Public

Notary Public in and for Texas

Inst No. 17-19957
DIANNE O. FLOREZ
COUNTY CLERK
2017 Dec 04 at 04:07 PM
REEVES COUNTY, TEXAS
By: MS Ubalda DEPUTY

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1508
PAGE 722 THRU 723

I hereby certified on 7 25 18



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Myra Aranda DEPUTY

AMENDMENT TO OIL & GAS LEASE
(to amend Exhibit "A")

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated June 10th, 2015, by and between State of Texas, acting by and through its agent, Word B. Wilson Investments, LP, as Lessor, and Energen Resources Corporation, as Lessee, recorded in Volume 1215, Page 0632, and covering the following described lands,

H&GN Railroad Company Survey, Block 3
Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 3
Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with Energen Resources Corporation, that said lease is hereby amended as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 17th day of October, 2017.

LESSOR: State of Texas, acting by and through its agent, Word B. Wilson Investments LP.

Word B. Wilson
Word B. Wilson, President of Word B. Wilson, LLC, who is General Partner of Word B. Wilson, Investments, LP.

Acknowledgement

STATE OF Texas
COUNTY OF Midland

(Corporate Acknowledgement)

Before me, the undersigned, a authority, on this day personally appeared Word B. Wilson, known to me to be the person whose name is subscribed to the foregoing instruments as President of Word B. Wilson, LLC its General Partner for Word B. Wilson, Investments, LP, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 17th day of October, 2017



Kathy Ware
Notary Public

Notary Public in and for 3/19/2017

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

Inst No. 17-18103
DIANNE O. FLOREZ
COUNTY CLERK
2017 Oct 25 at 03:48 PM
REEVES COUNTY, TEXAS
By: ER E. Flores, DEPUTY

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. 1495
PAGE 160, THRU 161

I hereby certified on 7 25 18

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY: Uygra Aranda DEPUTY



AMENDMENT TO OIL & GAS LEASE
(to amend Exhibit "A")

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, whether one or more ("LESSOR"), being the Lessor or successors to Lessor, in that certain Oil and Gas Lease dated April 1st, 2015, by and between State of Texas, acting by and through its agent, AllDale Minerals, LP, as Lessor, and Energen Resources Corporation, as Lessee, recorded in Volume 1215, Page 0622 and as corrected in Correction of Oil & Gas Lease at Vol 1259 PG 0291, and covering the following described lands,

H&GN Railroad Company Survey, Block 3
Section 4: NW 9/16
Being 360.00 gross acres

H&GN Railroad Company Survey, Block 3
Section 40: 346.64 acres out of north portion
Being 346.64 gross acres

Public School Land Survey, Block C-19
Section 19: NW 265.78 acres, A-5984
Being 265.78 gross acres

of the Official Public Record, Reeves County Texas, hereby agree with Energen Resources Corporation, that said lease is hereby amended as follows:

- (a) Exhibit "A" of said oil & gas lease Paragraph 15 is hereby amended and the following paragraph substituted therefore:

15) If at the expiration of the primary term and/or the expiration of any extension of the primary term, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Lessee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, pursuant to the provisions of Paragraph 16(A) of the lease, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit allocated thereto in accordance with the rules and regulations of the Texas Railroad Commission as of the date of such termination from the surface down to the depth for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. Thereafter, Lessee shall promptly execute and deliver to Owner of the Soil a recorded release of this lease as to all lands covered hereby, save and except to each such producing proration or pooled unit, and to all depths of such producing proration or pooled units except from the surface down to the depth of for a vertical well one hundred feet (100') below the deepest producing perforation and for a horizontal well three hundred feet (300') below the deepest producing perforation. At the end of the continuous development program any/all producing proration or pooled units will be treated as separate leases.

- (b) All provisions of said oil & gas lease are hereby modified to the extent necessary to make them conform to paragraph "15" as stated above. It being understood by all parties hereto that the intent of this amendment is to replace paragraph "15" of said Exhibit "A" of the oil and gas lease described above with paragraph "15" as stated above in this "Amendment to Oil and Gas Lease." The undersigned hereby acknowledge that all payments required to be paid by said oil & gas lease have been fully, properly and timely paid by Lessee and that the aforementioned oil & gas lease shall remain in full force and effect in accordance with all of its provisions as amended hereby.

For the same consideration Lessor hereby grants, leases and lets exclusively unto Energen Resources Corporation, its successors and assigns, the above described land in accordance with the terms and provisions of the said oil & gas lease as hereby amended.

This instrument shall be binding and inure to the benefit of the heirs, legal representatives of the Lessor and the successors and assigns of Lessee.

Executed this 9th day of November, 2017.

LESSOR: State of Texas, acting by and through its agent, AllDale Minerals, LP.

Cody Miller, VP of AllDale Minerals Management, LLC, who is the general partner of AllDale Minerals, LP

Acknowledgement

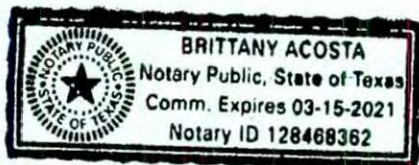
STATE OF TEXAS

(Corporate Acknowledgement)

COUNTY OF Dallas

Before me, the undersigned, a authority, on this day personally appeared Cody Miller known to me to be the person whose name is subscribed to the foregoing instruments as Vice-President of AllDale Minerals Management, LLC its General Partner for AllDale Minerals, LP and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 9th day of November, 2017



[Signature]
Notary Public

Notary Public in and for _____

V
O
L

1
5
0
2

P
G

0
0
8
9

True & Correct Copy of a
Document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 2 of 2

Page 2 of 2

Inst No. 17-19115
DIANNE O. FLOREZ
COUNTY CLERK
2017 Nov 15 at 04:29 PM
REEVES COUNTY, TEXAS
By: MS Maldana DEPUTY



File No. 117293
 _____ County
Amendments to Leases
 Date Filed: 08/01/18
 George F. Bush, Commissioner
 By [Signature]

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/reCORDED in the public records of my office, found in VOL. 502 PAGE 88 THRU 89

I hereby certify on 7 25 18

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





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

MF-117293

RE: The State of Texas/Amendment to Oil and Gas Lease(s)

Dear Mr. Reid,

Please find enclosed ten (10) Amendment to Oil and Gas Leases. You have Certified copies of the original leases taken, however, we did not have record of sending The State of Texas the amendment oil and gas leases. Also enclosed is a check for filing fees for each amendment enclosed.

- AllDale Minerals, LP
- Word B. Wilson Investments, LP
- GeoMar Resources, Inc., H-S Minerals & Realty, Ltd., and Thomas Hill Puff
- Hill Investments, Ltd
- James Robert Hill
- John A. Strysky, Trustee of the Houston and Emma Hill Trust Estate
- James Robert Hill, Trustee of the Houston and Emma Hill Trust Estate
- Virginia Glenn Hill Latimore, Trustee of the Houston and Emma Hill Trust Estate
- Nancy Puff Jones Trust
- Virginia Glenn Hill Latimore

Please let me know if you need anything further regarding this lease and bonus payment. Do not hesitate to call me if you have any questions or concerns.

Respectfully,

A handwritten signature in black ink, appearing to read 'Sara Casey', written over a light blue background.

Sara Casey
Sullivan Land Resources, Inc.

2212 N.W. 50TH STREET, SUITE 247C • OKLAHOMA CITY, OKLAHOMA • 73112
PHONE: 405.463.3300 • FAX: 405.463.3350





2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300

BANK OF OKLAHOMA

www.bok.com

86-3/1039

18715074

20247

7/31/2018

PAY TO THE
ORDER OF

The State of Texas

\$ **50.00

Fifty and 00/100

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701



VOID AFTER 90 DAYS

Don B. Sullivan
AUTHORIZED SIGNATURE

MEMO

Filing Fees

020247

SULLIVAN LAND RESOURCES, INC.

20247

The State of Texas
1300 Lands/Leasing Expenses

7/31/2018

50.00

AllDale Minerals, LP
4, Blk 3, H&GN Svy
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy

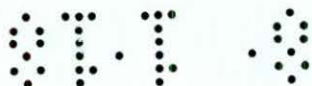
18715074

12

Bank Of Oklahoma

Filing Fees

50.00





2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300

BANK OF OKLAHOMA

www.bok.com
86-3/1039

18715075

20246

7/31/2018

PAY TO THE
ORDER OF The State of Texas

\$ **50.00

Fifty and 00/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701



VOID AFTER 90 DAYS

AUTHORIZED SIGNATURE

MEMO

Filing Fees

1102024611

SULLIVAN LAND RESOURCES, INC.

20246

The State of Texas
1300 - Lands/Leasing Expenses

7/31/2018

50.00

Word B. Wilson Investments, LP
4, Blk 3, H&GN Svy
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy

18715075

121

Bank Of Oklahoma Filing Fees

50.00

0110



2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300

BANK OF OKLAHOMA

18715076

www.bok.com

86-3/1039

7/31/2018

20245

PAY TO THE
ORDER OF

The State of Texas

\$ **50.00

Fifty and 00/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701

VOID AFTER 90 DAYS



David B. Gale
AUTHORIZED SIGNATURE

MEMO

Filing Fees

⑈020245⑈

SULLIVAN LAND RESOURCES, INC.

20245

The State of Texas
1300 - Lands/Leasing Expenses

7/31/2018

50.00

GeoMar Resources, Inc.
H-S Minerals & Realty Ltd
Thomas Hill Puff
4, Blk 3, H&GN Svy
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy

18715076

121

Bank Of Oklahoma

Filing Fees

X 50.00





2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300

BANK OF OKLAHOMA

www.bok.com

86-3/1039

18715077

20244

7/31/2018

PAY TO THE
ORDER OF

The State of Texas

\$ **50.00

Fifty and 00/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701

VOID AFTER 90 DAYS



David B. Gale
AUTHORIZED SIGNATURE

MEMO

Filing Fees

11 0 20 2 4 4 11

SULLIVAN LAND RESOURCES, INC.

20244

The State of Texas
1300 - Lands/Leasing Expenses

7/31/2018

50.00

Hill Investments, Ltd
4, Blk 3, H&GN Svy
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy

18715077

Bank Of Oklahoma

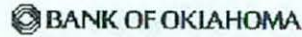
Filing Fees

50.00





2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300



www.bok.com

86-3/1039

18715078

20243

7/31/2018

PAY TO THE
ORDER OF

The State of Texas

\$ **50.00

Fifty and 00/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701

VOID AFTER 90 DAYS



David B. Sullivan
AUTHORIZED SIGNATURE

MEMO

Filing Fees

⑈020243⑈

SULLIVAN LAND RESOURCES, INC.

20243

The State of Texas
1300 - Lands/Leasing Expenses

7/31/2018

50.00

James Robert Hill
4, Blk 3, H&GN Svy
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy

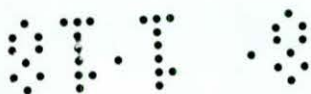
18715078

121

Bank Of Oklahoma

Filing Fees

X 50.00





2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300

BANK OF OKLAHOMA

www.bok.com

86-3/1039

18715079

20242

PAY TO THE
ORDER OF

The State of Texas

\$ **50.00

Fifty and 00/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701



VOID AFTER 90 DAYS

AUTHORIZED SIGNATURE

MEMO

Filing Fees

11 0 20 2 4 2 11

SULLIVAN LAND RESOURCES, INC.

The State of Texas
1300 - Lands/Leasing Expenses

John A. Strysky, Trustee of
The Houston & Emma Hill Trust Estate
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy
4, Blk 3, H&GN Svy

7/31/2018

50.00

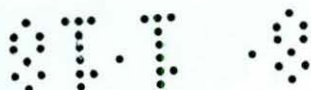
20242

18715079

Bank Of Oklahoma

Filing Fees

50.00





2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300

BANK OF OKLAHOMA

www.bok.com

86-3/1039

18715080

20241

7/31/2018

PAY TO THE
ORDER OF

The State of Texas

\$ **50.00

Fifty and 00/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701

VOID AFTER 90 DAYS



Daniel B. Smith
AUTHORIZED SIGNATURE

MEMO

Filing Fees

11 0 20 2 1 11

SULLIVAN LAND RESOURCES, INC.

20241

The State of Texas
1300 - Lands/Leasing Expenses

7/31/2018

50.00

James Robert Hill, Trustee of
The Houston & Emma Hill Trust Estate
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy
4, Blk 3, H&GN Svy

18715080

121

Bank Of Oklahoma

Filing Fees

50.00





2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300



www.bok.com

86-3/1039

18715081

20240

PAY TO THE
ORDER OF

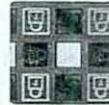
The State of Texas

\$ **50.00

Fifty and 00/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701



VOID AFTER 90 DAYS

David B. Sullivan
AUTHORIZED SIGNATURE

MEMO

Filing Fees

⑈020240⑈

SULLIVAN LAND RESOURCES, INC.

The State of Texas
1300 - Lands/Leasing Expenses

Virginia Glenn Lattimore, Trustee of
The Houston & Emma Hill Trust Estate
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy
4, Blk 3, H&GN Svy

7/31/2018

20240

50.00

18715081

121

Bank Of Oklahoma

Filing Fees

+ 50.00

011



2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300

BANK OF OKLAHOMA

www.bok.com

86-3/1039

18715082 20239

7/31/2018

PAY TO THE
ORDER OF

The State of Texas

\$ **50.00

Fifty and 00/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701



VOID AFTER 90 DAYS

AUTHORIZED SIGNATURE

MEMO

Filing Fees

⑈020239⑈

SULLIVAN LAND RESOURCES, INC.

20239

The State of Texas
1300 Lands/Leasing Expenses

7/31/2018

50.00

Nancy Puff Jones
4, Blk 3, H&GN Svy
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy

18715082
121

Bank Of Oklahoma

Filing Fees

X 50.00





2212 NW 50TH ST., STE. 247C
OKLAHOMA CITY, OK 73112
(405) 463-3300



www.bok.com
86-3/1039

18715083 20238

PAY TO THE
ORDER OF The State of Texas

7/31/2018

\$ **50.00

Fifty and 00/100*****

DOLLARS

The State of Texas
1700 N Congress Ave
Austin, TX 78701

VOID AFTER 90 DAYS



Daniel B. Sli
AUTHORIZED SIGNATURE

MEMO

Filing Fees

11 0 20 238 11

SULLIVAN LAND RESOURCES, INC.

20238

The State of Texas
1300 - Lands/Leasing Expenses

7/31/2018

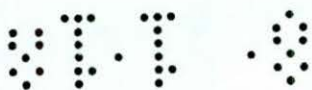
50.00

Virginia Glenn Hill Lattimore
4, Blk 3, H&GN Svy
40, Blk 2, H&GN Svy
19, Blk C-19, PSL Svy

18715083
12

Bank Of Oklahoma Filing Fees

✓ 50.00



✓ MF117293
MF117307
MF117480
Anadarko E&P Onshore LLC

MF117949
MF118556
Unit 8643

Supplemental Division Order

COMMISSIONER OF THE TEXAS
GENERAL LAND OFFICE
STEPH F AUSTIN BLDG
1700 NORTH CONGRESS AVE
AUSTIN, TX 78701

See reverse for list of
Properties and Interests.

Effective Date: Next Settlement

The undersigned certifies the ownership of their decimal interest in production as described above payable by Anadarko E&P Onshore LLC (Payor).

Payor shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100, or Sept. 30 whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Note: NADOA Model Form Division Order (Adopted 9/95)

Special Clause(s): Payee agrees that by execution of this DO and returning the signature page to Payor that the signature page will be attached to Payor's duplicate original of this instrument and treated as an original for all purposes.

THIS SDO REFLECTS YOUR INTEREST IN THE COLD HARBOR STATE 2-40 UNIT 1H, #122249, WELL #J1957, AS AMENDED PER TWO NEW GLO LEASES FROM MIDTEX AND FROM BRUNO & MARSHALL, EFFECTIVE 1/1/18.

RV81527304
COMMISSIONER OF THE TEXAS
GENERAL LAND OFFICE

Signature of Witness

Owner Signature/Corporate Title

Owner Address (if different from above)

Signature of Witness

Owner Signature/Corporate Title

City, State Zip Code

Owner Daytime Phone

Email Address

YOUR COPY

*Failure to furnish your Social Security/Tax ID number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by payor.

** All individual parties must complete and return the enclosed W9 to ensure proper payment. Additional forms may be obtained at www.irs.gov

Please return to:
Anadarko E&P Onshore LLC
P.O. BOX 1330
HOUSTON, TX 77251-9874
1-800-359-1692

Date Prepared: March 06, 2018
Prepared By: BRENDA COPELAND
Suspense Flag: N

<u>Property</u>	<u>Property Name</u>	<u>Product</u>	<u>State/County</u>	<u>Int Type</u>	<u>Int Seg</u>	<u>Interest</u>
122249	COLD HARBOR STATE 2-40 UNIT 1H	All Products	TX/REEVES	RI	1	0.11756616
122249	COLD HARBOR STATE 2-40 UNIT 1H	All Products	TX/REEVES	RI	2	0.00694193
122249	COLD HARBOR STATE 2-40 UNIT 1H	All Products	TX/REEVES	RI	3	0.00098382

Legal Description:

358.33 POOLED ACRES BEING COMPRISED OF THE NORTH 9/16TH OF SEC. 40, BLK 2, H&GN RR CO SURVEY,
A-1996 & BEING TR. 1 (338.43 ACS) & TR. 2 (19.9 ACS), REEVES COUNTY, TEXAS.

389-36284

*Failure to furnish your Social Security/Tax ID number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by payor.

** All individual parties must complete and return the enclosed W9 to ensure proper payment. Additional forms may be obtained at www.irs.gov

Please return to:
Anadarko E&P Onshore LLC
P.O. BOX 1330
HOUSTON, TX 77251-9874
1-800-359-1692

Date Prepared: March 06, 2018
Prepared By: BRENDA COPELAND
Suspense Flag: N

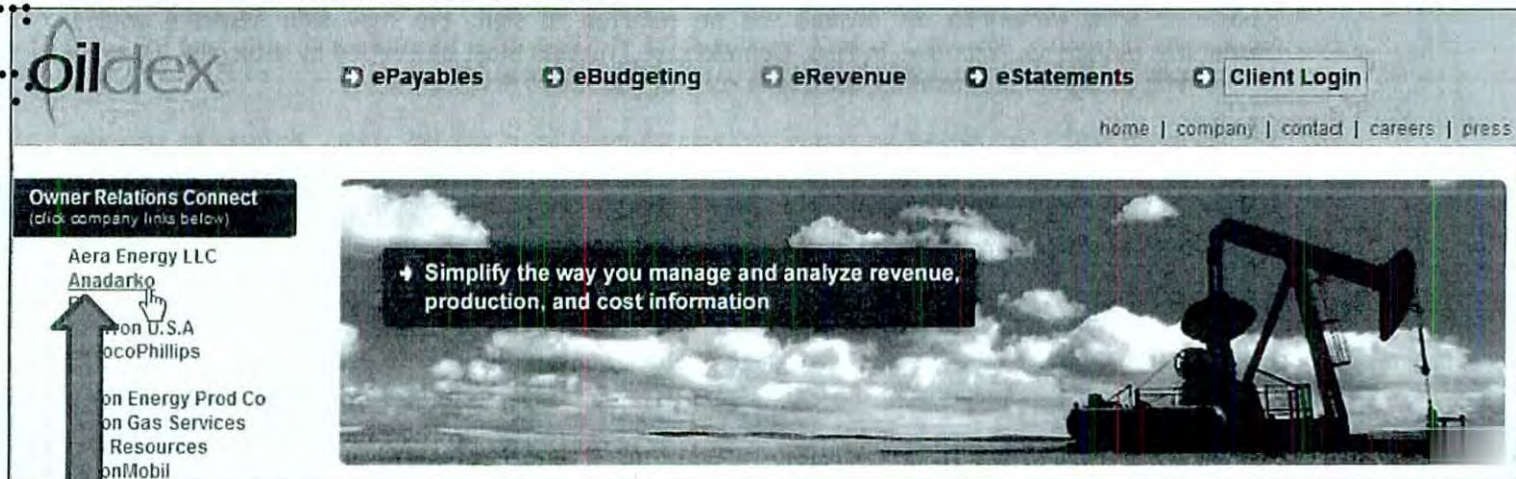
Anadarko E&P Onshore LLC

Owner On-Line Access

Upon receipt of your first check you will be able to access your check/EFT statements, access your 1099 form, submit a change of address form, or sign up for direct deposit via the internet. Go to www.oildex.com.

This will not be available until you receive your first check/deposit.

Locate the "Owner Relations Connect" section.



Click on **Anadarko**. This will bring you to the login screen.

If you are a **first time user**, be sure to click on the "I am a first time user" hyperlink. You will then be prompted to enter your **User ID** and **Temp Password**.

Your **User ID** is your six-digit **Anadarko or Kerr-McGee Owner Number** located at the top of your check detail. To access Oildex, only enter the six-digit owner number, leaving off the RV/04 or JV/01 on either end. (Example: For RV12345604 or JV12345601, the User ID would be 123456.)

Your **Temp Password** is normally the **last six digits of the Tax ID / Social Security #** on your account. (Example: For SS# 123-45-6789, the Temp Password would be 456789.) Once you log in, you will be prompted to choose a new password.

- To view your check/EFT statements – Log in and go to the Inbox tab. Then, select "All" in the Date Selection dropdown box. View a statement by clicking the hyperlink in the Check # column.
Please note: If you have never received a check/EFT from Anadarko, Kerr-McGee, Lance or Howell, no information will be posted on the Oildex website.
- To view your 1099 form – Log in and go to the Inbox tab. Then, click "Display IRS 1099s". View a 1099 form by clicking the hyperlink in the ID# column.
- To change your mailing address – Log in and go to the Forms tab. Then, click the "Address Change" hyperlink under the list of Owner Relations Forms. Complete the information and click Submit.
- To sign up for Direct Deposit – Log in and go to the Forms tab. Then, click the "Direct Deposit" hyperlink under the list of Owner Relations Forms. Complete the information and click Submit.

If you have any issues accessing www.oildex.com, please contact Oildex support directly at support@oildex.com and provide Anadarko's name along with your six-digit owner number. Alternatively, you may contact Anadarko Owner Relations at owner.relations@anadarko.com or 1-800-359-1692.



Check out the Anadarko **Owner Relations Website**: Go to www.anadarko.com, click on **About Anadarko**, click on **Owner Relations**. Our Owner Relations website provides details regarding issues/questions about royalty checks, owner interest and much more!

Dear Interest Owner:

1. Enclosed are two copies of your Division Order or Transfer Order. Please execute (in front of two witnesses) the document stamped "Return This Copy" and retain the one marked "Your Copy" for your records.
 - a. Sign exactly as shown on the Division Order or Transfer Order. Signatures must be witnessed by two people. If joint ownership, all owners will be required to sign, but may sign separate copies. Signatures by Agents, Attorneys-in-Fact, Guardians or Trustees must be verified by attaching evidence of the right to sign in that manner, such as a copy of the Power of Attorney.
 - b. The enclosed W8 or W9 **MUST** be completed and returned to us per IRS rules. **Failure to provide this form WILL result in withholding tax in accordance with federal law and any tax withheld will not be refundable by payor.** If the name on the Division Order or Transfer Order does not match the name on your Social Security Card, please advise us, in writing, of the differences.
2. Please address all correspondence, including your executed Division Order, to the following address:
Anadarko E&P Onshore LLC
Attn: Land Administration
P.O. Box 1330 (AHT)
Houston, TX 77251-1330
3. Please send all written **CHANGES OF ADDRESS** to the address listed above, or submit changes through the Oildex website. (Please see the reverse side of this page for instructions.)
4. **NAME AND OWNERSHIP CHANGES** must be submitted in writing to the above address. Please include proper documentation confirming the change:
 - a. **For Name Changes:** Marriage Certificate, Divorce Decree, etc.
 - b. **For Ownership Changes:** Deeds, Assignments, etc., must be recorded in the County (Parish) in which the property is located prior to sending to our office. Copy of the document sent in must have evidence of the recording (e.g., the recording stamp) on it.
 - c. **For Changes due to Death of an Owner:** As a general rule, we require complete copies of probate proceedings rendered by a court having jurisdiction over the property in question. If the Estate was not probated, or if it was probated in a different state, other documentation may be required.
5. When you wish to make an inquiry or request a change, please have available as much of the following information as you can:
 - Owner Number
 - County and State where well is located
 - Well name and/or property number
 - Your telephone number with AREA CODE
6. Anadarko **Owner Relations** toll-free telephone number: **1-800-359-1692**. Our Owner Relations Agents are committed to monitoring and returning calls in a timely manner. Our goal is to return your call within two business days.
7. For access to check information: <http://www.oildex.com>.
Please see the reverse side of this page for instructions.





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 27, 2018

Brenda Copeland
Division Order Analyst
Anadarko E&P Onshore LLC
P.O. Box 1330
Houston, TX 77251-9874

Re: State Lease Nos. MF117293, MF117307, MF117480, MF117949 and MF118556
Cold Harbor State 2-40 Unit 1H Unit 8643

Dear Mrs. Copeland:

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

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

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

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

Thank you,

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

File No. MF117293Reeves CountyDivision OrderDate Filed: 9/25/18

George P. Bush, Commissioner

By V.H.

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA190054

Unit Number 9867
Operator Name Energen Resources Corporation
Customer ID C000043130
Unit Name Misbehaving State unit C-19-19-14
County 1 Reeves *RRC District 1* 08
County 2 *RRC District 2*
County 3 *RRC District 3*
County 4 *RRC District 4*
Unit type Permanent
State Net Revenue Interest Oil 0.17918584
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth 7640
To Depth 13044
Well
Formation Top of Bone Springs to Base of Wolfcamp
Participation Basis Surface Acreage
If Excluions Apply: See Remarks

Effective Date 03/01/2019
Unitized For Oil And Gas
Unit Term
Old Unit Number *Inactive Status Date*

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		238.039213	951.000000	0.25030411	O/G	0.12500000	0.03128801	
MF117484		5.204859	951.000000	0.00547304	O/G	0.15492024	0.00084788	
MF117736		206.720000	951.000000	0.21737119	O/G	0.12500000	0.02717140	
MF117949		21.566940	951.000000	0.02267817	O/G	0.12500000	0.00283477	

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF118128		411.000000	951.000000	0.43217666	O/G	0.25000000	0.10804416	No
MF118244		0.553708	951.000000	0.00058224	O/G	0.12500000	0.00007278	
MF118543		67.500000	951.000000	0.07097792	O/G	0.12500000	0.00887224	No
MF119424		0.415280	951.000000	0.00043668	O/G	0.12500000	0.00005458	No

API Number

4238936966, 4238936969, 4238936970

Remarks:

Replaces Unit 8760 to add MF119424

Prepared By:

SSD

Prepared Date:

2/14/19

GLO Base Updated By:

SSD

GLO Base Date:

2/14/19

RAM Approval By:

VD

RAM Approval Date:

2/15/19

GIS By:

JL

GIS Date:

2/15/2019

Well Inventory By:

SSD

WI Date:

2/14/19

34.

File No. MF 117293

Misbehaving State Unit # County

changed to #9867 to add add'l lease.

Date Filed: 2/19/19

George P. Bush, Commissioner

By SSD

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA190067

Unit Number 9881
Operator Name Anadarko E&P Onshore LLC Effective Date 03/01/2019
Customer ID C000044444 Unitized For Oil And Gas
Unit Name Cold Harbor State 2-40 Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2 Replaces Unit #8643
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths Well
From Depth Surface Formation Base of Wolfcamp
To Depth Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		303.100000	358.330000	0.84586833	O/G	0.12500000	0.10573354	
MF117307		19.900000	358.330000	0.05553540	O/G	0.12500000	0.00694193	
MF117480		4.240000	358.330000	0.01183267	O/G	0.12500000	0.00147908	
MF117949		27.460000	358.330000	0.07663327	O/G	0.12500000	0.00957916	

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF118556		2.220000	358.330000	0.00619541	O/G	0.12500000	0.00077443	
MF119424		1.410000	358.330000	0.00393492	O/G	0.12500000	0.00049187	No

API Number

4238936284

Remarks:

This unit replaced # 8643 to add Lease MF119424

Prepared By:

SSD

Prepared Date:

2/19/19

GLO Base Updated By:

SSD

GLO Base Date:

2/19/19

RAM Approval By:

VD

RAM Approval Date:

2/19/19

GIS By:



GIS Date:

2/20/2019

Well Inventory By:

SSD

WI Date:

2/19/19

File No. MF 117293
Cold Harbor State 2-40 county
changed to 9981 to add lease
Date Filed: 2/19/19
George P. Bush, Commissioner
By SSD



January 31, 2019

VIA UPS OVERNIGHT MAIL

Ms. Joy McCauley
Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701-1495

RE: Tarantula Hawk 2-40 – Production Sharing Agreement
640 acres, being the N/2 of Section 39 and N/2 of Section 40, Block 2
H&GN RR Co. Survey,
Reeves County, Texas

Dear Ms. McCauley:

Per your recent phone discussion with Landman, Melissa Urey, enclosed herewith please find Anadarko check number 687110397 dated January 30, 2019 in the amount of \$500.00 payable to Texas General Land Office representing pooling application fee for your review, approval and execution of the attached Production Sharing Agreement for the captioned Tarantula Hawk 2-40.

Thank you for your assistance in having this document executed. Upon receipt of a fully executed original, same will be recorded in Reeves County, Texas, and a recorded copy will then be returned to you for the completion of your files.

Sincerely,

ANADARKO E&P ONSHORE LLC

A handwritten signature in blue ink that reads "Pat Kennedy". The signature is written in a cursive, flowing style.

Pat Kennedy
Land Analyst Advisor
Enclosure as stated

011 5

(36)

File No. M-117293

Ltr. From Andy Wko County

Date Filed: 4/25/19

George P. Bush, Commissioner

By [Signature]



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: March 5, 2019 **PSA# 00229**

TO: School Land Board

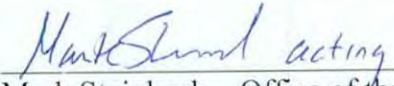
FROM: Pooling Committee

SUBJECT: Request from Anadarko E&P Onshore LLC to have the State enter into a Production Sharing Agreement for the drilling of one or more allocation wells.

- **Anadarko E&P Onshore LLC** is the operator of the State Lease MF117480, MF117293, MF118556, MF117949, and MF117307 (GLO Unit 8643) in which the State has a royalty interest, and they are requesting that the royalty owners sign a Production Sharing Agreement, which the School Land Board has the authority to approve pursuant to Texas Natural Resources Code §52.154.
- The Production Sharing Agreement will allow the operator to drill one or more allocation wells which cross GLO Unit 8643.
- The State's participation in the sharing wells will be based on formula calculating surface acreage within a rectangular area ("Sharing Area") drawn around the total length of the horizontal drainhole.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the Production Sharing Agreement.


Mark Steinbach – Office of the Attorney General

2/19/19
Date


Robert Hatter – General Land Office

2/19/19
Date


Stacie Bennett – Office of the Governor

2/19/2019
Date

File No. M-117293

Memo to SLB County

Date Filed: 4/25/19

George P. Bush, Commissioner

By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 25, 2019

Ms. Pat Kennedy
Anadarko E&P Onshore LLC
6 Desta Drive, Suite 1800
Midland, Texas 79705

Re: Production Sharing Agreement
Tarantula Hawk 2-40
Cold Harbor State Unit
Reeves County, Texas

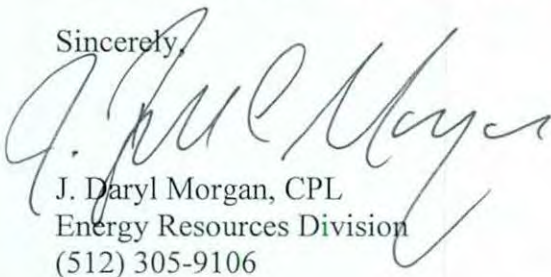
Dear Ms. Kennedy:

On March 5, 2019, the School Land Board of the State of Texas approved your application to have the State enter into a Production Sharing Agreement ("PSA") for the referenced Unit. Enclosed is an original of the PSA that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained an original of the PSA for our files.

Please provide our office with a recorded copy of the PSA or a fully executed copy if it is not going to be recorded as soon as it is available.

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

Sincerely,



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

Enclosure

File No. M-117293

Ltr. to Angelo County

Date Filed: 4/25/19

George P. Bush, Commissioner

By [Signature]

**PRODUCTION SHARING AGREEMENT
FOR THE TARANTULA HAWK 2-40**

SHARING AREA

THIS PRODUCTION SHARING AGREEMENT (this "Agreement") effective as of the 1st day of October, 2018 ("Effective Date"), by and between the undersigned party(ies) and their respective heirs, successors, and assigns (individually and collectively referred to herein as "Interest Owner") and **Anadarko E&P Onshore LLC**, whose address is 6 Desta Drive, Suite 1800, Midland Texas 79705 (the "Operator").

WITNESSETH

WHEREAS, Interest Owner owns an interest in the leases, minerals, royalties, contract rights, and/or executive rights under the lands ("Lands and Leases") as described on Exhibit "A" attached hereto and incorporated into this Agreement by reference.

WHEREAS, the Operator owns certain oil and gas lease(s) and/or other contractual rights covering the differing ownership interests contained in the Lands and Leases.

WHEREAS, Anadarko E&P Onshore LLC is the operator of two pooled units ("Separate Tracts") which pool the interests of the Lands and Leases, the first being the Sievers Unit 2-39, as defined in that certain Pooling Agreement recorded in Volume 1196, Page 174 of the Official Public Records of Reeves County, Texas ("Separate Tract A") and the second being the Cold Harbor State Unit 2-40, as defined in that certain State Pooling Agreement recorded in Volume 1502, Page 715 and amended by that Declaration of Pooled Unit recorded in Volume 1679, Page 647 of the Official Public Records of Reeves County, Texas ("Separate Tract B").

WHEREAS, Interest Owner and the Operator wish to encourage further development of the Lands and Leases and the Interest Owner and Operator agree that the best way to pursue further development is to join together the Lands and Leases in the Separate Tracts to create a unit area ("Sharing Area") as described and depicted on Exhibit "B", which is attached hereto and incorporated into this Agreement by reference, so the Operator may drill Horizontal Well(s), as defined below, in order to:

- (a) prevent physical and economic waste caused by the drilling of unnecessary wells, and to increase the ultimate recovery of hydrocarbons from the Lands and Leases; and
- (b) protect the correlative rights of each Interest Owner of Lands and Leases contained in the Sharing Area so that each may receive a fair share of the hydrocarbons produced which are reasonably attributed to the hydrocarbon production in and under their respective Lands and Leases.

WHEREAS, for purposes of this Agreement, a "Horizontal Well" shall have the same meaning as "horizontal drainhole well" as currently defined by Texas Railroad Commission ("RRC") under Statewide Rule 86, which is any well with one or more horizontal drainholes having a horizontal drainhole displacement of at least 100 feet within the correlative interval in which the well is completed.

NOW THEREFORE, Interest Owner, for the mutual consideration set forth herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, do hereby grant to the Operator

the authority, but not the obligation, to establish the Sharing Area for the purposes of exploring, drilling, developing and producing hydrocarbons through the use Horizontal Well(s) located on the Sharing Area under the following terms and conditions:

1. The Sharing Area shall be known as the **Tarantula Hawk 2-40**, which shall be comprised of 640 acres, more or less.

2. This Agreement only governs insofar as it pertains to Horizontal Wells drilled in the Sharing Area ("Sharing Well") after the Effective Date of this Agreement. In the event a Sharing Well is plugged back or re-completed in a manner such that a Sharing Well no longer meets the definition of a Horizontal Well, such well shall no longer be considered a Sharing Well and not be governed by this Agreement.

3. Production from, drilling, or reworking operations on any Sharing Well, without regard to the physical location of the Sharing Well or it's corresponding wellbore, shall be considered as if there were production from, drilling, reworking, continuous development operations, etc., on the entirety of the Lands and Leases, and not just that portion of the Lands and Leases which are included in the Sharing Area. In the event that (i) any Lands and Leases provides for partial termination of the Lease as to lands and/or depths at the expiration of the primary term or upon cessation of continuous drilling or continuous development operations, or (ii) provides for an amount of acreage and/or depths to be retained for each producing well upon partial termination, or (iii) upon such partial termination date there is a Sharing Well producing or capable of producing in paying quantities on the Sharing Area, then in that event the entire Sharing Area shall be retained under such Lands and Leases, and the depths retained within the Sharing Area shall be subject to the provisions of the Lands and Leases. The Sharing Area shall remain in full force and effect for so long as there is any production from any Sharing Well completed in the Sharing Area or any such Sharing Well is capable of producing in paying quantities.

4. Production from all Sharing Well(s) drilled hereunder shall not create any offset obligation, whether express or implied, and shall not constitute drainage under any of the Lands and Leases included in the Sharing Area, because each Interest Owner with Lands and Leases contained in the Sharing Area are sharing in the production and proceeds. As to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection and satisfaction of Lessees or any other lessee of Lands and Leases contained in the Sharing Area obligation to protect against drainage on the entirety of the Lands and Leases, and not just that portion of the Lands and Leases which are included in the Sharing Area.

5. The provisions of any Lands and Leases, and to the extent necessary, any division order(s) or transfer order(s) covering or affecting the Lands and Leases, are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions of this Agreement, but not otherwise.

6. Lessees, at their option, may terminate this Agreement by filing a Notice of Termination in the office of the County Clerk of Reeves County, Texas.

7. For the purpose of calculating royalty to be paid under each of the Separate Tracts, production shall be allocated on an acreage basis such that there shall be allocated to Separate Tract A and Separate Tract B within the Sharing Area, that portion of the total production of hydrocarbons from Sharing Well(s) which the amount of surface acreage covered by Separate Tract A and Separate Tract B bears to the total gross surface acreage in the entire Sharing Area. Involvement by each Interest Owner in the Sharing Area shall not create a cross conveyance of interests.

8. Interest Owner hereby grants the Operator surface and subsurface easements and rights-of-way

(including all reasonable ingress and egress thereto and therefrom) on, in and under all the Lands and Leases associated with the Sharing Area for exploration and production activities, including, but not limited to, the drilling, completing, deepening, reworking, recompleting, maintenance, operations, etc., in the search for and/or production of hydrocarbons associated with Sharing Wells contained in the Sharing Area, including but not limited to, gathering, storing, transporting, and treating said hydrocarbons, as well as laying, maintaining and replacing pipelines, gathering systems and roads, and constructing and maintaining and replacing pipelines, gathering systems and roads, and maintaining production facilities to produce, store, treat, and transport said hydrocarbons.

9. Interest Owner agrees that the Sharing Area shall not create property lines for regulatory purposes and agree to cooperate with Lessees in obtaining any regulatory approvals necessary for the drilling and production from Sharing Wells, including the prompt execution and return of written waivers to support such regulatory approvals as it relates only to the Lands and Leases owned by the Interest Owner.

10. Failure of any Interest Owner to execute this Agreement shall not render this Agreement ineffective. In the event of execution of this Agreement in counterparts, the executed counterparts may be combined into one or more instruments for recording, by combining the signature pages and acknowledgments, and the Interest Owner agrees that such instrument shall be treated and given effect for all purposes as a single instrument.

This Agreement is effective as of the Effective Date, but is executed as of the date of the acknowledgments shown below.

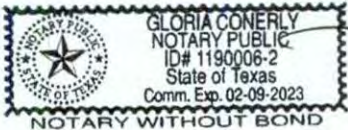
State of Texas
By: [Signature]
Name: George P. Bush
Title: Commissioner
Date Executed: 3/13/19

Legal ✓
Contents ✓
Min. Leasing ✓
[Other initials]

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 13 day of March, 2019, by George P. Bush, as Commissioner, for Texas General Land Office in the capacity therein stated.



[Signature]
Notary Public

OPERATOR (LESSEE)

Anadarko E&P Onshore LLC

By: Wesley Robertson

Its: Agent and Attorney in Fact

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on the ____ day of _____, 2019, by _____, as Agent and Attorney in Fact for **Anadarko E&P Onshore LLC** in the capacity stated herein.

Notary Public

EXHIBIT "A"
Lands & Leases

Block 2, Section 40

1. APC LEASE NO: 1372918000
LESSOR: JAMIE WINKLER AND RICHARD MANDELSON, CO-TRUSTEE OF THE MORRIS WINKLER BYPASS TRUST, AS AGENT FOR THE STATE OF TEXAS

LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 37, REEVES COUNTY, TEXAS
2. APC LEASE NO: 1372917000
LESSOR: CHRISTINE WINKLER, TRUSTEE OF THE WINKLER FAMILY TRUST, AS AGENT FOR THE STATE OF TEXAS

LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 747, REEVES COUNTY, TEXAS
3. APC LEASE NO: 1363911000
LESSOR: OAK VALLEY LAND AND MINERAL LP, AS AGENT FOR THE STATE OF TEXAS

LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 10/4/2014
RECORDING: VOLUME 1128, PAGE 41, REEVES COUNTY, TEXAS
4. APC LEASE NO: 1363910000
LESSOR: ALLDALE MINERALS LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 4/1/2015
RECORDING: VOLUME 1215, PAGE 622, REEVES COUNTY, TEXAS
5. APC LEASE NO: 1363906000
LESSOR: WORD BE WILSON INBESTMENTS, LP, AS AGENT FOR THE STATE OF TEXAS

LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/10/2015
RECORDING: VOLUME 1215, PAGE 632, REEVES COUNTY, TEXAS
6. APC LEASE NO: 1363914000
LESSOR: JAMES ROBERT HILL ET AL, AS AGENTS FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 2/1/2015
RECORDING: VOLUME 1215, PAGE 642, REEVES COUNTY, TEXAS
7. APC LEASE NO: N/A
LESSOR: TRIANGLE ROYALTY LP AND JK ROYALTY LP, AS AGENTS FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 467, REEVES COUNTY, TEXAS
8. APC LEASE NO: N/A
LESSOR: CG INTERESTS, LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 640, REEVES COUNTY, TEXAS
9. APC LEASE NO: 1363919000
LESSOR: KENNEDY MINERALS LTD., AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/19/2015
RECORDING: VOLUME 1258, PAGE 418, REEVES COUNTY, TEXAS
10. APC LEASE NO: 1363918000
LESSOR: FRED W. SHIELD AND COMPANY, AS AGENT FOR THE STATE OF TEXAS

LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 427, REEVES COUNTY, TEXAS

11. APC LEASE NO: 1363917000
LESSOR: THE DE COMPIEGNE PROPERTY COMPANY NO. 20 LTD, AS AGENT
FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 436, REEVES COUNTY, TEXAS
12. APC LEASE NO: N/A
LESSOR: LEGADO INVESTMENTS LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 1/6/2017
RECORDING: VOLUME 1373, PAGE 654, REEVES COUNTY, TEXAS
13. APC LEASE NO: 1378761000
LESSOR: MIDTEX ROYALTY II LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1554, PAGE 685, REEVES COUNTY, TEXAS
14. APC LEASE NO: 1378845000
LESSOR: BRUNO AND MARHSALL INVESTMENTS, AS AGENT FOR THE STATE
OF TEXAS
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1565, PAGE 183, REEVES COUNTY, TEXAS
15. APC LEASE NO: N/A
LESSOR: MBR OIL & GAS #1, LTD. & PPLB INVESTMENTS, LLC, AS AGENT
FOR THE STATE OF TEXAS
LESSEE: JASE ENERGY, LLC
LEASE EFFECTIVE DATE: 3/21/2018
RECORDING: VOLUME 1580, PAGE 290, REEVES COUNTY, TEXAS

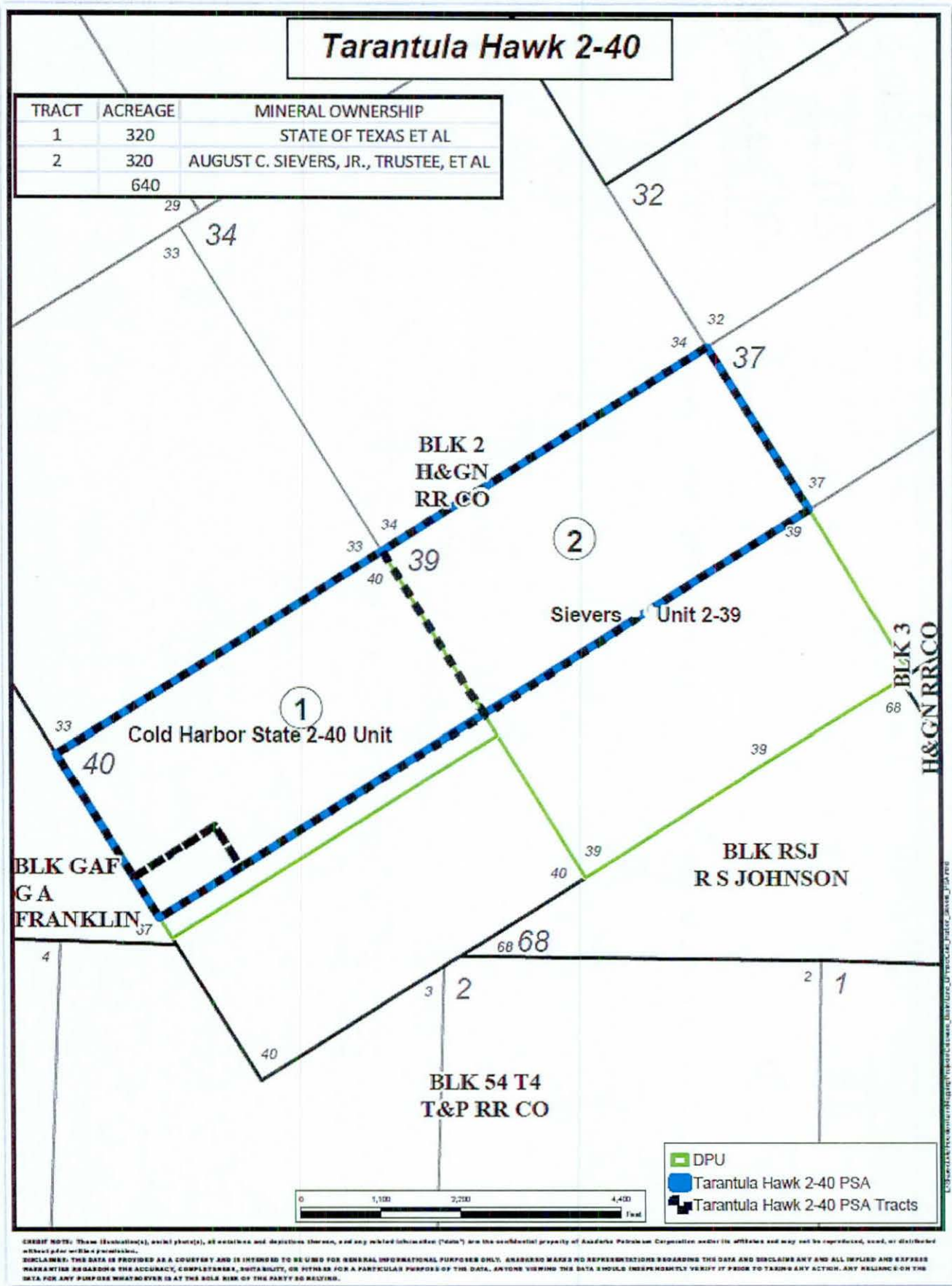
Block 2, Section 39

1. APC LEASE NO: 1300124000
LESSOR: MEKUSUKEY OIL COMPANY LLC
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: SEPTEMBER 17, 2013
RECORDING: VOLUME 1048, PAGE 030, REEVES COUNTY, TEXAS
2. APC LEASE NO: 1301499000
LESSOR: WILLIAM PERRY COLEMAN
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: SEPTEMBER 20, 2005
RECORDING: VOLUME 722, PAGE 740, REEVES COUNTY, TEXAS
3. APC LEASE NO: 301500000
LESSOR: JILL HOLT
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: SEPTEMBER 20, 2005
RECORDING: VOLUME 719, PAGE 694, REEVES COUNTY, TEXAS
4. APC LEASE NO: 1301501000
LESSOR: CARTER JONATHAN COLEMAN
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: SEPTEMBER 20, 2005
RECORDING: VOLUME 725, PAGE 457, REEVES COUNTY, TEXAS
5. APC LEASE NO: 1301511000
LESSOR: ESTATE OF KELLY H. BAXTER
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: JANUARY 10, 2011
RECORDING: VOLUME 868, PAGE 200, REEVES COUNTY, TEXAS
6. APC LEASE NO: 1301766000
LESSOR: AUGUST C. SIEVERS, JR., TRUSTEE
LESSEE: WL&T SERVICES
LEASE EFFECTIVE DATE: AUGUST 11, 2005
RECORDING: MEMORANDUM OF LEASE VOLUME 719, PAGE 583, REEVES
COUNTY, TEXAS
7. APC LEASE NO: 1301799000
LESSOR: AWP 1983 TRUST
LESSEE: ANADARKO PETROLEUM CORPORATION

LEASE EFFECTIVE DATE:	JANUARY 26, 2011
RECORDING:	VOLUME 870, PAGE 70, REEVES COUNTY, TEXAS
8. APC LEASE NO:	1301800000
LESSOR:	MEEKER INVESTMENTS, INC.
LESSEE:	ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE:	JANUARY 26, 2011
RECORDING:	VOLUME 870, PAGE 84, REEVES COUNTY, TEXAS
9. APC LEASE NO:	1301807000
LESSOR:	J. R. MEEKER TRUST
LESSEE:	ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE:	JANUARY 11, 2011
RECORDING:	VOLUME 866, PAGE 35, REEVES COUNTY, TEXAS
10. APC LEASE NO:	1301839000
LESSOR:	TEMIN 1987 PARTNERSHIP
LESSEE:	DOUGLAS W. FERGUSON
LEASE EFFECTIVE DATE:	APRIL 30, 2013
RECORDING:	VOLUME 1029, PAGE 699, REEVES COUNTY, TEXAS
11. APC LEASE NO:	1319669000
LESSOR:	DELA MINERALS, INC.
LESSEE:	ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE:	OCTOBER 10, 2010
RECORDING:	VOLUME 858, PAGE 792, REEVES COUNTY, TEXAS
12. APC LEASE NO:	1344691000
LESSOR:	MDJ MINERALS LLP
LESSEE:	ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE:	OCTOBER 1, 2014
RECORDING:	MEMORANDUM OF LEASE VOLUME 1135, PAGE 648, REEVES
COUNTY, TEXAS	
13. APC LEASE NO:	352835000
LESSOR:	THE ALLAR COMPANY
LESSEE:	ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE:	MAY 20, 2015
RECORDING:	INSTRUMENT NUMBER 15-05036, REEVES COUNTY, TEXAS
14. APC LEASE NO:	1354394000
LESSOR:	KENT WALKER
LESSEE:	ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE:	JULY 8, 2015
RECORDING:	INSTRUMENT NUMBER 15-07112, REEVES COUNTY, TEXAS S
15. APC LEASE NO:	1354390000
LESSOR:	MARSHALL CRAIG POLLARD
LESSEE:	ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE:	JULY 8, 2015
RECORDING:	INSTRUMENT NUMBER 15-07111, REEVES COUNTY, TEXAS
16. APC LEASE NO:	1359768000
LESSOR:	CHARLES R. MEEKER TRUST U/A BANK OF AMERICA, N.A., TRUSTEE
LESSEE:	SWEPI LP
LEASE EFFECTIVE DATE:	JUNE 16, 2015
RECORDING:	INSTRUMENT NUMBER 15-06822, REEVES COUNTY, TEXAS
17. APC LEASE NO:	1373800000
LESSOR:	BLAIRBAX ENERGY LLC
LESSEE:	ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE:	AUGUST 1, 2017
RECORDING:	INSTRUMENT NUMBER 17-13779, REEVES COUNTY, TEXAS

Exhibit "B"

Tarantula Hawk 2-40 Sharing Area



Legal Description of Tarantula Hawk 2-40 Sharing Area (Depicted in BLUE outline):

The North Half (N/2) of Section 39 and the North Half (N/2) of Section 40, Block 2, Reeves County, Texas, being comprised of 640 acres more or less.

File No. M-117293

Production Shopping Agent. County

Date Filed: 4/25/19

George P. Bush, Commissioner

By [Signature]



April 30, 2019

Mr. J. Daryl Morgan
Texas General Land Office
P O Box 12873
Austin, Texas 78711-2873

Re: Tarantula Hawk 2-40 1H and 2H – Production Sharing Agreement
Notice of Spud Dates
All of Section 39 and North 9/16ths of Section 40, Block 2, H&GN RR Co Svy
REEVES COUNTY, TEXAS

Dear Mr. Morgan:

Please be advised that Anadarko E&P Onshore LLC spud the captioned 1H Well on April 20, 2019 and intends to spud the 2H Well within the next few days, likely before May 3, 2019.

Enclosed for your records, please find copies of the permit and plat for each of Wells 1H and 2H.

Should you have any questions, please feel free to contact me at (432) 247-3595.

Sincerely,

ANADARKO E&P ONSHORE LLC

A handwritten signature in blue ink that reads "Pat Kennedy". The signature is written in a cursive, flowing style.

Pat Kennedy
Land Analyst Advisor

Enclosures: as stated





ANADARKO E&P ONSHORE LLC

SHEET NO. 1 OF 1

NATURE OF WORK WELL LOCATION STAKING

DATE 01-09-19

SRID NO. 13454

PROJECT- TARANTULA HAWK 2-40 1H

JOB OR AFE NO. 2147586.PDE

SEC. 39, 40

BLK OR RANGE 2 TWP

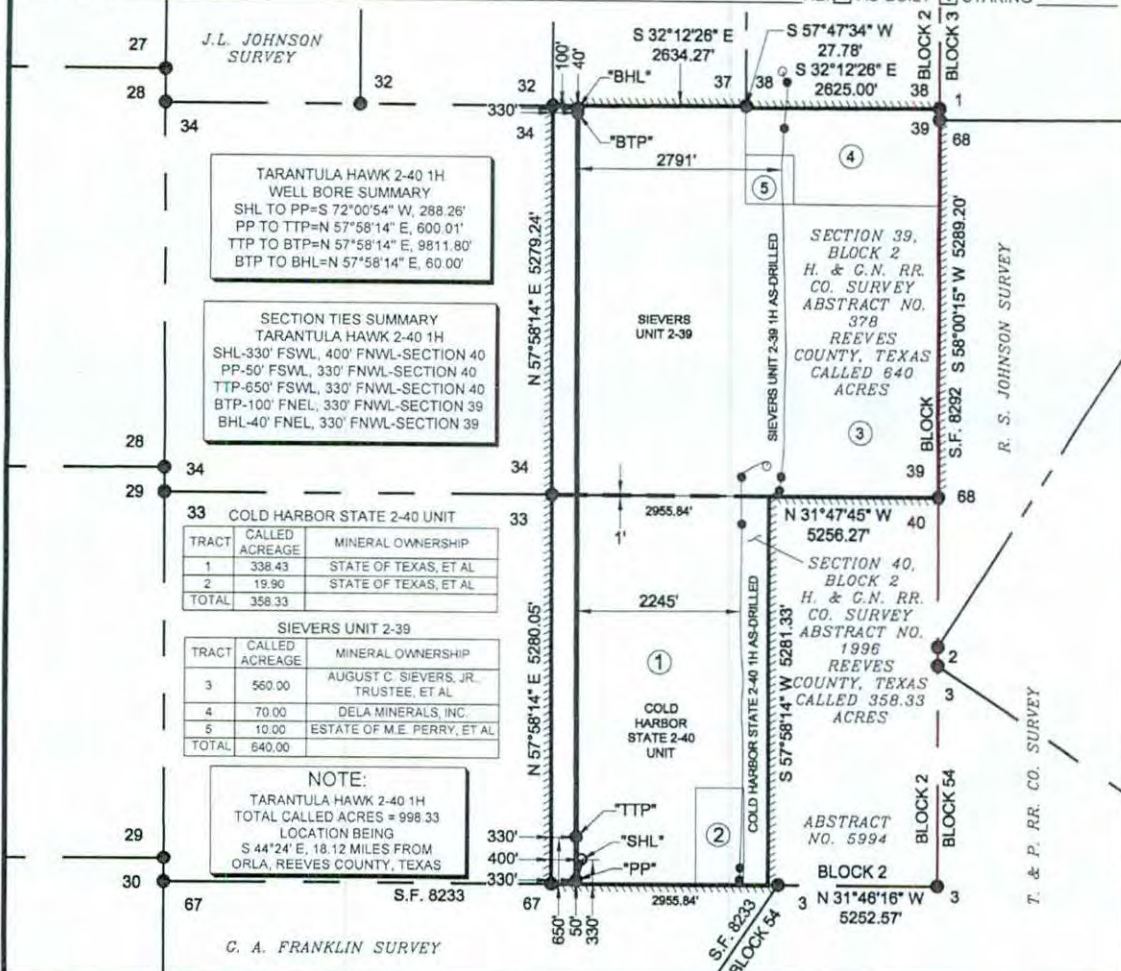
SURVEY

H. & G.N. RR. CO.

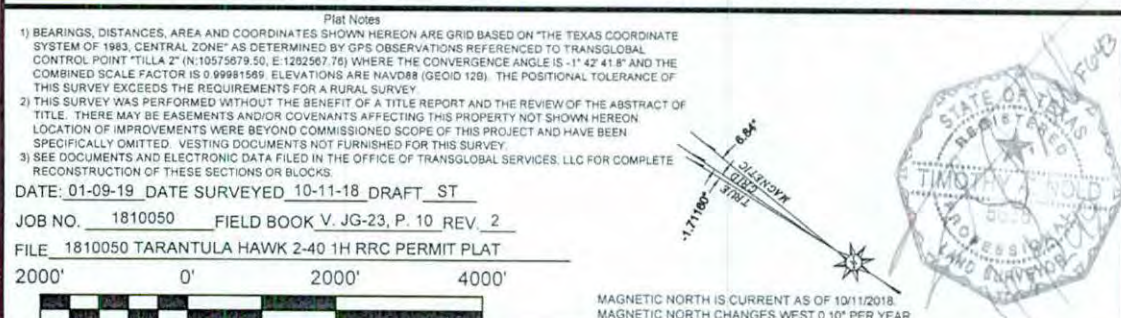
CO. REEVES

STATE TEXAS

REMARKS

RE: ☐ AS-BUILT ☒ STAKING

STATE PLANE COORDINATE DATUM NAD 27 - TEXAS CENTRAL ZONE 4203			
TARANTULA HAWK 2-40 1H SHL (ELEV = 2749.29')			
X = 956700.97	LAT = 31°38'34.732" N	LAT = 31.64258127° N	
Y = 734497.97	LONG = -103°41'10.812" W	LONG = -103.68633660° W	
TARANTULA HAWK 2-40 1H PP			
X = 956426.60	LAT = 31°38'33.770" N	LAT = 31.64271397° N	
Y = 734408.96	LONG = -103°41'13.951" W	LONG = -103.68720861° W	
TARANTULA HAWK 2-40 1H TTP			
X = 956935.46	LAT = 31°38'37.070" N	LAT = 31.64363053° N	
Y = 734727.17	LONG = -103°41'06.180" W	LONG = -103.68605664° W	
TARANTULA HAWK 2-40 1H BTP			
X = 965253.58	LAT = 31°39'31.017" N	LAT = 31.65861594° N	
Y = 739930.80	LONG = -103°39'33.797" W	LONG = -103.65938618° W	
TARANTULA HAWK 2-40 1H BHL			
X = 965304.44	LAT = 31°39'31.347" N	LAT = 31.65870756° N	
Y = 739962.62	LONG = -103°39'33.220" W	LONG = -103.65922782° W	



TBPLS FIRM# 10193740
 1100 Macon Street
 Fort Worth, Texas 76102
 (817) 529-1180 ~ Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658 DATE

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 849870	DATE PERMIT ISSUED OR AMENDED Feb 14, 2019	DISTRICT * 08
API NUMBER 42-389-38070	FORM W-1 RECEIVED Feb 11, 2019	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 998.33
OPERATOR ANADARKO E&P ONSHORE LLC ATTN: FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME TARANTULA HAWK 2-40		WELL NUMBER 1H
LOCATION 18.12 miles SE direction from ORLA		TOTAL DEPTH 11500
Section, Block and/or Survey SECTION 40 BLOCK 2 ABSTRACT 1996 SURVEY H&GN RR CO / CASE, H W		
DISTANCE TO SURVEY LINES 330 ft. SW 400 ft. NW		DISTANCE TO NEAREST LEASE LINE 1 ft.
DISTANCE TO LEASE LINES 330 ft. SW 400 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0318216		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
** PHANTOM (WOLFCAMP)	998.33	11,500
TARANTULA HAWK 2-40	1	2245
WELLBORE PROFILE(S) FOR FIELD: Horizontal		
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 50.0 F SW L 330.0 F NW L Terminus Location BH County: REEVES Section: 39 Block: 2 Abstract: 378 Survey: H&GN RR CO Lease Lines: 40.0 F NE L 330.0 F NW L Survey Lines: 40.0 F NE L 330.0 F NW L		
*** PRECEDING FIELD NAME INDICATES RULE (R37)		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		

Data Validation Time Stamp: Feb 19, 2019 7:06 AM(Current Version)

Page 3 of 5



RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 849870	DATE PERMIT ISSUED OR AMENDED Feb 14, 2019	DISTRICT * 08
API NUMBER 42-389-38070	FORM W-1 RECEIVED Feb 11, 2019	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 998.33
OPERATOR ANADARKO E&P ONSHORE LLC ATTN: FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		020528 NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME TARANTULA HAWK 2-40		WELL NUMBER 1H
LOCATION 18.12 miles SE direction from ORLA		TOTAL DEPTH 11500
Section, Block and/or Survey SECTION ◀ 40 BLOCK ◀ 2 ABSTRACT ◀ 1996 SURVEY ◀ H&GN RR CO / CASE, H W		
DISTANCE TO SURVEY LINES 330 ft. SW 400 ft. NW		DISTANCE TO NEAREST LEASE LINE 1 ft.
DISTANCE TO LEASE LINES 330 ft. SW 400 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0318216		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in. The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.		

Data Validation Time Stamp: Feb 19, 2019 7:06 AM(Current Version)

Page 4 of 5



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

REEVES (389) County

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

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





ANADARKO E&P ONSHORE LLC

SHEET NO. 1 OF 1

NATURE OF WORK WELL LOCATION STAKING

DATE 03-11-19

SRID NO. 14885

PROJECT- TARANTULA HAWK 2-40 2H

JOB OR AFE NO. 2150980.PDE

SEC. 39, 40 BLK OR RANGE 2 TWP

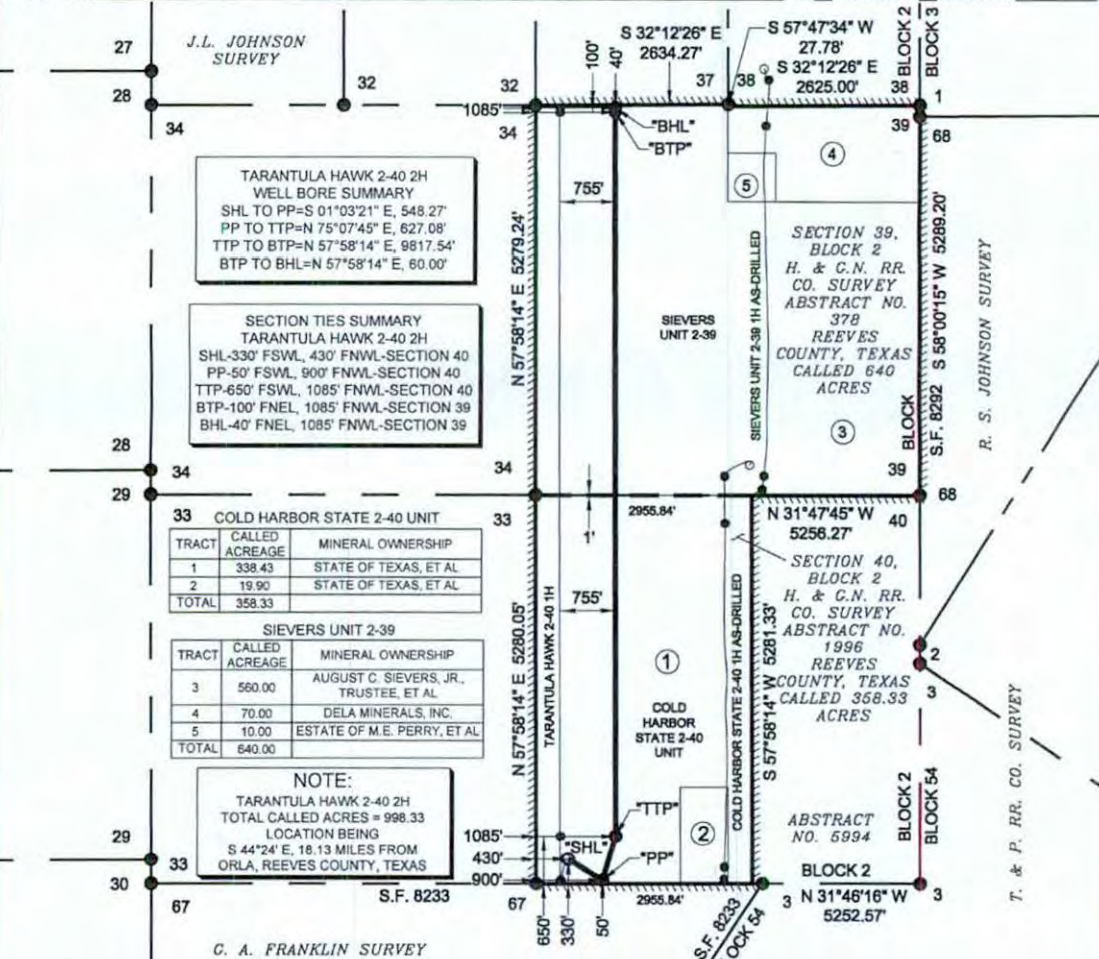
SURVEY

H. & G.N. RR. CO.

CO. REEVES

STATE TEXAS

REMARKS

RE: ☐ AS-BUILT ☒ STAKING

STATE PLANE COORDINATE DATUM
NAD 83 - TEXAS CENTRAL ZONE 4203
TARANTULA HAWK 2-40 2H SHL (ELEV = 2750.23)
X = 956716.81 LAT = 31°38'34.486\" N LAT = 31.64291273\" N
Y = 734472.55 LONG = -103°41'10.620\" W LONG = -103.68628327\" W
TARANTULA HAWK 2-40 2H PP
X = 956726.91 LAT = 31°38'29.066\" N LAT = 31.64140726\" N
Y = 733924.38 LONG = -103°41'10.312\" W LONG = -103.68619775\" W
TARANTULA HAWK 2-40 2H TTP
X = 957332.98 LAT = 31°38'30.839\" N LAT = 31.64189966\" N
Y = 734085.31 LONG = -103°41'03.360\" W LONG = -103.68426872\" W
TARANTULA HAWK 2-40 2H BTP
X = 965655.97 LAT = 31°39'24.817\" N LAT = 31.65689359\" N
Y = 739291.98 LONG = -103°39'28.923\" W LONG = -103.65803417\" W
TARANTULA HAWK 2-40 2H BHL
X = 965706.84 LAT = 31°39'25.147\" N LAT = 31.65698521\" N
Y = 739323.80 LONG = -103°39'28.346\" W LONG = -103.65787382\" W

STATE PLANE COORDINATE DATUM
NAD 83 - TEXAS CENTRAL ZONE 4203
TARANTULA HAWK 2-40 2H SHL (ELEV = 2750.23)
X = 1253180.12 LAT = 31°38'34.953\" N LAT = 31.64304245\" N
Y = 10577048.79 LONG = -103°41'12.280\" W LONG = -103.68674449\" W
TARANTULA HAWK 2-40 2H PP
X = 1253190.22 LAT = 31°38'29.533\" N LAT = 31.64153700\" N
Y = 10576500.61 LONG = -103°41'11.972\" W LONG = -103.68665896\" W
TARANTULA HAWK 2-40 2H TTP
X = 1253796.30 LAT = 31°38'31.306\" N LAT = 31.64202940\" N
Y = 10576661.54 LONG = -103°41'05.020\" W LONG = -103.68472786\" W
TARANTULA HAWK 2-40 2H BTP
X = 1262119.38 LAT = 31°39'25.284\" N LAT = 31.65702322\" N
Y = 10581858.32 LONG = -103°39'30.580\" W LONG = -103.65849450\" W
TARANTULA HAWK 2-40 2H BHL
X = 1262170.25 LAT = 31°39'25.613\" N LAT = 31.65711483\" N
Y = 10581900.14 LONG = -103°39'30.003\" W LONG = -103.65833414\" W

Pilot Notes

- 1) BEARINGS, DISTANCES, AREA AND COORDINATES SHOWN HEREON ARE GRID BASED ON "THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE" AS DETERMINED BY GPS OBSERVATIONS REFERENCED TO TRANSLOCAL CONTROL POINT "BULL 1" (N: 10574801.86, E: 1242949.96) WHERE THE CONVERGENCE ANGLE IS -1° 44' 38.5\" AND THE COMBINED SCALE FACTOR IS 0.99981190. ELEVATIONS ARE NAVD83 (GEOID 128). THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSLOCAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 03-11-19 DATE SURVEYED 03-09-19 DRAFT ST

JOB NO. 1903036 FIELD BOOK V. JG-24, P. 9 REV. 0

FILE 1903036 TARANTULA HAWK 2-40 2H RRC PERMIT PLAT

2000' 0' 2000' 4000'

MAGNETIC NORTH IS CURRENT AS OF 03/09/2019
MAGNETIC NORTH CHANGES WEST 0.10\" PER YEAR

TRPLS FIRM# 10193740
1100 Macon Street
Fort Worth, Texas 76102
(817) 529-1180 ~ Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE REFERENCE PORTION OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658

DATE



RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 851050	DATE PERMIT ISSUED OR AMENDED Mar 15, 2019	DISTRICT * 08
API NUMBER 42-389-38197	FORM W-1 RECEIVED Mar 14, 2019	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 998.33
OPERATOR ANADARKO E&P ONSHORE LLC ATTN: FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME TARANTULA HAWK 2-40		WELL NUMBER 2H
LOCATION 18.13 miles SE direction from ORLA		TOTAL DEPTH 11400
Section, Block and/or Survey SECTION 40 BLOCK 2 ABSTRACT 1996 SURVEY H&GN RR CO / CASE, H W		
DISTANCE TO SURVEY LINES 330 ft. SW 430 ft. NW		DISTANCE TO NEAREST LEASE LINE 1 ft.
DISTANCE TO LEASE LINES 330 ft. SW 430 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0318850		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
** PHANTOM (WOLFCAMP)	998.33	11,400
TARANTULA HAWK 2-40	1	755
WELLBORE PROFILE(S) FOR FIELD: Horizontal		
RESTRICTIONS: No allowable will be assigned until acreage assigned to lease id 08-279381 and 08-49536 has been reassigned to accommodate the completion of this well. This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SMR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 50.0 F SW L 900.0 F NW L Terminus Location BH County: REEVES Section: 39 Block: 2 Abstract: 378 Survey: H&GN RR CO Lease Lines: 40.0 F NE L 1085.0 F NW L Survey Lines: 40.0 F NE L 1085.0 F NW L		

Data Validation Time Stamp: Mar 18, 2019 6:37 AM(Current Version)

Page 3 of 5



RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 851050	DATE PERMIT ISSUED OR AMENDED Mar 15, 2019	DISTRICT * 08
API NUMBER 42-389-38197	FORM W-1 RECEIVED Mar 14, 2019	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 998.33
OPERATOR ANADARKO E&P ONSHORE LLC ATTN: FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME TARANTULA HAWK 2-40		WELL NUMBER 2H
LOCATION 18.13 miles SE direction from ORLA		TOTAL DEPTH 11400
Section, Block and/or Survey SECTION 40 BLOCK 2 ABSTRACT 1996 SURVEY H&GN RR CO / CASE, H W		
DISTANCE TO SURVEY LINES 330 ft. SW 430 ft. NW		DISTANCE TO NEAREST LEASE LINE 1 ft.
DISTANCE TO LEASE LINES 330 ft. SW 430 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0318850		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
*** PRECEDING FIELD NAME INDICATES RULE (R37) THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in. The designated interval, for one or more of the fields approved on this permit, appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals, you will be required to be consistent in field designation on this lease. Furthermore, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.		



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

REEVES (389) County

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

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



40

File No. MF117293

Rooves County

Notice of Spud AP1389-38010 & 38197

Date Filed: 5/6/19

George P. Bush, Commissioner

By: gm



May 2, 2019

Mr. J. Daryl Morgan
Texas General Land Office
P O Box 12873
Austin, Texas 78711-2873

Re: Production Sharing Agreement
Tarantula Hawk 2-40
Cold Harbor State Unit
REEVES COUNTY, TEXAS

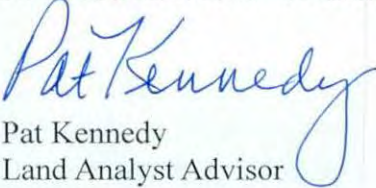
Dear Mr. Morgan:

Enclosed for your records please find a copy of the fully executed Production Sharing Agreement.

Should you have any questions, please feel free to contact me at (432) 247-3595.

Sincerely,

ANADARKO E&P ONSHORE LLC


Pat Kennedy
Land Analyst Advisor

Enclosure: as stated

File No. M-117293

Ltr. From Angelo County

Date Filed: 5/8/19

George P. Bush, Commissioner

By [Signature]

**PRODUCTION SHARING AGREEMENT
FOR THE TARANTULA HAWK 2-40**

SHARING AREA

THIS PRODUCTION SHARING AGREEMENT (this "Agreement") effective as of the 1st day of October, 2018 ("Effective Date"), by and between the undersigned party(ies) and their respective heirs, successors, and assigns (individually and collectively referred to herein as "Interest Owner") and **Anadarko E&P Onshore LLC**, whose address is 6 Desta Drive, Suite 1800, Midland Texas 79705 (the "Operator").

WITNESSETH

WHEREAS, Interest Owner owns an interest in the leases, minerals, royalties, contract rights, and/or executive rights under the lands ("Lands and Leases") as described on Exhibit "A" attached hereto and incorporated into this Agreement by reference.

WHEREAS, the Operator owns certain oil and gas lease(s) and/or other contractual rights covering the differing ownership interests contained in the Lands and Leases.

WHEREAS, Anadarko E&P Onshore LLC is the operator of two pooled units ("Separate Tracts") which pool the interests of the Lands and Leases, the first being the Sievers Unit 2-39, as defined in that certain Pooling Agreement recorded in Volume 1196, Page 174 of the Official Public Records of Reeves County, Texas ("Separate Tract A") and the second being the Cold Harbor State Unit 2-40, as defined in that certain State Pooling Agreement recorded in Volume 1502, Page 715 and amended by that Declaration of Pooled Unit recorded in Volume 1679, Page 647 of the Official Public Records of Reeves County, Texas ("Separate Tract B").

WHEREAS, Interest Owner and the Operator wish to encourage further development of the Lands and Leases and the Interest Owner and Operator agree that the best way to pursue further development is to join together the Lands and Leases in the Separate Tracts to create a unit area ("Sharing Area") as described and depicted on Exhibit "B", which is attached hereto and incorporated into this Agreement by reference, so the Operator may drill Horizontal Well(s), as defined below, in order to:

- (a) prevent physical and economic waste caused by the drilling of unnecessary wells, and to increase the ultimate recovery of hydrocarbons from the Lands and Leases; and
- (b) protect the correlative rights of each Interest Owner of Lands and Leases contained in the Sharing Area so that each may receive a fair share of the hydrocarbons produced which are reasonably attributed to the hydrocarbon production in and under their respective Lands and Leases.

WHEREAS, for purposes of this Agreement, a "Horizontal Well" shall have the same meaning as "horizontal drainhole well" as currently defined by Texas Railroad Commission ("RRC") under Statewide Rule 86, which is any well with one or more horizontal drainholes having a horizontal drainhole displacement of at least 100 feet within the correlative interval in which the well is completed.

NOW THEREFORE, Interest Owner, for the mutual consideration set forth herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, do hereby grant to the Operator

the authority, but not the obligation, to establish the Sharing Area for the purposes of exploring, drilling, developing and producing hydrocarbons through the use Horizontal Well(s) located on the Sharing Area under the following terms and conditions:

1. The Sharing Area shall be known as the **Tarantula Hawk 2-40**, which shall be comprised of 640 acres, more or less.

2. This Agreement only governs insofar as it pertains to Horizontal Wells drilled in the Sharing Area ("Sharing Well") after the Effective Date of this Agreement. In the event a Sharing Well is plugged back or re-completed in a manner such that a Sharing Well no longer meets the definition of a Horizontal Well, such well shall no longer be considered a Sharing Well and not be governed by this Agreement.

3. Production from, drilling, or reworking operations on any Sharing Well, without regard to the physical location of the Sharing Well or it's corresponding wellbore, shall be considered as if there were production from, drilling, reworking, continuous development operations, etc., on the entirety of the Lands and Leases, and not just that portion of the Lands and Leases which are included in the Sharing Area. In the event that (i) any Lands and Leases provides for partial termination of the Lease as to lands and/or depths at the expiration of the primary term or upon cessation of continuous drilling or continuous development operations, or (ii) provides for an amount of acreage and/or depths to be retained for each producing well upon partial termination, or (iii) upon such partial termination date there is a Sharing Well producing or capable of producing in paying quantities on the Sharing Area, then in that event the entire Sharing Area shall be retained under such Lands and Leases, and the depths retained within the Sharing Area shall be subject to the provisions of the Lands and Leases. The Sharing Area shall remain in full force and effect for so long as there is any production from any Sharing Well completed in the Sharing Area or any such Sharing Well is capable of producing in paying quantities.

4. Production from all Sharing Well(s) drilled hereunder shall not create any offset obligation, whether express or implied, and shall not constitute drainage under any of the Lands and Leases included in the Sharing Area, because each Interest Owner with Lands and Leases contained in the Sharing Area are sharing in the production and proceeds. As to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection and satisfaction of Lessees or any other lessee of Lands and Leases contained in the Sharing Area obligation to protect against drainage on the entirety of the Lands and Leases, and not just that portion of the Lands and Leases which are included in the Sharing Area.

5. The provisions of any Lands and Leases, and to the extent necessary, any division order(s) or transfer order(s) covering or affecting the Lands and Leases, are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions of this Agreement, but not otherwise.

6. Lessees, at their option, may terminate this Agreement by filing a Notice of Termination in the office of the County Clerk of Reeves County, Texas.

7. For the purpose of calculating royalty to be paid under each of the Separate Tracts, production shall be allocated on an acreage basis such that there shall be allocated to Separate Tract A and Separate Tract B within the Sharing Area, that portion of the total production of hydrocarbons from Sharing Well(s) which the amount of surface acreage covered by Separate Tract A and Separate Tract B bears to the total gross surface acreage in the entire Sharing Area. Involvement by each Interest Owner in the Sharing Area shall not create a cross conveyance of interests.

8. Interest Owner hereby grants the Operator surface and subsurface easements and rights-of-way

(including all reasonable ingress and egress thereto and therefrom) on, in and under all the Lands and Leases associated with the Sharing Area for exploration and production activities, including, but not limited to, the drilling, completing, deepening, reworking, recompleting, maintenance, operations, etc., in the search for and/or production of hydrocarbons associated with Sharing Wells contained in the Sharing Area, including but not limited to, gathering, storing, transporting, and treating said hydrocarbons, as well as laying, maintaining and replacing pipelines, gathering systems and roads, and constructing and maintaining and replacing pipelines, gathering systems and roads, and maintaining production facilities to produce, store, treat, and transport said hydrocarbons.

9. Interest Owner agrees that the Sharing Area shall not create property lines for regulatory purposes and agree to cooperate with Lessees in obtaining any regulatory approvals necessary for the drilling and production from Sharing Wells, including the prompt execution and return of written waivers to support such regulatory approvals as it relates only to the Lands and Leases owned by the Interest Owner.

10. Failure of any Interest Owner to execute this Agreement shall not render this Agreement ineffective. In the event of execution of this Agreement in counterparts, the executed counterparts may be combined into one or more instruments for recording, by combining the signature pages and acknowledgments, and the Interest Owner agrees that such instrument shall be treated and given effect for all purposes as a single instrument.

This Agreement is effective as of the Effective Date, but is executed as of the date of the acknowledgments shown below.

State of Texas
By: [Signature]
Name: George P. Bush
Title: Commissioner
Date Executed: 3/13/19

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF TRAVIS §

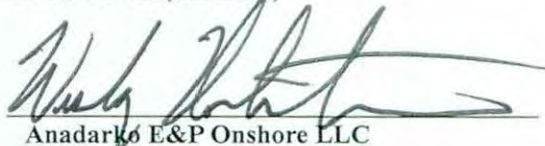
This instrument was acknowledged before me on the 13 day of March, 2019, by George P. Bush, as Commissioner, for Texas General Land Office in the capacity therein stated.



[Signature]
Notary Public

Legal LA
Contents Re
Min. Leasing Re
Executive mt

OPERATOR (LESSEE)

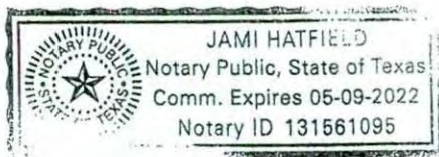

Anadarko E&P Onshore LLC
By: Wesley Robertson
Its: Agent and Attorney in Fact *see me*

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 2nd day of May, 2019, by Wesley Robertson, as Agent and Attorney in Fact for **Anadarko E&P Onshore LLC** in the capacity stated herein.



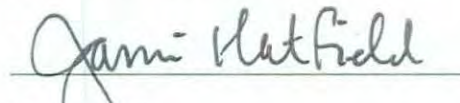

Notary Public

EXHIBIT "A"
Lands & Leases

Block 2, Section 40

1. APC LEASE NO: 1372918000
LESSOR: JAMIE WINKLER AND RICHARD MANDELSON, CO-TRUSTEE OF THE MORRIS WINKLER BYPASS TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 37, REEVES COUNTY, TEXAS
2. APC LEASE NO: 1372917000
LESSOR: CHRISTINE WINKLER, TRUSTEE OF THE WINKLER FAMILY TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 747, REEVES COUNTY, TEXAS
3. APC LEASE NO: 1363911000
LESSOR: OAK VALLEY LAND AND MINERAL LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 10/4/2014
RECORDING: VOLUME 1128, PAGE 41, REEVES COUNTY, TEXAS
4. APC LEASE NO: 1363910000
LESSOR: ALLDALE MINERALS LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 4/1/2015
RECORDING: VOLUME 1215, PAGE 622, REEVES COUNTY, TEXAS
5. APC LEASE NO: 1363906000
LESSOR: WORD BE WILSON INBESTMENTS, LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/10/2015
RECORDING: VOLUME 1215, PAGE 632, REEVES COUNTY, TEXAS
6. APC LEASE NO: 1363914000
LESSOR: JAMES ROBERT HILL ET AL, AS AGENTS FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 2/1/2015
RECORDING: VOLUME 1215, PAGE 642, REEVES COUNTY, TEXAS
7. APC LEASE NO: N/A
LESSOR: TRIANGLE ROYALTY LP AND JK ROYALTY LP, AS AGENTS FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 467, REEVES COUNTY, TEXAS
8. APC LEASE NO: N/A
LESSOR: CG INTERESTS, LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 640, REEVES COUNTY, TEXAS
9. APC LEASE NO: 1363919000
LESSOR: KENNEDY MINERALS LTD., AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/19/2015
RECORDING: VOLUME 1258, PAGE 418, REEVES COUNTY, TEXAS
10. APC LEASE NO: 1363918000
LESSOR: FRED W. SHIELD AND COMPANY, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 427, REEVES COUNTY, TEXAS

11. APC LEASE NO: 1363917000
LESSOR: THE DE COMPIEGNE PROPERTY COMPANY NO. 20 LTD, AS AGENT
FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 436, REEVES COUNTY, TEXAS
12. APC LEASE NO: N/A
LESSOR: LEGADO INVESTMENTS LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 1/6/2017
RECORDING: VOLUME 1373, PAGE 654, REEVES COUNTY, TEXAS
13. APC LEASE NO: 1378761000
LESSOR: MIDTEX ROYALTY II LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1554, PAGE 685, REEVES COUNTY, TEXAS
14. APC LEASE NO: 1378845000
LESSOR: BRUNO AND MARHSALL INVESTMENTS, AS AGENT FOR THE STATE
OF TEXAS
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1565, PAGE 183, REEVES COUNTY, TEXAS
15. APC LEASE NO: N/A
LESSOR: MBR OIL & GAS #1, LTD. & PPLB INVESTMENTS, LLC, AS AGENT
FOR THE STATE OF TEXAS
LESSEE: JASE ENERGY, LLC
LEASE EFFECTIVE DATE: 3/21/2018
RECORDING: VOLUME 1580, PAGE 290, REEVES COUNTY, TEXAS

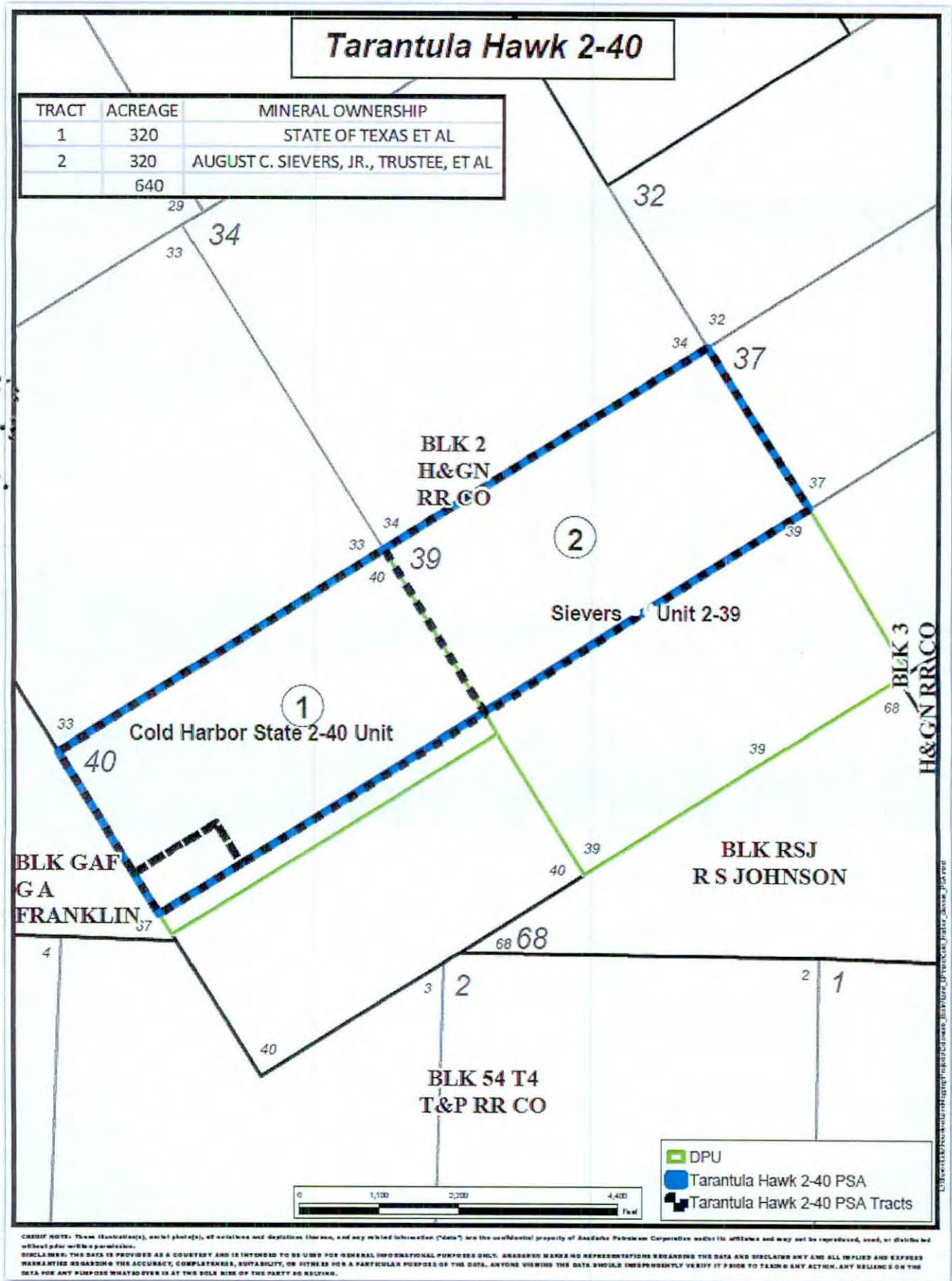
Block 2, Section 39

1. APC LEASE NO: 1300124000
LESSOR: MEKUSUKEY OIL COMPANY LLC
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: SEPTEMBER 17, 2013
RECORDING: VOLUME 1048, PAGE 030, REEVES COUNTY, TEXAS
2. APC LEASE NO: 1301499000
LESSOR: WILLIAM PERRY COLEMAN
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: SEPTEMBER 20, 2005
RECORDING: VOLUME 722, PAGE 740, REEVES COUNTY, TEXAS
3. APC LEASE NO: 301500000
LESSOR: JILL HOLT
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: SEPTEMBER 20, 2005
RECORDING: VOLUME 719, PAGE 694, REEVES COUNTY, TEXAS
4. APC LEASE NO: 1301501000
LESSOR: CARTER JONATHAN COLEMAN
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: SEPTEMBER 20, 2005
RECORDING: VOLUME 725, PAGE 457, REEVES COUNTY, TEXAS
5. APC LEASE NO: 1301511000
LESSOR: ESTATE OF KELLY H. BAXTER
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: JANUARY 10, 2011
RECORDING: VOLUME 868, PAGE 200, REEVES COUNTY, TEXAS
6. APC LEASE NO: 1301766000
LESSOR: AUGUST C. SIEVERS, JR., TRUSTEE
LESSEE: WL&T SERVICES
LEASE EFFECTIVE DATE: AUGUST 11, 2005
RECORDING: MEMORANDUM OF LEASE VOLUME 719, PAGE 583, REEVES
COUNTY, TEXAS
7. APC LEASE NO: 1301799000
LESSOR: AWP 1983 TRUST
LESSEE: ANADARKO PETROLEUM CORPORATION

- LEASE EFFECTIVE DATE: JANUARY 26, 2011
RECORDING: VOLUME 870, PAGE 70, REEVES COUNTY, TEXAS
8. APC LEASE NO: 1301800000
LESSOR: MEEKER INVESTMENTS, INC.
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: JANUARY 26, 2011
RECORDING: VOLUME 870, PAGE 84, REEVES COUNTY, TEXAS
9. APC LEASE NO: 1301807000
LESSOR: J. R. MEEKER TRUST
LESSEE: ANADARKO PETROLEUM CORPORATION
LEASE EFFECTIVE DATE: JANUARY 11, 2011
RECORDING: VOLUME 866, PAGE 35, REEVES COUNTY, TEXAS
10. APC LEASE NO: 1301839000
LESSOR: TEMIN 1987 PARTNERSHIP
LESSEE: DOUGLAS W. FERGUSON
LEASE EFFECTIVE DATE: APRIL 30, 2013
RECORDING: VOLUME 1029, PAGE 699, REEVES COUNTY, TEXAS
11. APC LEASE NO: 1319669000
LESSOR: DELA MINERALS, INC.
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: OCTOBER 10, 2010
RECORDING: VOLUME 858, PAGE 792, REEVES COUNTY, TEXAS
12. APC LEASE NO: 1344691000
LESSOR: MDJ MINERALS LLP
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: OCTOBER 1, 2014
RECORDING: MEMORANDUM OF LEASE VOLUME 1135, PAGE 648, REEVES COUNTY, TEXAS
13. APC LEASE NO: 352835000
LESSOR: THE ALLAR COMPANY
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: MAY 20, 2015
RECORDING: INSTRUMENT NUMBER 15-05036, REEVES COUNTY, TEXAS
14. APC LEASE NO: 1354394000
LESSOR: KENT WALKER
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: JULY 8, 2015
RECORDING: INSTRUMENT NUMBER 15-07112, REEVES COUNTY, TEXAS S
15. APC LEASE NO: 1354390000
LESSOR: MARSHALL CRAIG POLLARD
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: JULY 8, 2015
RECORDING: INSTRUMENT NUMBER 15-07111, REEVES COUNTY, TEXAS
16. APC LEASE NO: 1359768000
LESSOR: CHARLES R. MEEKER TRUST U/A BANK OF AMERICA, N.A., TRUSTEE
LESSEE: SWEPI LP
LEASE EFFECTIVE DATE: JUNE 16, 2015
RECORDING: INSTRUMENT NUMBER 15-06822, REEVES COUNTY, TEXAS
17. APC LEASE NO: 1373800000
LESSOR: BLAIRBAX ENERGY LLC
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: AUGUST 1, 2017
RECORDING: INSTRUMENT NUMBER 17-13779, REEVES COUNTY, TEXAS

Exhibit "B"

Tarantula Hawk 2-40 Sharing Area



Legal Description of Tarantula Hawk 2-40 Sharing Area (Depicted in BLUE outline):

The North Half (N/2) of Section 39 and the North Half (N/2) of Section 40, Block 2, Reeves County, Texas, being comprised of 640 acres more or less.

42

File No. M-117293

Fully Executed, PSA County

Date Filed: 5/8/19

George P. Bush, Commissioner

By [Signature]

2019



October 2, 2018

Texas General Land Office
Attn: Mr. Daryl Morgan
1700 North Congress Avenue
Austin, Texas 78701-1495

RE: Pooling Agreement
Quarterback State Unit 3-4 (GLO Unit No. 9534)
Section 4, Block 3, H&GN Ry. Co. Survey, Reeves County, Texas

Dear Mr. Morgan:

Enclosed please find two (2) original State Pooling Agreements for the Quarterback State Unit 3-4 (GLO Unit No. 9534) executed on behalf of Energen Resources Corporation, SWEPI LP and RAISA II, LLC, d/b/a RAISA II Texas, LLC.

Once the State has executed the agreements, please return one (1) complete original to my attention at the letterhead address. We will provide you with a recorded copy once it is available. If you have any questions concerning this matter, please call me at (205) 326-4395 or email me at rplumb@energen.com.

Yours very truly,

ENERGEN RESOURCES CORPORATION


ROBERT W. PLUMB
Land Advisor

ENERGEN RESOURCES CORPORATION

605 Richard Arrington, Jr. Boulevard North, Birmingham, Alabama 35203-2707
Telephone: (205) 326-2700



(43)

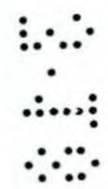
File No. M-117293

Ltr. From Gerygen County

Date Filed: 6/6/14

George P. Bush, Commissioner

By [Signature]





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

October 11, 2018

Mr. Robert W. Plumb
Energen Resources Corporation
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707

Re: Pooling Agreement
Quarterback State Unit 3-4
GLO Unit No. 9534
Reeves County, Texas

Dear Mr. Plumb:

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

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

Sincerely,

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

Enclosure

44

File No. M-117293

County

Ltr. to Grogan

Date Filed: 6/6/19

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA180237

Unit Number 9534
Operator Name Energen Resources Corporation
Customer ID C000043130
Unit Name Quarterback State Unit 3-4
County 1 Reeves *RRC District 1* 08
County 2 *RRC District 2*
County 3 *RRC District 3*
County 4 *RRC District 4*
Unit type Permanent
State Net Revenue Interest Oil 0.12505496
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth Surface
To Depth
Well
Formation Base of Wolfcamp
Participation Basis Surface Acreage
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		323.737500	640.000000	0.50583984	O/G	0.12500000	0.06322998	
MF117481		0.703100	640.000000	0.00109859	O/G	0.12500000	0.00013732	
MF117801		280.000000	640.000000	0.43750000	O/G	0.12500000	0.05468750	
MF117949		30.806200	640.000000	0.04813469	O/G	0.12500000	0.00601684	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF118244		0.281300	640.000000	0.00043953	O/G	0.12500000	0.00005494	
MF118260		0.421900	640.000000	0.00065922	O/G	0.12500000	0.00008240	No
MF118556		3.206300	640.000000	0.00500984	O/G	0.12500000	0.00062623	
MF119276		0.281300	640.000000	0.00043953	O/G	0.25000000	0.00010988	No
MF119424		0.562500	640.000000	0.00087891	O/G	0.12500000	0.00010986	No

API Number

4238934700, 4238935254, 4238935255, 4238935256

Remarks:

The effective date of this unit will be September 1, 2018 and wells in NUML 8994 will become unit wells.

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

05/06/2019

05/06/2019

05/07/2019

6/7/2019

05/06/2019

Pooling Committee Report

To: School Land Board

UPA180237

Date of Board Meeting: 09/04/2018

Unit Number: 9534

Effective Date: 09/01/2018

Unit Expiration Date:

Applicant: Energen Resources Corporation

Attorney Rep: Mickey Olmstead

Operator: Energen Resources Corporation,

Unit Name: Quarterback State Unit 3-4

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF117293	0.12500000	12/01/2018	46 months	864.876813	323.737500	0.06322998
RAL	MF117481	0.12500000	10/04/2017	3 years	2.850000	0.703100	0.00013732
RAL	MF117801	0.12500000	10/01/2018	3 years	280.000000	280.000000	0.05468750
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	30.806200	0.00601684
RAL	MF118244	0.12500000	06/13/2019	3 years	0.834000	0.281300	0.00005494
RAL	MF118260	0.12500000	08/26/2019	3 years	0.140600	0.421900	0.00008240
RAL	MF118556	0.12500000	01/06/2020	3 years	4.370000	3.206300	0.00062623
RAL	MF119424	0.12500000	03/21/2021	3 years	5.247080	0.562500	0.00010986
RAL UNL	MF119276	0.25000000	03/23/2018		0.843750	0.281300	0.00010988

Private Acres: 0.000000
State Acres: 640.000000
Total Unit Acres: 640.000000

Participation Basis: Surface Acreage
Surface Acreage
State Acreage: 100.00%
State Net Revenue Interest: 12.51%

Unit Type: Permanent
Unitized for: Oil And Gas
Term:

RRC Rules: Yes
Spacing Acres: 704 acres for a 10,000 foot lateral (FTP to LTP).

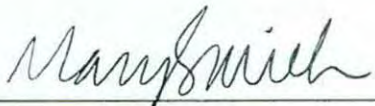
Working File Number: UPA180237

REMARKS:

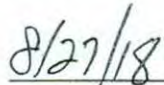
- Energen Resources Corporation is requesting permanent oil and gas pooling from the Surface to the base of the Wolfcamp formation as seen on the Forest Oil Catfish Unit # 1 well log (API 42-301-30050) in order to test the Wolfcamp formation.
- The applicant has completed and is currently producing four oil wells in Section 4 that will become unit wells on the effective date of the unit.
- With Board approval of the unit the State's unit royalty participation will be 12.51%.
- The applicant agrees to commence actual drilling operations on a fifth unit well by the second anniversary of the effective date of the unit or the unit will decrease in size to 360 acres.

POOLING COMMITTEE RECOMMENDATION:

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



Mary Smith - Office of the Attorney General



Date



Robert Hatter - General Land Office



Date

Stacie Bennett - Office of the Governor

Date

Working File Number: UPA180237

REMARKS:

- Energen Resources Corporation is requesting permanent oil and gas pooling from the Surface to the base of the Wolfcamp formation as seen on the Forest Oil Catfish Unit # 1 well log (API 42-301-30050) in order to test the Wolfcamp formation.
- The applicant has completed and is currently producing four oil wells in Section 4 that will become unit wells on the effective date of the unit.
- With Board approval of the unit the State's unit royalty participation will be 12.51%.
- The applicant agrees to commence actual drilling operations on a fifth unit well by the second anniversary of the effective date of the unit or the unit will decrease in size to 360 acres.

POOLING COMMITTEE RECOMMENDATION:

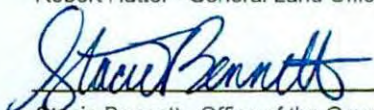
The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.

Mary Smith - Office of the Attorney General

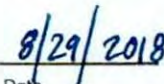
Date

Robert Hatter - General Land Office

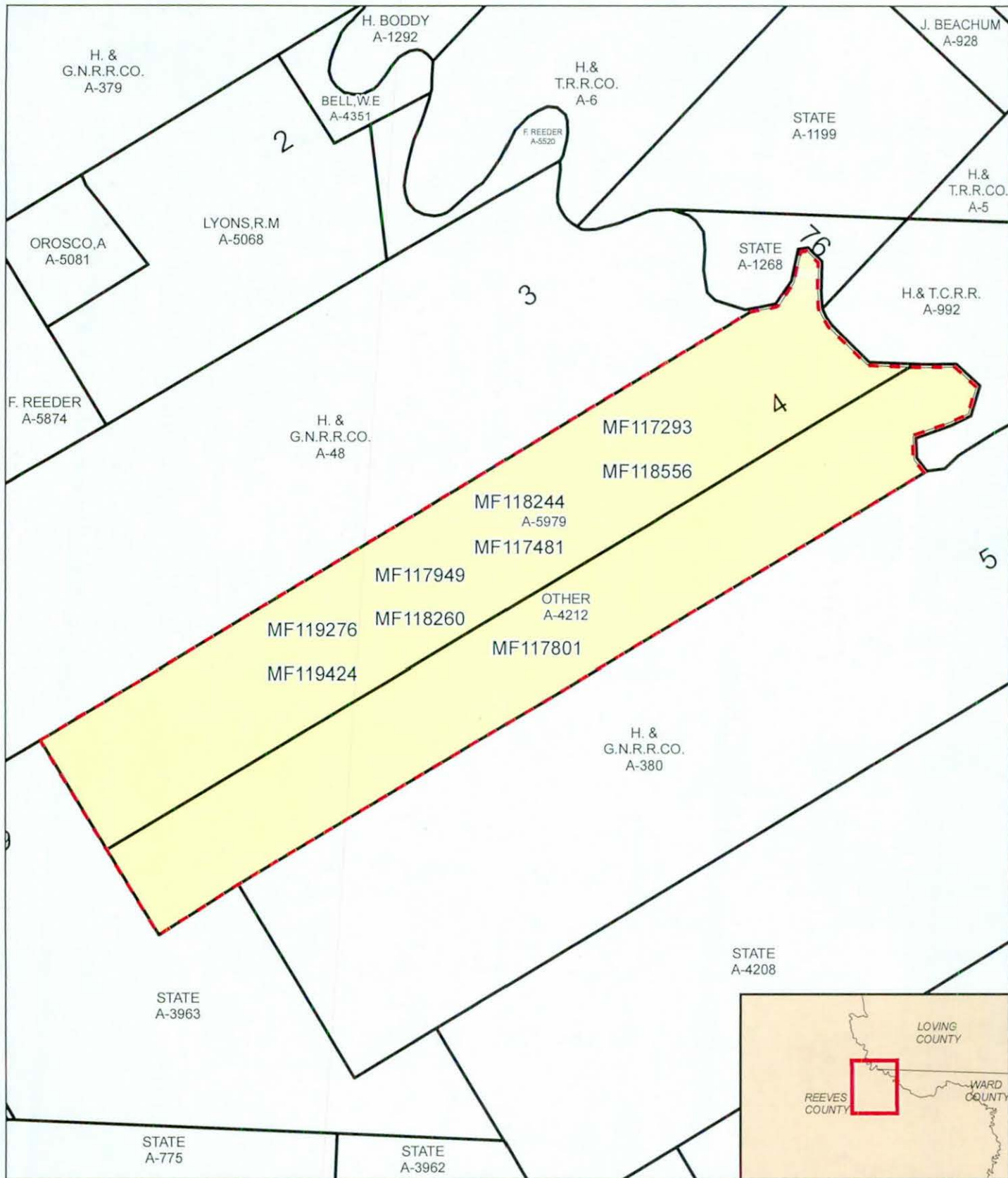
Date



Stacie Bennett - Office of the Governor



Date



Unit# 9534
Energen Resources Corporation
Quarterback State Unit 3-4
Phantom (Wolfcamp) Field
Reeves County, Texas

1,500 750 0 1,500 Feet



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



Map Generated by:
Mark Conway
Enterprise Technology Solutions/GIS
September 2018

POOLING AGREEMENT
ENERGEN RESOURCES CORPORATION
QUARTERBACK STATE UNIT 3-4
GLO UNIT NO. 9534
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C". The unit description is subject to the provisions of Paragraph 9.

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the stratigraphic equivalent of the base of the Wolfcamp formation, as seen at a depth of 14,100 feet on the Schlumberger Gamma Ray/Sonic log of the Forest Oil, Catfish Unit #1 Well, API# 42-301-30050 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

012 01

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of September 1, 2018.

TERM:

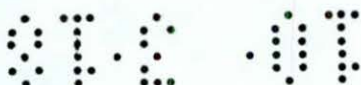
8.

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

SPECIAL TERMS AND CONDITIONS:

9.

Notwithstanding anything contained herein to the contrary, Lessee agrees to spud a unit well on the acreage covered by State Lease M-117801, more particularly described on Exhibit "A", on or before September 1, 2020, or this Agreement shall terminate. Once actual drilling operations have been commenced on a well, Lessee shall continue



drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

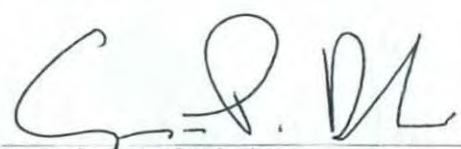
IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

Date Executed 10/10/18

STATE OF TEXAS

Legal
Content
Geology
Executive

from
in
and

By: 
George P. Bush, Commissioner
General Land Office

Date Executed 9-19-2018

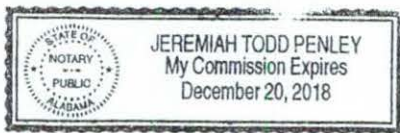
ENERGEN RESOURCES CORPORATION

By:  *KDR* *per*
David W. Bolton
Vice President-Land
Its: _____

STATE OF ALABAMA

COUNTY OF Jefferson

This instrument was acknowledged before me on September 19th, 2018, by David W. Bolton
as Vice President-Land of Energen Resources Corporation, an Alabama corporation on behalf of
said corporation.



Jeremiah T. Penley
Notary Public in and for the
State of Alabama

CERTIFICATE

I, Stephanie Cronshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 4th day of September, 2018, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 9th day of October, 2018.

Stephanie Cronshaw
Secretary of the School Land Board

SWEPI LP

By: _____

Name: _____

Title: _____

Jeff Turnbull
Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF HARRIS

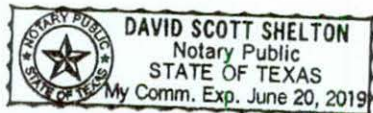
§
§
§

This instrument was acknowledged before me on the 27th day of September, 2018, by Jeff Turnbull, as Attorney in Fact of SWEPI LP, a Delaware limited partnership, on behalf of such limited partnership.

David Scott Shelton
Notary Public in and for the State of Texas

My commission expires: June 20, 2019

DAVID SCOTT SHELTON
Printed Name



Attached to and made a part of that certain
Pooling Agreement for the Quarterback State
Unit 3-4 GLO Unit No. 9534 dated effective
September 1, 2018.

01:01

RAISA II, LLC, a Delaware limited liability company,
doing business as Raisa II Texas, LLC
By: RAISA II TEXAS, LLC

By: [Signature]

Name: Babak Fadaeipour

Title: General Counsel

ACKNOWLEDGEMENT

STATE OF Colorado

COUNTY OF Denver

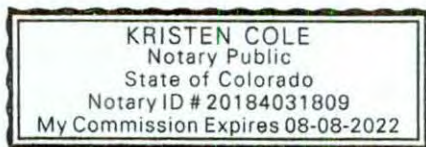
§
§
§

This instrument was acknowledged before me on the 26 day of September, 2018, by Babak Fadaeipour, as General Counsel of Raisa II, LLC, a Delaware limited liability company, doing business as Raisa II Texas, LLC, on behalf of such limited liability company.

[Signature: Kristen Cole]
Notary Public in and for the State of Colorado

My commission expires: 08-08-2022

Kristen Cole
Printed Name



Attached to and made a part of that certain
Pooling Agreement for the Quarterback State
Unit 3-4 GLO Unit No. 9534 dated effective
September 1, 2018.



EXHIBIT "A"

Attached to and made a part of that certain Pooling Agreement dated effective September 1, 2018 (GLO Unit No. 9534) for the Quarterback State Unit 3-4 situated in Reeves County, Texas

The following oil and gas leases, including all extensions, ratifications and amendments thereof:

1. Lease Date: February 1, 2015
Lessor: James Robert Hill et al
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 642, Official Public Records, Reeves County, Texas
Lands: Tract 1 and other lands
2. Lease Date: June 10, 2015
Lessor: Word B. Wilson Investments, LP
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 632, Official Public Records, Reeves County, Texas
Lands: Tract 1 and other lands
3. Lease Date: April 1, 2015
Lessor: Alldale Minerals, LP
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 622, Official Public Records, Reeves County, Texas
Lands: Tract 1 and other lands
4. Lease Date: June 13, 2016
Lessor: The de Compiegne Property Company No. 20, Ltd
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 21, Official Public Records, Reeves County, Texas
Lands: Tract 1 and other lands
5. Lease Date: June 13, 2016
Lessor: Fred W. Shield and Company
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 8, Official Public Records, Reeves County, Texas
Lands: Tract 1 and other lands
6. Lease Date: October 4, 2014
Lessor: Oak Valley Mineral and Land, LP
Lessee: Energen Resources Corporation
Recording: Volume 1128, Page 31, Official Public Records, Reeves County, Texas
Lands: Tract 1



7. Lease Date: June 28, 2016
Lessor: Kennedy Minerals, Ltd
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 34, Official Public Records, Reeves County, Texas
Lands: Tract 1
8. Lease Date: August 26, 2016
Lessor: Bruno and Marshall Investments
Lessee: Energen Resources Corporation
Recording: Volume 1329, Page 202, Official Public Records, Reeves County, Texas
Lands: Tract 1
9. Lease Date: January 6, 2017
Lessor: Legado Investments, LLC
Lessee: Summit West Resources LP
Recording: Volume 1373, Page 654, Official Public Records, Reeves County, Texas
Lands: Tract 1 and other lands
10. Lease Date: February 8, 2016
Lessor: Triangle Royalty, LP and JK Royalty, LP
Lessee: Summit West Resources LP
Recording: Volume 1250, Page 467, Official Public Records, Reeves County, Texas
Lands: Tract 1 and other lands
11. Lease Date: February 8, 2016
Lessor: CG Interests LLC
Lessee: Summit West Resources LP
Recording: Volume 1250, Page 640, Official Public Records, Reeves County, Texas
Lands: Tract 1 and other lands
12. Lease Date: March 21, 2018
Lessor: MBR Oil & Gas #1, Ltd. & PPLB Investments, LLC
Lessee: Jase Energy, LLC
Recording: Volume 1580, Page 290, Official Public Records, Reeves County, Texas
Lands: Tract 1 and other lands
13. Lease Date: October 1, 2015
Lessor: Meeker Investments, Inc. (State Lease M-117801)
Lessee: SWEPI LP
Recording: Volume 1227, Page 754, Official Public Records, Reeves County, Texas
Lands: Tract 2



14. Lease Date: October 9, 2015
Lessor: Charles R. Meeker Trust U/A Bank of America N.A. Trustee (State Lease M-117801)
Lessee: SWEPI LP
Recording: Volume 1227, Page 736, Official Public Records, Reeves County, Texas
Lands: Tract 2
15. Lease Date: October 9, 2015
Lessor: AWP 1983 Trust (State Lease M-117801)
Lessee: SWEPI LP
Recording: Volume 1227, Page 776, Official Public Records, Reeves County, Texas
Lands: Tract 2
16. Lease Date: September 29, 2018
Lessor: Callaghan 320 Trust (State Lease M-117801)
Lessee: SWEPI LP
Recording: Volume 1227, Page 762, Official Public Records, Reeves County, Texas
Lands: Tract 2
17. Lease Date: October 20, 2015
Lessor: Dan H. Meeker Children's Irrevocable Trust (State Lease M-117801)
Lessee: SWEPI LP
Recording: Volume 1227, Page 722, Official Public Records, Reeves County, Texas
Lands: Tract 2
18. Lease Date: September 29, 2015
Lessor: JWM Minerals, LLC (State Lease M-117801)
Lessee: SWEPI LP
Recording: Volume 1227, Page 701, Official Public Records, Reeves County, Texas
Lands: Tract 2
19. Lease Date: October 20, 2015
Lessor: Crestview Resources, LLC (State Lease M-117801)
Lessee: SWEPI LP
Recording: Volume 1227, Page 790, Official Public Records, Reeves County, Texas
Lands: Tract 2

END OF EXHIBIT "A"



EXHIBIT "B"

Attached to and made a part of that certain Pooling Agreement dated effective September 1, 2018 (GLO Unit No. 9534) for the Quarterback State Unit 3-4 situated in Reeves County, Texas

Description of Lands:

Tract 1:

The Northwest 9/16ths of Section 4, Block 3, H&GN Ry. Co. Survey, Reeves County, Texas, containing 360.00 acres, more or less.

Tract 2:

The Southeast 7/16ths of Section 4, Block 3, H&GN Ry. Co. Survey, Reeves County, Texas, containing 280.00 acres, more or less.

Tracts 1 and 2 combining to total 640.00 acres, more or less.

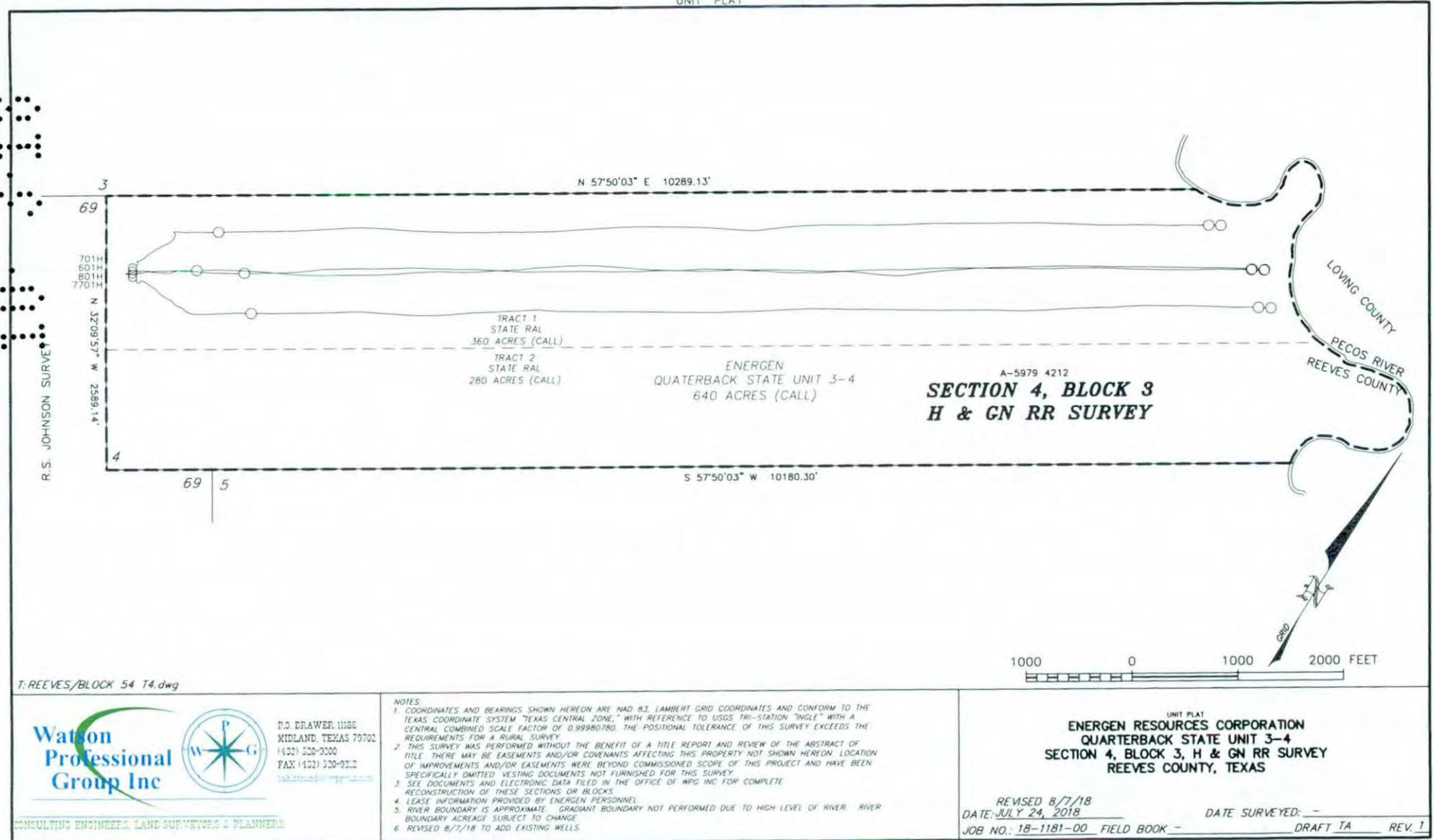
END OF EXHIBIT "B"



EXHIBIT "C"

Attached to and made a part of that certain Pooling Agreement dated effective September 1, 2018 (GLO Unit No. 9534) for the Quarterback State Unit 3-4 situated in Reeves County, Texas

UNIT PLAT



45

File No. M-117293
Pooling Agent. Packet # 9534 County
Quarter back State Unit 3-4
Date Filed: 6/6/19
George P. Bush, Commissioner
By [Signature]

...

...



May 28, 2019

Texas General Land Office
Attn: Mr. Daryl Morgan
1700 North Congress Avenue
Austin, Texas 78701-1495

RE: Amendment to Pooling Agreement (the "Amendment")
Energen Resources Corporation - Misbehaving State Unit C19-19-14 (the "Unit")
GLO Unit No. 8760, Reeves County, Texas

Dear Mr. Morgan:

Enclosed please find two (2) duplicate originals of the captioned Amendment to Pooling Agreement for the Misbehaving State Unit C19-19-14 - GLO Unit No. 8760 executed by Energen Resources Corporation, Raisa II, LLC d/b/a Raisa II Texas, LLC and Jase Energy, LLC for the State's execution.

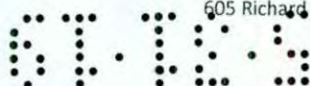
The Amendment is adding State RAL leases numbered 21 and 22 to the Unit. The Unit size remains unchanged, but as you and I discussed, such leases cover interests that were shown as unleased when the Unit was approved by the State on November 7, 2017, and as a result, the State's royalty participation in the Unit will decrease from .17946968 to .17909486 with such change being effective the first day of the month following the month the State signs the Amendment. (FYI - our title opinion credits lease 21 with 1.1074 net acres and lease 22 with 1.7442 net acres).

If the Amendment meets with your approval, then please have the State execute and return one (1) complete original to my attention at the letterhead address. A recorded copy will be provided once it is available. If you have any questions concerning this matter, please call me at (205) 326-4395 or email me at rplumb@diamondbackenergy.com.

Yours very truly,

ENERGEN RESOURCES CORPORATION

ROBERT W. PLUMB
Senior Advisor



ENERGEN RESOURCES CORPORATION

605 Richard Arrington, Jr. Boulevard North, Birmingham, Alabama 35203-2707
Telephone: (205) 326-2700

46

File No. M- 117293

Ltr. From Engoyen County

Date Filed: 6/6/19

George P. Bush, Commissioner

By [Signature]

2019



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (June 10, 2019)

DATE: June 3, 2019
TO: Commissioner Bush
FROM: J. Daryl Morgan *JDM*
SUBJECT: Amendment of Pooling Agreement for signature

.....

SUMMARY: Attached for your approval and signature are duplicate originals of an Amendment to Pooling Agreement for Units that were approved by the School Land Board on November 7, 2017.

DETAILS: The Amendment is to correct Exhibit "A" to add additional undivided interest leases that have been acquired. This agreement complies with existing GLO rules and policies and has been reviewed and approved by Energy Resources staff and the Legal Services Division. Chapter 52, Subchapter E of the Texas Natural Resources Code gives authority to the Commissioner to execute agreements that provide for operating areas as a unit for the exploration, development and production of oil or gas or both.

Document Name

Recipient

Amendment to Pooling Agreement
Misbehaving State Unit C19-19-14
Reeves County, Texas

Energen Resources Corporation

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

Attachments: Two Amendment Agreements

Thru: Larry Hargrave

(4/7)

File No. M-117293

Memo to Comm. ss. over County

Date Filed: 6/6/19

George P. Bush, Commissioner

By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 6, 2019

Mr. Robert W. Plumb
Energen Resources Corporation
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707

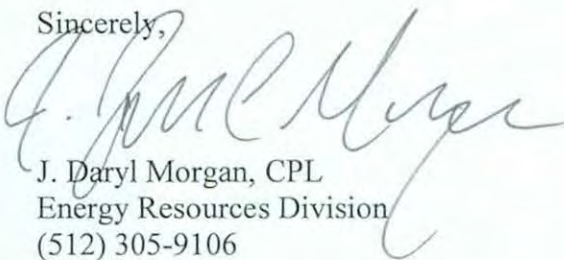
Re: Amendment to Pooling Agreement
Misbehaving State Unit C19-19-14
GLO Unit No. 8760
Reeves County, Texas

Dear Mr. Plumb:

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

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

Sincerely,



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

Enclosure

48

File No. M-117293

Ltr. to Epoyca County

Date Filed: 6/6/89

George P. Bush, Commissioner

By [Signature]

**Amendment to Pooling Agreement
Energen Resources Corporation
Misbehaving State Unit C19-19-14
GLO Unit No. 8760
Reeves County, Texas**

WHEREAS, the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor," and Energen Resources Corporation and the other undersigned parties hereto, herein referred to as "Lessee," entered into the above-referenced Pooling Agreement, GLO Unit No. 8760 (the "Pooling Agreement") pooling certain lands and leases as described therein into the Misbehaving State Unit C19-19-14 (the "Unit");

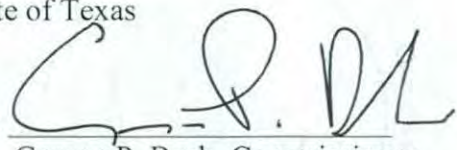
WHEREAS, Lessor and Lessee desire to amend the list of oil and gas leases attached to the Pooling Agreement as Exhibit "A" by substituting therefor the new Exhibit "A" attached hereto; and

NOW THEREFORE, in consideration of the premises, Lessor and Lessee hereby amend the Pooling Agreement by substituting the Exhibit "A" attached hereto into the Pooling Agreement. The leases listed on Exhibit "A" are hereby pooled and unitized into the Unit under the terms of the Pooling Agreement, as amended hereby. Except as amended hereby, the terms of the Pooling Agreement shall remain in force unchanged.

This Amendment may be signed in multiple counterparts and combined to form a single Amendment and shall be effective as of the first day of the month following the month in which Lessor signs this amendment.

Date Executed 6/4/19

State of Texas

By: 

George P. Bush, Commissioner
General Land Office

Approved Legal 4/
Contents 1/
Min. Leasing 1/
Executive 1/

Date Executed 5-21-19

Energen Resources Corporation

By: 

Tom F. Hawkins
Executive ~~Senior~~ Vice President - Land

Asw

ESP
RUP
KEM
RL

STATE OF TEXAS

§
§
§

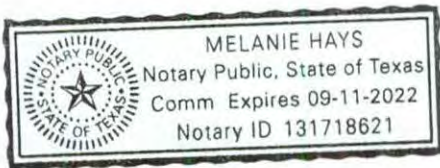
COUNTY OF MIDLAND

Before me, the undersigned Notary Public in and for said County and State, personally appeared Tom F. Hawkins, Executive ~~Senior~~ Vice President-Land of Energen Resources Corporation, an Alabama corporation, known to me to be the person and officer described in and who executed the foregoing instrument, and acknowledged to me that he executed and delivered the same as the free and voluntary act and deed of said corporation, for the uses, purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and official seal this 21st day of May, 2019.

My Commission Expires:

9-11-2022



Melanie Hays
Notary Public in and for the State of Texas

Attached to and made a part of that certain
Amendment to Designation of Unit and Pooling
Agreement Pursuant to TNRC § 52.076
Misbehaving State Unit C19-19-14
GLO Unit No. 8760

Date Executed 3-20-19

Raisa II, LLC d/b/a Raisa II Texas, LLC

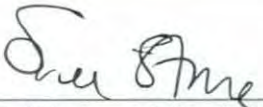
By: 
Babak Fadaiepour
General Counsel

STATE OF COLORADO §
§
COUNTY OF DENVER §

Before me, the undersigned authority, personally appeared **Babak Fadaiepour, as General Counsel of Raisa II, LLC, a Delaware limited liability company, doing business as Raisa II Texas, LLC, as General Counsel of Raisa II, LLC, doing business as Raisa II Texas, LLC, on behalf of said limited liability company,** known to me to be the person who executed the foregoing instrument, and acknowledged to me that he executed and delivered the same for the uses, purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand this the 20th day of March, 2019.

My Commission Expires: 10-7-21

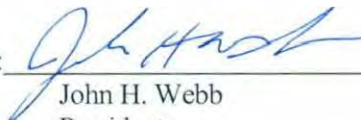

Notary Public in and for the State of ~~Texas~~
Colorado



Attached to and made a part of that certain
Amendment to Designation of Unit and Pooling
Agreement Pursuant to TNRC § 52.076
Misbehaving State Unit C19-19-14
GLO Unit No. 8760

Date Executed 3-18-19

JASE ENERGY, LLC

By: 
John H. Webb
President

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

Before me, the undersigned authority, personally appeared John H. Webb as President of **Jase Energy, LLC**, known to me to be the person who executed the foregoing instrument, and acknowledged to me that he executed and delivered the same for the uses, purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand this the 18th day of March, 2019.

My Commission Expires: 8/21/2022

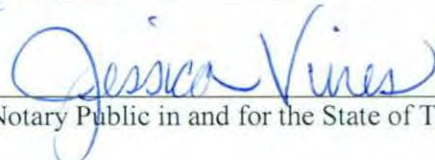

Notary Public in and for the State of Texas



EXHIBIT "A"

Attached to and made a part of that certain Amendment to Pooling Agreement for the
Energen Resources Corporation Misbehaving State Unit C19-19-14 (GLO Unit No.
8760) situated in Reeves County, Texas

The following oil and gas leases, including all extensions, ratifications, amendments and
corrections thereof:

1. Lease Date: January 25, 2017
Lessor: Carrie Lyn Ford
Lessee: Energen Resources Corporation
Recording: Volume 1372, Page 676, Official Public Records, Reeves County, TX
Lands: Tract 1
2. Lease Date: January 25, 2017
Lessor: Michael Lee Mackey
Lessee: Energen Resources Corporation
Recording: Volume 1372, Page 663, Official Public Records, Reeves County, TX
Lands: Tract 1
3. Lease Date: February 1, 2015
Lessor: James Robert Hill, Individually and as Trustee of the Houston and
Emma Hill Trust Estate et al
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 642, Official Public Records, Reeves County, TX
Lands: Tract 2 and other lands
4. Lease Date: June 10, 2015
Lessor: Word B. Wilson Investments, LP
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 632, Official Public Records, Reeves County, TX
Lands: Tract 2 and other lands
5. Lease Date: April 1, 2015
Lessor: Alldale Minerals, LP
Lessee: Energen Resources Corporation
Recording: Volume 1215, Page 622, Official Public Records, Reeves County, TX
Lands: Tract 2 and other lands

6. Lease Date: June 13, 2016
Lessor: The de Compiegne Property Company
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 21, Official Public Records, Reeves County, TX
Lands: Tract 2 and other lands
7. Lease Date: June 13, 2016
Lessor: Fred W. Shield and Company
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 8, Official Public Records, Reeves County, Texas
Lands: Tract 2 and other lands
8. Lease Date: October 25, 2017
Lessor: Oak Valley Mineral and Land, LP
Lessee: Energen Resources Corporation
Recording: Volume 1526, Page 518, Official Public Records, Reeves County, TX
Lands: Tract 2
9. Lease Date: June 28, 2016
Lessor: Kennedy Minerals, Ltd.
Lessee: Energen Resources Corporation
Recording: Volume 1310, Page 47, Official Public Records, Reeves County, TX
Lands: Tract 2
10. Lease Date: August 26, 2016
Lessor: Bruno and Marshall Investments
Lessee: Energen Resources Corporation
Recording: Volume 1329, Page 189, Official Public Records, Reeves County, TX
Lands: Tract 2
11. Lease Date: February 8, 2016
Lessor: Triangle Royalty, LP and JK Royalty, LP
Lessee: Summit West Resources LP
Recording: Volume 1250, Page 467, Official Public Records, Reeves County, TX
Lands: Tract 2 and other lands
12. Lease Date: February 8, 2016
Lessor: CG Interests LLC
Lessee: Summit West Resources LP
Recording: Volume 1250, Page 640, Official Public Records, Reeves County, TX
Lands: Tract 2 and other lands



13. Lease Date: September 29, 2015
Lessor: Meeker Investments, Inc.
Lessee: SWEPI LP
Recording: Volume 1227, Page 746, Official Public Records, Reeves County, TX
Lands: Tract 3
14. Lease Date: June 18, 2015
Lessor: Charles R. Meeker Trust
Lessee: SWEPI LP
Recording: Volume 1185, Page 276, Official Public Records, Reeves County, TX
Lands: Tract 3
15. Lease Date: October 9, 2015
Lessor: AWP 1983 Trust
Lessee: SWEPI LP
Recording: Volume 1227, Page 783, Official Public Records, Reeves County, TX
Lands: Tract 3
16. Lease Date: September 29, 2015
Lessor: Callaghan 320 Trust
Lessee: SWEPI LP
Recording: Volume 1227, Page 769, Official Public Records, Reeves County, TX
Lands: Tract 3
17. Lease Date: October 20, 2015
Lessor: Dan H. Meeker Children's Irrevocable Trust
Lessee: SWEPI LP
Recording: Volume 1227, Page 729, Official Public Records, Reeves County, TX
Lands: Tract 3
18. Lease Date: September 29, 2015
Lessor: JWM Minerals, LLC
Lessee: SWEPI LP
Recording: Volume 1227, Page 708, Official Public Records, Reeves County, TX
Lands: Tract 3
19. Lease Date: October 20, 2015
Lessor: Crestview Resources, LLC
Lessee: SWEPI LP
Recording: Volume 1227, Page 715, Official Public Records, Reeves County, TX
Lands: Tract 3

20. Lease Date: July 19, 2016
Lessor: State of Texas
Lessee: Lincoln Land and Title, LLC
Recording: Volume 1346, Page 205, Official Public Records, Reeves County, TX
Lands: Tract 4
21. Lease Date: March 21, 2018
Lessor: MBR Oil & Gas #1, Ltd. & PPLB Investments, LLC
Lessee: Jase Energy, LLC
Recording: Volume 1580, Page 290, Official Public Records, Reeves County, TX
Lands: Tract 2 and other lands
22. Lease Date: June 25, 2018
Lessor: Legado Investments, LLC
Lessee: Raisa II, LLC
Recording: Volume 1635, Page 210, Official Public Records, Reeves County, Texas
Lands: Tract 2

END OF EXHIBIT "A"

49

File No. M-117293

Unit of Misbehaving Unit County

Date Filed: 6/6/19

George P. Bush, Commissioner

By [Signature]





Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 10566

GENERAL INFORMATION

Name of Well: Tarantula Hawk 2-40 A 1H (Allocation) API # 42-389-38070
 Name of Operator: Anadarko E&P Onshore LLC RRC # 08-849870
 Operator Contact Person: Eric Farmer Phone: 832-636-1067
 County: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON 50%/50% Allocation

Lease Type	Unit/Lease No	100%	50%	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	9881/MF117293	100	50	0.10573354	0.12500000	0.42293416	0.05286677
RAL	9881/MF117307	100	50	0.00694193	0.12500000	0.02776772	0.00347097
RAL	9881/MF117480	100	50	0.00147908	0.12500000	0.00591632	0.00073954
RAL	9881/MF117949	100	50	0.00957916	0.12500000	0.03831664	0.00478958
RAL	9881/MF118556	100	50	0.00077443	0.12500000	0.00309772	0.00038722
RAL	9881/MF119424	100	50	0.00049187	0.12500000	0.00196748	0.00024594
Totals:						0.50000000	0.06250000

Name of Production Sharing Agreement, if any:

Comments:

- iNut crosses Unit 9881. Well spud 4/20/2019. Subject to PSA #00229. Final plat received 1/28/2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: MRB Alamo updated by: MRB WI updated by: MRB
 RAM approval by: VD GIS updated by: VD

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU200001

Unit Number 10566

Operator Name Anadarko E&P Onshore LLC

Effective Date 04/20/2019

Customer ID C000044444

Unitized For Oil And Gas

Unit Name Tarantula Hawk 2-40 A 1H (Allocation)

Unit Term

County 1 Reeves RRC District 1 08

Old Unit Number Inactive Status Date

County 2 RRC District 2

County 3 RRC District 3

County 4 RRC District 4

Unit type iNut

State Net Revenue Interest Oil 0.06250000

State Part in Unit 0.50000000

Unit Depth Allow All Depths

Well

From Depth

Formation

To Depth

Participation Basis Other

If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		0.000000	0.000000	0.42293416	O/G	0.12500000	0.05286677	
MF117307		0.000000	0.000000	0.02776772	O/G	0.12500000	0.00347097	
MF117480		0.000000	0.000000	0.00591632	O/G	0.12500000	0.00073954	
MF117949		0.000000	0.000000	0.03831664	O/G	0.12500000	0.00478958	

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF118556		0.000000	0.000000	0.00309772	O/G	0.12500000	0.00038722	
MF119424		0.000000	0.000000	0.00196748	O/G	0.12500000	0.00024594	No

API Number

4238938070

Remarks:

iNut crosses Unit 9881. Well spud 4/20/2019. Subject to PSA #00229. Final plat received 1/28/2020.

Prepared By:

MB

Prepared Date:

1/30/20

GLO Base Updated By:

MB

GLO Base Date:

1/30/20

RAM Approval By:

VD

RAM Approval Date:

1/30/2020

GIS By:

VD

GIS Date:

2/10/2020

Well Inventory By:

MB

WI Date:

1/30/20

iNut 10566

42-389-38070



ANADARKO E&P ONSHORE LLC

SHEET NO. 1 OF 1

NATURE OF WORK AS-DRILLED WELL LOCATION

DATE 09-17-19

SRID NO. 16659

PROJECT- TARANTULA HAWK 2-40 A 1H AS-DRILLED PLAT

JOB OR AFE NO. 2147586.CMP

SEC. 39, 40

BLK OR RANGE 2

TWP

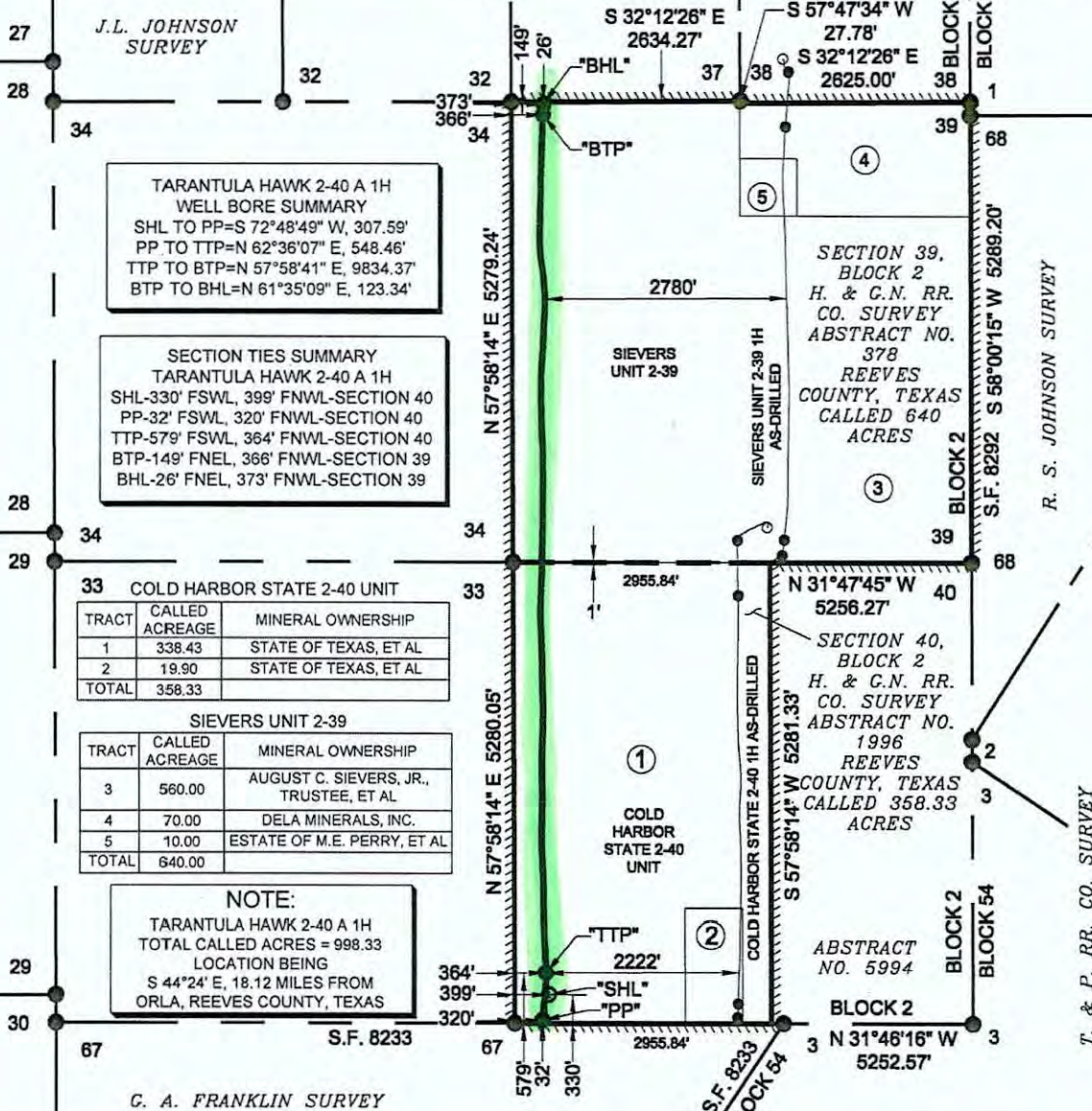
SURVEY

H. & G.N. RR. CO.

CO. REEVES

STATE TEXAS

REMARKS

RE: ☒ AS-BUILT ☐ STAKING

STATE PLANE COORDINATE DATUM

NAD 27 - TEXAS CENTRAL ZONE 4203

TARANTULA HAWK 2-40 A 1H SHL (ELEV.=2745.19')
 X = 956700.13 LAT = 31°38'34.741" N LAT = 31.64298368° N
 Y = 734498.87 LONG = -103°41'10.822" W LONG = -103.68633939° W
 TARANTULA HAWK 2-40 A 1H PP
 X = 956406.28 LAT = 31°38'33.754" N LAT = 31.64270957° N
 Y = 734407.98 LONG = -103°41'14.188" W LONG = -103.68727439° W
 TARANTULA HAWK 2-40 A 1H TTP
 X = 956893.22 LAT = 31°38'36.396" N LAT = 31.64344345° N
 Y = 734660.36 LONG = -103°41'08.645" W LONG = -103.68573485° W
 TARANTULA HAWK 2-40 A 1H BTP
 X = 965231.16 LAT = 31°39'30.457" N LAT = 31.65846038° N
 Y = 739874.86 LONG = -103°39'34.037" W LONG = -103.65945483° W
 TARANTULA HAWK 2-40 A 1H BHL
 X = 965339.64 LAT = 31°39'31.070" N LAT = 31.65863057° N
 Y = 739933.55 LONG = -103°39'32.803" W LONG = -103.65911199° W

STATE PLANE COORDINATE DATUM

NAD 83 - TEXAS CENTRAL ZONE 4203

TARANTULA HAWK 2-40 A 1H SHL (ELEV.=2745.19')
 X = 1253163.44 LAT = 31°38'35.208" N LAT = 31.64311340° N
 Y = 10577075.11 LONG = -103°41'12.482" W LONG = -103.68680062° W
 TARANTULA HAWK 2-40 A 1H PP
 X = 1252869.59 LAT = 31°38'34.221" N LAT = 31.64283929° N
 Y = 10576984.22 LONG = -103°41'15.848" W LONG = -103.68773565° W
 TARANTULA HAWK 2-40 A 1H TTP
 X = 1253356.53 LAT = 31°38'36.863" N LAT = 31.64357316° N
 Y = 10577236.61 LONG = -103°41'10.306" W LONG = -103.68619606° W
 TARANTULA HAWK 2-40 A 1H BTP
 X = 1261694.56 LAT = 31°39'30.924" N LAT = 31.65858998° N
 Y = 10582451.21 LONG = -103°39'35.695" W LONG = -103.65991524° W
 TARANTULA HAWK 2-40 A 1H BHL
 X = 1261803.04 LAT = 31°39'31.537" N LAT = 31.65876017° N
 Y = 10582509.90 LONG = -103°39'34.460" W LONG = -103.65957238° W

Plat Notes

- 1) BEARINGS, DISTANCES, AREA AND COORDINATES SHOWN HEREON ARE GRID BASED ON "THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE" AS DETERMINED BY GPS OBSERVATIONS REFERENCED TO TRANSGLOBAL CONTROL POINT "TILLA 2" (N:10575679.50, E:1262567.76) WHERE THE CONVERGENCE ANGLE IS -1° 42' 41.8" AND THE COMBINED SCALE FACTOR IS 0.99981569. ELEVATIONS ARE NAVD83 (GEOID 12B). THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSGLOBAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 09-17-19 DATE SURVEYED 04-02-19 DRAFT_MHH

JOB NO. 1909022 FIELD BOOK V. JG-24, P. 39 REV. 0

FILE 1909022 TARANTULA HAWK 2-40 A 1H AS-DRILLED PLAT

2000' 0' 2000' 4000'

MAGNETIC NORTH IS CURRENT AS OF 04/02/2019.
MAGNETIC NORTH CHANGES WEST 0.10" PER YEAR.

TBPLS FIRM# 10193740
 1100 Macon Street
 Fort Worth, Texas 76102
 (817) 529-1180 ~ Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658

DATE



Mary Barnstone

From: Mary Barnstone
Sent: Tuesday, January 28, 2020 5:28 PM
To: Eric_Farmer@oxy.com
Cc: Anna_Anklam@oxy.com
Subject: RE: Tarantula Hawk

Thank you, Eric. I will get these set up for reporting with the 50/50 participation as per PSA.

Best,

mb

Mary Beth Barnstone
Geotech / Landman
Energy Resources
Texas General Land Office
Direct number: (512)463-6818
Email: mary.barnstone@glo.texas.gov

From: Eric_Farmer@oxy.com <Eric_Farmer@oxy.com>
Sent: Tuesday, January 28, 2020 10:37 AM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Cc: Anna_Anklam@oxy.com
Subject: [EXTERNAL] RE: Tarantula Hawk

Mary,

Thanks so much for calling me back! I'm glad I could figure out what you needed. Please see attached the as-drilled plats for the two Tarantula Hawk wells. The API numbers you need are listed below in your first email. Please let me know if there is anything else I can do for you.

Thanks,

Eric Farmer
Division Order Analyst

From: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Sent: Monday, January 27, 2020 2:15 PM
To: Verdis Daniels <verdis.daniels@glo.texas.gov>
Cc: Anna_Anklam@oxy.com; Joy McCauley <Joy.McCauley@GLO.TEXAS.GOV>
Subject: [EXTERNAL] RE: Mineral File numbers

Verdis,

API

NAME

4238938070	TARANTULA HAWK 2-40 A 1H
4230134384	UNIVERSITY 19-8 A 1H
4230134385	UNIVERSITY 19-8 B 2H
4238938197	TARANTULA HAWK 2-40 B 2H

42-389-38070
08-849870
spud 4/20/19
Phantom (Wolfcamp)
crosses unit 9881
subject to PSA 00229

File No. MF 117293Reeves Countyinut 10566 PacketDate Filed: 2/3/2020By George P. Bush, Commissioner 



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 10567

GENERAL INFORMATION

Name of Well: Tarantula Hawk 2-40 B 2H (Allocation)

API # 42-389-38197

Name of Operator: Anadarko E&P Onshore LLC

RRC # 08-851050

Operator Contact Person: Eric Farmer

Phone: 832-636-1067

County: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON 50%/50% Allocation

Lease Type	Unit/Lease No	100%	50%	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	9881/MF117293	100	50	0.10573354	0.12500000	0.42293416	0.05286677
RAL	9881/MF117307	100	50	0.00694193	0.12500000	0.02776772	0.00347097
RAL	9881/MF117480	100	50	0.00147908	0.12500000	0.00591632	0.00073954
RAL	9881/MF117949	100	50	0.00957916	0.12500000	0.03831664	0.00478958
RAL	9881/MF118556	100	50	0.00077443	0.12500000	0.00309772	0.00038722
RAL	9881/MF119424	100	50	0.00049187	0.12500000	0.00196748	0.00024594
Totals:						0.50000000	0.06250000

Name of Production Sharing Agreement, if any:

Comments:

- iNut crosses Unit 9881. Well spud 4/20/2019. Subject to PSA #00229. Final plat received 1/28/2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: MB Alamo updated by: MB WI updated by: MB
RAM approval by: VD GIS updated by: VD

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU200001

Unit Number 10567

Operator Name Anadarko E&P Onshore LLC

Effective Date 04/20/2019

Customer ID C000044444

Unitized For Oil And Gas

Unit Name Tarantula Hawk 2-40 B 2H (Allocation)

Unit Term

County 1 Reeves RRC District 1 08

Old Unit Number Inactive Status Date

County 2 RRC District 2

County 3 RRC District 3

County 4 RRC District 4

Unit type iNut

State Net Revenue Interest Oil 0.06250000

State Part in Unit 0.50000000

Unit Depth Allow All Depths

Well

From Depth

Formation

To Depth

Participation Basis Other

If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		0.000000	0.000000	0.42293416	O/G	0.12500000	0.05286677	
MF117307		0.000000	0.000000	0.02776772	O/G	0.12500000	0.00347097	
MF117480		0.000000	0.000000	0.00591632	O/G	0.12500000	0.00073954	
MF117949		0.000000	0.000000	0.03831664	O/G	0.12500000	0.00478958	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF118556		0.000000	0.000000	0.00309772	O/G	0.12500000	0.00038722	
MF119424		0.000000	0.000000	0.00196748	O/G	0.12500000	0.00024594	No

API Number

4238938197

Remarks:

iNut crosses Unit 9881. Well spud 4/20/2019. Subject to PSA #00229. Final plat received 1/28/2020.

Prepared By:

MB

Prepared Date:

1/30/20

GLO Base Updated By:

MB

GLO Base Date:

1/30/20

RAM Approval By:

VD

RAM Approval Date:

1/30/2020

GIS By:

VD

GIS Date:

2/10/2020

Well Inventory By:

MB

WI Date:

1/30/20

iNut 10567

iNut 42-389-38197



ANADARKO E&P ONSHORE LLC

SHEET NO. 1 OF 1

NATURE OF WORK AS-DRILLED WELL LOCATION

DATE 09-17-19

SRID NO. 16660

PROJECT- TARANTULA HAWK 2-40 B 2H AS-DRILLED PLAT

JOB OR AFE NO. 2150980.CMP

SEC. 39, 40

BLK OR RANGE 2

TWP

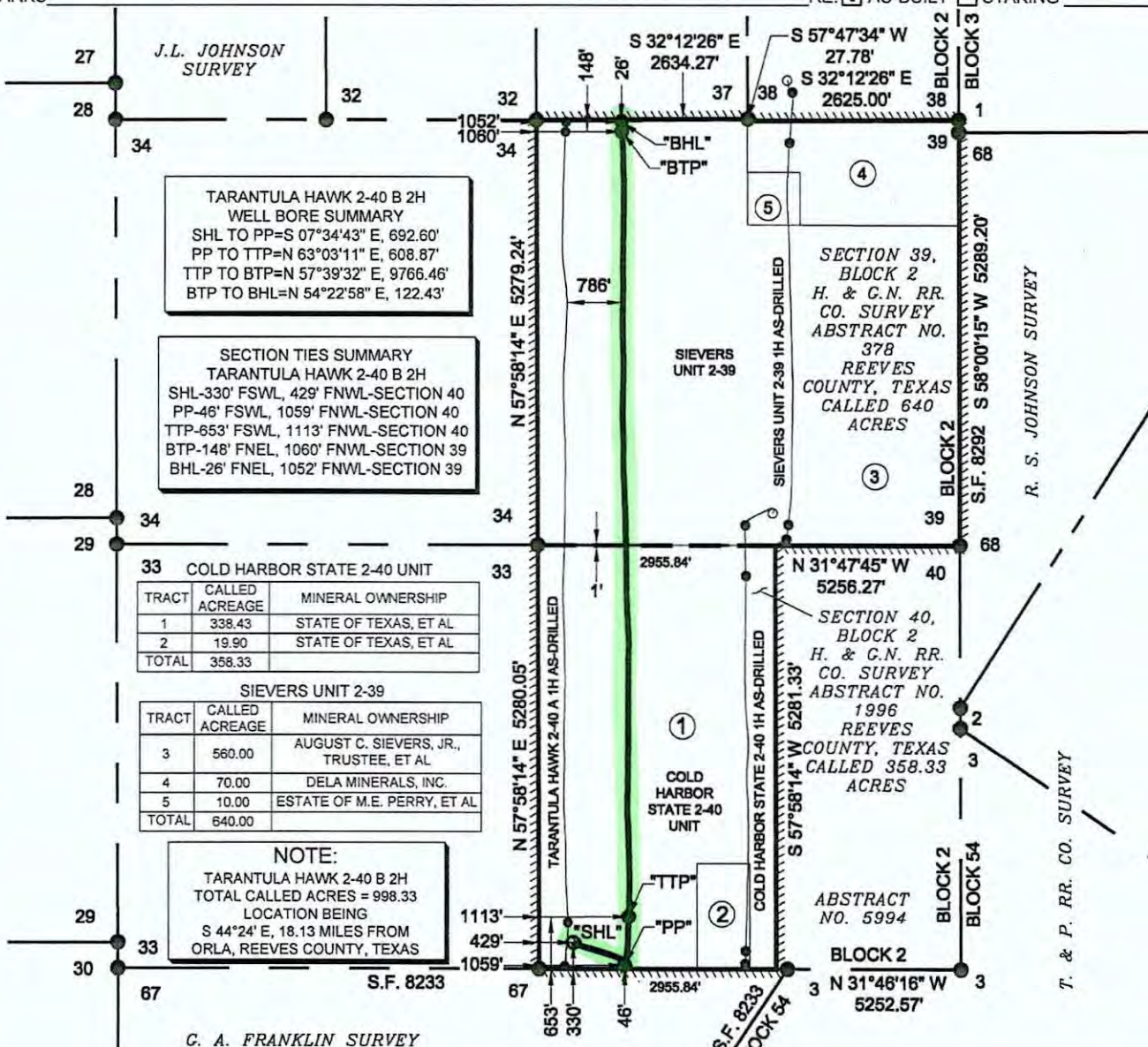
SURVEY

H. & G.N. RR. CO.

CO. REEVES

STATE TEXAS

REMARKS

RE: ☒ AS-BUILT ☐ STAKINGSTATE PLANE COORDINATE DATUM
NAD 27 - TEXAS CENTRAL ZONE 4203

TARANTULA HAWK 2-40 B 2H SHL (ELEV.=2745.26')

X = 956716.14 LAT = 31°38'34.493" N LAT = 31.64291482° N
 Y = 734473.33 LONG = -103°41'10.628" W LONG = -103.68628549° W

TARANTULA HAWK 2-40 B 2H PP

X = 956807.48 LAT = 31°38'27.729" N LAT = 31.64103585° N
 Y = 733786.79 LONG = -103°41'09.332" W LONG = -103.68592566° W

TARANTULA HAWK 2-40 B 2H TTP

X = 957350.23 LAT = 31°38'30.620" N LAT = 31.64183899° N
 Y = 734062.71 LONG = -103°41'03.153" W LONG = -103.68420913° W

TARANTULA HAWK 2-40 B 2H BTP

X = 965601.61 LAT = 31°39'24.754" N LAT = 31.65687615° N
 Y = 739287.26 LONG = -103°39'29.550" W LONG = -103.65820634° W

TARANTULA HAWK 2-40 B 2H BHL

X = 965701.13 LAT = 31°39'25.489" N LAT = 31.65708025° N
 Y = 739358.56 LONG = -103°39'28.424" W LONG = -103.65789550° W

STATE PLANE COORDINATE DATUM
NAD 83 - TEXAS CENTRAL ZONE 4203

TARANTULA HAWK 2-40 B 2H SHL (ELEV.=2745.26')

X = 1253179.45 LAT = 31°38'34.960" N LAT = 31.64304454° N
 Y = 10577049.57 LONG = -103°41'12.288" W LONG = -103.68674672° W

TARANTULA HAWK 2-40 B 2H PP

X = 1253270.79 LAT = 31°38'28.196" N LAT = 31.64116560° N
 Y = 10576363.02 LONG = -103°41'10.993" W LONG = -103.68638685° W

TARANTULA HAWK 2-40 B 2H TTP

X = 1253813.55 LAT = 31°38'31.087" N LAT = 31.64196873° N
 Y = 10576638.94 LONG = -103°41'04.813" W LONG = -103.68467026° W

TARANTULA HAWK 2-40 B 2H BTP

X = 1262065.02 LAT = 31°39'25.221" N LAT = 31.65700578° N
 Y = 10581853.60 LONG = -103°39'31.207" W LONG = -103.65866668° W

TARANTULA HAWK 2-40 B 2H BHL

X = 1262164.54 LAT = 31°39'25.956" N LAT = 31.65720988° N
 Y = 10581934.90 LONG = -103°39'30.081" W LONG = -103.65835582° W

- 1) BEARINGS, DISTANCES, AREA AND COORDINATES SHOWN HEREON ARE GRID BASED ON "THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE" AS DETERMINED BY GPS OBSERVATIONS REFERENCED TO TRANSGLOBAL CONTROL POINT "TILLA 2" (N:10575679.50, E:1262567.76) WHERE THE CONVERGENCE ANGLE IS -1° 42' 41.8" AND THE COMBINED SCALE FACTOR IS 0.99981569. ELEVATIONS ARE NAVD83 (GEOID 12B). THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSGLOBAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 09-17-19 DATE SURVEYED 04-02-19 DRAFT MHH

JOB NO. 1909023 FIELD BOOK V. JG-24, P. 39 REV. 0

FILE 1909023 TARANTULA HAWK 2-40 B 2H AS-DRILLED PLAT

2000' 0' 2000' 4000'

MAGNETIC NORTH IS CURRENT AS OF 04/02/2019.
MAGNETIC NORTH CHANGES WEST 0.10" PER YEAR.

TBPLS FIRM# 10193740
 1100 Macon Street
 Fort Worth, Texas 76102
 (817) 529-1180 ~ Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658

DATE

Mary Barnstone

From: Mary Barnstone
Sent: Tuesday, January 28, 2020 5:28 PM
To: Eric_Farmer@oxy.com
Cc: Anna_Anklam@oxy.com
Subject: RE: Tarantula Hawk

Thank you, Eric. I will get these set up for reporting with the 50/50 participation as per PSA.

Best,

mb

Mary Beth Barnstone
Geotech / Landman
Energy Resources
Texas General Land Office
Direct number: (512)463-6818
Email: mary.barnstone@glo.texas.gov

42 - 389 - 38197

08 - 851050

spud 4/30/19

Phantom (Wolfcamp)

crosses Unit 9881

subject to PSA 00229

From: Eric_Farmer@oxy.com <Eric_Farmer@oxy.com>
Sent: Tuesday, January 28, 2020 10:37 AM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Cc: Anna_Anklam@oxy.com
Subject: [EXTERNAL] RE: Tarantula Hawk

Mary,

Thanks so much for calling me back! I'm glad I could figure out what you needed. Please see attached the as-drilled plats for the two Tarantula Hawk wells. The API numbers you need are listed below in your first email. Please let me know if there is anything else I can do for you.

Thanks,

Eric Farmer
Division Order Analyst

From: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Sent: Monday, January 27, 2020 2:15 PM
To: Verdis Daniels <verdis.daniels@glo.texas.gov>
Cc: Anna_Anklam@oxy.com; Joy McCauley <Joy.McCauley@GLO.TEXAS.GOV>
Subject: [EXTERNAL] RE: Mineral File numbers

Verdis,

API

NAME

4238938070

TARANTULA HAWK 2-40 A 1H

4230134384

UNIVERSITY 19-8 A 1H

4230134385

UNIVERSITY 19-8 B 2H

4238938197

TARANTULA HAWK 2-40 B 2H

(51)

File No. MF 117293

Reeves County

iNut 10567 packet

Date Filed: 2/3/2020

George P. Bush, Commissioner

By AA

Dan Gutierrez

From: Dan Gutierrez
Sent: Tuesday, December 3, 2019 3:02 PM
To: DNeagle@DiamondbackEnergy.com
Cc: Robert Hatter
Subject: 2nd Air Complaint
Attachments: [EXTERNAL] Air Complaint: DaimondBack Misbehaving State Lease 19-19-14 606H, 607H

Drew,

Here is the second of three air complaints the General Land Office received. I'll send the third complaint received in a separate email.

After your operations team has reviewed, please let me know how and when the unlit flare and TCEQ requirements can be addressed.

Thank you,

Dan Gutierrez, P.E.
Petroleum Engineer, Energy Resources Division
Texas General Land Office
(512) 463-8818

Dan Gutierrez

From: Sharon Wilson <swilson@earthworksaction.org>
Sent: Wednesday, November 27, 2019 3:07 PM
To: R7COMP@tceq.texas.gov; Ryan (Reagyn) Slocum; gpb
Cc: Sophie Shemas; Tyler Rivlin
Subject: [EXTERNAL] Air Complaint: DaimondBack Misbehaving State Lease 19-19-14 606H, 607H

Complaint:

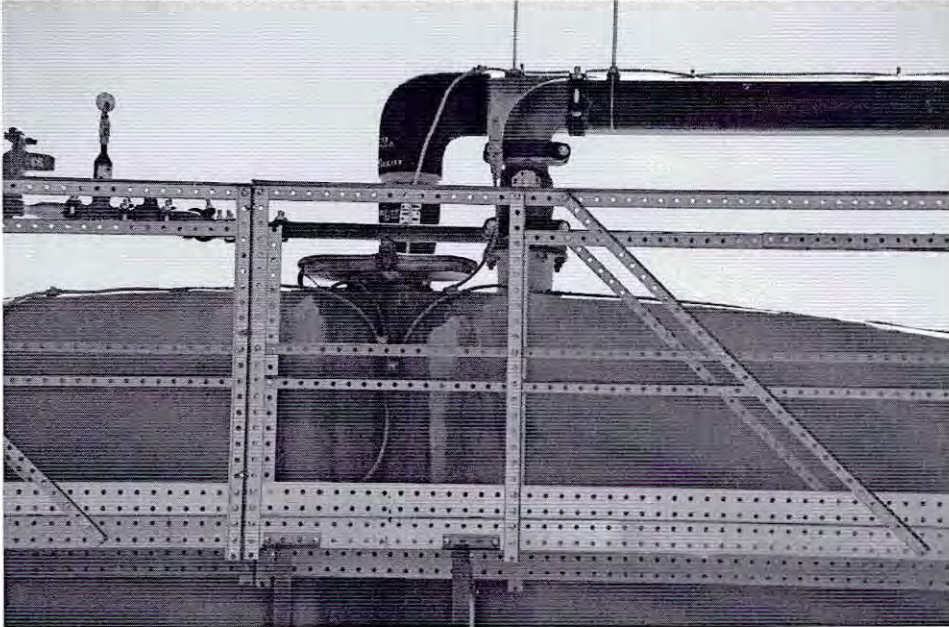
This optical gas imaging video recorded at 12:56 PM and at 2:55 PM on November 24, 2019, documents an unlit flare on a State Lands at the DiamondBack Misbehaving State Lease 19-19-14 606H, 607H in Reeves County in the Permian Basin.



Are these permitted emissions? If so, how do you know? What kind of permit does this facility have? If this is not considered normal operating conditions, when did these emissions began, and how/when will they cease?

The YouTube video is posted here <https://youtu.be/73n-ieQis6E>

I also documented emissions from a badly corroded tank hatch and tank venting.



Please confirm the receipt of this email along with the incident number. When your investigation is complete, please follow your stated process "[How the TCEQ Handles Environmental Complaints](#)," and send the investigation report and all materials used in that investigation to me at this address:

10455 N. Central Expressway. #109-256
Dallas, TX 75231

I am an ITC certified optical gas imaging thermographer, certification #79568.

=== EARTHWORKS: Protecting Communities and the Environment

Sharon Wilson, Senior Organizer
EARTHWORKS' Oil and Gas Accountability Project
Certified Optical Gas Imaging Thermographer
Certification #79568
940-389-1622
swilson@earthworksaction.org
Skype:sharon.wilson-ewa
Twitter: earthworks, txsharon
blog: <http://www.texassharon.com/>

Watch invisible oil & gas pollution become visible through [optical gas imaging videos](#) created for the [Community Empowerment Project](#).

CAUTION: This email is from OUTSIDE Texas General Land Office. Links or attachments may be dangerous. Click the Phish Alert button above if you think this email is malicious.

(52)

File No. MF 117293

Reeves County

Air Emissions Complaint, Misbehaving
Date Filed: 2/27/2020 State Battery

George P. Bush, Commissioner

By AV

Dan Gutierrez

From: Robert Hatter
Sent: Wednesday, December 4, 2019 7:38 PM
To: Rachel Jones; Dan Gutierrez
Subject: FW: [EXTERNAL] Diamondback North Delaware Complaints

Here's an update.

Sent via the Samsung Galaxy

----- Original message -----

From: Trevor Gleisner <TGLEISNER@DiamondbackEnergy.com>
Date: 12/4/19 5:32 PM (GMT-06:00)
To: Brian Carter <Brian.Carter@GLO.TEXAS.GOV>, Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>
Cc: Drew Neagle <DNeagle@DiamondbackEnergy.com>, Andrew Waller <AWaller@DiamondbackEnergy.com>, Caleb Tash <CTash@DiamondbackEnergy.com>, Robert Jones <RJones@DiamondbackEnergy.com>, Alysa Milam <AMilam@DiamondbackEnergy.com>, Arica Gonzales <AGonzales@DiamondbackEnergy.com>
Subject: [EXTERNAL] Diamondback North Delaware Complaints

Brian and Robert,

I would first like to thank you for bringing the complaints to our attention for the Diamondback State C 19-20 Battery, Misbehaving St Battery, and Desperado St Battery. Diamondback is currently looking into the issues from the videos and will report back as soon as we have collected the information requested. I know our operations team has been checking out the sites today and should be reporting back with any issues observed. I will make sure to let you both know what correction actions have taken place and timing to complete other corrective actions if they will take longer than expected.

Let me know if you have any questions and thanks again for bringing this to our attention.

Thanks,

Trevor Gleisner

Environmental Engineer - Air
500 West Texas Ave, Suite 1200
Midland, TX 79701
Office: (432)247.6202
Cell: (480)353.7136
Email: tgleisner@DiamondbackEnergy.com

DIAMONDBACK
Energy

NASDAQ : FANG

File No. MF 117293

Reeves County
Diamondback Response to Air Emissions
Complaint, Misbehaving State Battery

Date Filed: 2/27/2020

George P. Bush, Commissioner

By 

Dan Gutierrez

From: Trevor Gleisner <TGLEISNER@DiamondbackEnergy.com>
Sent: Monday, February 17, 2020 8:58 PM
To: Dan Gutierrez
Cc: Robert Hatter
Subject: [EXTERNAL] RE: State Lincoln 8-1 Unit and State Longs Unit Flare Problem

Dan,

Please see the response to TCEQ below regarding the State C19-20 Battery, Misbehaving St Battery, and Desperado St Battery. Per our discussion on Friday regarding the Sherman 6 Battery, repairs were attempted over the weekend, but due to equipment issues the facility will not be repaired until tomorrow. I will give you an update and send you a picture of the repaired flare tomorrow.

Diamondback received your technical question request December 16th, 2019 for complaints to the TCEQ Region 7 office regarding the following Diamondback facilities:

- Desperado State Lease C-19-21-18 (Reeves County) **RN: 110028552 PBR: 152263**
- State C-19-20 Well #1 (Reeves County) **RN: 110014701**
- Misbehaving State Lease 19-19-14 606H, 607H (Reeves County) **RN: 110638541 PBR: 159635**

Upon receiving the complaint, Diamondback deployed field personnel to take a look at the batteries in question. Answers to the technical questions are provided below.

Due to the size of the documents, I will send a separate email with a share drive so you can view the applicable information. The documents attached are Diamondback air permits, 1st Semi-annual LDAR inspections conducted 2019-2020 reporting year, hourly emission calculations and tanks 4.0 reports, spec sheets for the flare, and LDAR inspections conducted January 8th and 9th for the facilities. Any leaks that were detected were repaired immediately that same day. I have attached all of the passing LDAR reports for the sites from those inspections in the share drive.

Technical Questions

1. In the 4-hour period leading up to and including the time of the TCEQ's observations, has the site released any actual emissions as part of a TCEQ reportable or non-reportable emissions event? If the event is reportable, what is the State of Texas Environmental Electronic Reporting System (STEERS) incident number? Based on the emission calculations, as reflected in the attached spreadsheets, no RQ was met and these emissions were not reportable.
2. In the 4-hour period preceding the TCEQ's observations, has the site released any actual emissions as part of a TCEQ reportable or non-reportable Start-up, Shutdown, and Maintenance (SSM) activity? If the event is reportable, what is the STEERS incident number? No.
3. What equipment clearing and/or cleaning activities, with the potential to emit, are occurring or have occurred within the last 4 hours? None.
4. What maintenance activities, with the potential to emit, are occurring or have occurred within the last 4 hours? None.
5. What loading/unloading activities, with the potential to emit, are occurring or have occurred within the last 4 hours? None.
6. Was there any flaring associated with the activities detailed in items 1 - 3 above? No.

7. If cooling towers are associated with the TCEQ's observations, are the hourly average emissions from the relevant cooling tower(s) more than 20 lbs/hr higher than the same cooling tower's hourly average emissions for the previous day? N/A
8. In the 4 hours preceding the TCEQ's observations, what are the total and hourly emissions (including emission calculations), both by total and by compound, from the observed unit(s)? Please see calculated emissions on the attached spreadsheets.
9. If an optical gas imaging camera (OGIC) video was provided with this questionnaire, please provide a detailed process description, identification, and explanation for the unit or equipment with the observed plume.
 - Desperado State Battery: Flare is lit in the video and you can see the flame is visible at the tip. Relief valve on the oil tanks appears to be opening intermittently to relieve pressure on the tanks. VRU is in operation, but is planned for replacement with a newer model. Flare has also been retrofitted with new pilots.
 - State C-19-20 Battery: Flare is lit in the video and heat from the flame is visible at the tip. Water tank relief device appears to be intermittently venting or stuck open. The video is not clear enough to confirm how the device was operating at the time. Diamondback installed a pilot assembly for the flare. Tank vapors are controlled by a combustor.
 - Misbehaving State Battery: Flare is lit in the video and heat from the flame is visible at the tip. Relief valve on the oil tanks appears to be opening intermittently to relieve pressure on the tanks. VRU in operation and working properly. Flare was inspected 12/4/19 and is working properly.

Please provide operational data associated with the equipment/process identified in the OGIC video (examples shown in box below).

Production Spreadsheets: Production at each battery for the month of November, with the production of 11/23/2019 and 11/24/2019 averaged to provide a basis for the ProMax reports.

ProMax Reports: emissions from the tanks, calculated using ProMax. Provides emissions of VOCs, benzene, and H2S in lb/hr (See Condensed Report tab) as well as other information, such as tank temperatures and stream compositions

Emissions Calculations: Emissions for the days of 11/23-24/2019 calculated using the TCEQ O&G spreadsheet, with only relevant emissions sources calculated for all except the State C-19-20 Well #1. MSS did not occur over the release period, so no MSS is calculated. Equipment which runs periodically or continually was included. Flare emissions were included on all facilities where it was confirmed that the flares were lit. Flared gas was included if noted on the production spreadsheets. All tanks are assumed to be uncontrolled, to determine the worst-case scenarios. The hourly rates for the tanks, flares, and assorted equipment were used to determine the 4-hour emissions.

Calculations and Details Spreadsheet: A short summary of the hourly emissions, 4-hour emissions, and Operational Data

I will be sending multiple emails with the attached documentation.

Thanks,

Trevor Gleisner

Environmental Engineer - Air
500 West Texas Ave, Suite 1200
Midland, TX 79701
Office: (432)247.6202
Cell: (480)353.7136
Email: tgleisner@DiamondbackEnergy.com

DIAMONDBACK
Energy

From: Dan Gutierrez <Dan.Gutierrez@GLO.TEXAS.GOV>
Sent: Thursday, February 13, 2020 9:55 AM
To: Trevor Gleisner <TGLEISNER@DiamondbackEnergy.com>
Cc: Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>
Subject: State Lincoln 8-1 Unit and State Longs Unit Flare Problem

Trevor,

The Texas General Land Office (GLO) has been informed of another flare issue at a Diamondback commingling facility serving the recently completed State Longs 8-7 Unit 9934 and State Lincoln 8-1 Unit 9935. Please refer to the attached photo that shows the flare pilot gas supply line and ignitor are burned off at this facility, which is flowing high volumes of sour gas.

As you may recall, on December 4, 2019 you sent an email to Robert Hatter of the GLO thanking him for bringing three flare pilot complaints to Diamondback's attention for the State C 19-20 Battery, Misbehaving St Battery, and Desperado St Battery. You stated that Diamondback was looking into the issues from the videos forwarded by the GLO and your operations team was checking out the sites.

Please provide the GLO with an update on Diamondback's observations and corrective actions taken for the three flare pilot complaints referenced in your December 4, 2019 email. In addition, please determine if the flare pilot gas supply line and ignitor are still burned off at the Diamondback commingling facility serving the State Longs 8-7 Unit 9934 and State Lincoln 8-1 Unit 9935; and if they are, when they will be repaired.

Thank you,

Dan Gutierrez, P.E.
Petroleum Engineer, Energy Resources Division
Texas General Land Office
(512) 463-8818

This transmission may contain information that is confidential and/or privileged.

If you are not the intended recipient, any disclosure or use of the information contained herein is strictly prohibited. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format.

Any opinions expressed in this transmission are those of the sender and may or may not reflect the views of the company. No employee or officer is authorized to conclude any binding agreement on behalf of the company by email.

54

File No. MF 117293

Reeves County
Diamondback Response to TCEQ
Misbehaving State Battery

Date Filed: 2/27/2020

George P. Bush, Commissioner

By [Signature]

Acreage Updated per
DOTO.

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA180237

Unit Number 9534
Operator Name Energen Resources Corporation
Customer ID C000043130
Unit Name Quarterback State Unit 3-4
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Permanent
State Net Revenue Interest Oil 0.12514648
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth Surface **Well**
To Depth **Formation** Base of Wolfcamp
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 09/01/2018
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		322.425000	640.000000	0.50378906	O/G	0.12500000	0.06297363	
MF117481		1.875000	640.000000	0.00292969	O/G	0.12500000	0.00036621	
MF117801		280.000000	640.000000	0.43750000	O/G	0.12500000	0.05468750	
MF117949		29.212500	640.000000	0.04564453	O/G	0.12500000	0.00570557	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF118244		0.750000	640.000000	0.00117188	O/G	0.12500000	0.00014648	
MF118260		1.125000	640.000000	0.00175781	O/G	0.12500000	0.00021973	No
MF118556		2.362500	640.000000	0.00369141	O/G	0.12500000	0.00046143	
MF119276		0.750000	640.000000	0.00117188	O/G	0.25000000	0.00029297	No
MF119424		1.500000	640.000000	0.00234375	O/G	0.12500000	0.00029297	No

API Number

4238934700, 4238935254, 4238935255, 4238935256, 4238939023, 4238939024

Remarks:

The effective date of this unit will be September 1, 2018 and wells in NUML 8994 will become unit wells.

Prepared By:



Prepared Date:

02/09/2021

GLO Base Updated By:



GLO Base Date:

02/09/2021

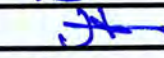
RAM Approval By:



RAM Approval Date:

02/09/2021

GIS By:



GIS Date:

06/01/2021

Well Inventory By:



WI Date:

02/09/2021

Pooling Committee Report

To: School Land Board

UPA180237

Date of Board Meeting: 09/04/2018

Unit Number: 9534

Effective Date: 09/01/2018

Unit Expiration Date:

Applicant: Energen Resources Corporation

Attorney Rep: Mickey Olmstead

Operator: Energen Resources Corporation,

Unit Name: Quarterback State Unit 3-4

Field Name: PHANTOM (WOLFCAMP)

County:

Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF117293	0.12500000	12/01/2018	46 months	864.876813	322.425000	0.06297363
RAL	MF117481	0.12500000	10/04/2017	3 years	2.850000	1.875000	0.00036621
RAL	MF117801	0.12500000	10/01/2018	3 years	280.000000	280.000000	0.05468750
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	29.212500	0.00570557
RAL	MF118244	0.12500000	06/13/2019	3 years	0.834000	0.750000	0.00014648
RAL	MF118260	0.12500000	08/26/2019	3 years	0.140600	1.125000	0.00021973
RAL	MF118556	0.12500000	01/06/2020	3 years	4.370000	2.362500	0.00046143
RAL	MF119424	0.12500000	03/21/2021	3 years	5.247080	1.500000	0.00029297
RAL UNL	MF119276	0.25000000	03/23/2018		0.843750	0.750000	0.00029297

Private Acres: 0.000000
State Acres: 640.000000
Total Unit Acres: 640.000000

Participation Basis: Surface Acreage
Surface Acreage
State Acreage: 100.00%
State Net Revenue Interest: 12.51%

Unit Type: Permanent
Unitized for: Oil And Gas
Term:

RRC Rules: Yes
Spacing Acres: 704 acres for a 10,000 foot lateral (FTP to LTP).

Joy McCauley

From: Shemika N. Williams <SNWilliams@DiamondbackEnergy.com>
Sent: Wednesday, February 3, 2021 6:33 PM
To: Joy McCauley
Cc: Meredith Liles; Tyler Humphries; Stephanie Eugene
Subject: [EXTERNAL] Quarterback State Unit 3-4 603H - GLO calculations
Attachments: EnergenRsourcesQuarterbackStateUnit3-4_Unit9534.pdf

Hello Joy,

We setup the new well for the Quarterback State Unit 3-4 603H (API: 4238939023). The DO’s have not been sent at this time and should be in route soon. We are showing GLO with a total NRI 0.12514648. This interest varies from the attached Unit Agreement Memo due to the total interest credited as unleased and the leases in tract 1. The new well was setup based upon the most recent title opinion. The old title opinion credits unleased as 0.281300 acres. The 2019 title opinion shows the unleased portion at 0.75 acres. Below are the calculations for the GLO’s interest current interest, snippets of the 2019 title opinion, and a comparison of the current setup versus the Unit Agreement Memo (Buckslip). Please review and let me know if you have any questions.

Calculations

TRACT	LEGAL DESCRIPTION	ACRES	TPF
1	360 acres, more or less, being the NW 9/16 of Section 4, Block 3, H&GN RR. Co. Survey, Abstract No. 5979, Reeves County, Texas	360.00000000	0.56250000
2	280 acres, more or less, being the SE 7/16 of Section 4, Block 3, H&GN RR. Co. Survey, Abstract No. 4212, Reeves County, Texas.	280.00000000	0.43750000

Leased:

TRACT NO.	IT	PAYCODE	OWNER NO.	OWNER NAME	TRACT PERCENTAGE	NET ACRES	REV RATE	NRI	GW	BPO TPF * NRI	BPO TPF *GW
1	RI	A	1207	State of Texas (GLO)	0.49895833	179.625000	0.25000000	0.12473958	0.00000000	0.07016602	0.00000000
2	RI	A	1207	State of Texas (GLO)	0.50000000	140.000000	0.25000000	0.12500000	0.00000000	0.05468750	0.00000000

Unleased:

TRACT NO.	IT	PAYCODE	OWNER NO.	OWNER NAME	TRACT PERCENTAGE	NET ACRES	REV RATE	NRI	GW	BPO TPF * NRI	BPO TPF *GW
1	ULMI	A	1207	State of Texas - GLO (Midtex Royalty II LP - Unleased)	0.00104167	0.375000	0.25000000	0.00026042	0.00000000	0.00014648	0.00000000
1	ULMI	A	1207	State of Texas - GLO, via Midtex Royalty II LP	0.00104167	0.375000	0.25000000	0.00026042	0.00000000	0.00014648	0.00000000

State of Texas (GLO) – Total NRI: 0.12514648

Title Opinion

Exhibit “A”

Net royalty acres in 640 acres, being Section 4, Block 3, H&GN RR. Co. Survey, Reeves County, Texas, limited to depths below the top of the Bone Spring formation.

	Net Royalty Acres
State of Texas 1/2 of (100% less (10% of 1/2 of 1/2 of 4/24 of 1/4 of 1/2 plus 10% of 1/2 of 1/2 of 1/2 of 1/4 of 1/2)) of 360 acres plus 1/2 of 280 acres	319.625000
Midtex Royalty II LP (UNLEASED) 1/2 of (10% of 1/2 of (1/2 of 4/24 of 1/4 of 1/2 plus 1/2 of 1/2 of 1/4 of 1/2)) of 360 acres	0.375000
The State of Texas, via Midtex Royalty II LP (UNLEASED) 1/2 of (10% of 1/2 of (1/2 of 4/24 of 1/4 of 1/2 plus 1/2 of 1/2 of 1/4 of 1/2)) of 360 acres	0.375000

Comparison: Buckslip vs. DOTO

DIFFERENCE (BUCKSLIP - DOTO)						DIFFERENCE (BUCKSLIP - DOTO)						DIFFERENCE (BUCKSLIP - DOTO)					
BUCKSLIP		DOTO		DIFFERENCE (BUCKSLIP - DOTO)		BUCKSLIP		DOTO		DIFFERENCE (BUCKSLIP - DOTO)		BUCKSLIP		DOTO		DIFFERENCE (BUCKSLIP - DOTO)	
Lease Number	Tract No	Lease Acres in Unit	Lease Acres in Unit	Lease Acres in Unit	Total Unit Acres	Tract Participation	Tract Participation	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	NRI of Lease in Unit	NRI of Lease in Unit				
MF117293	1	323.737600	322.425000	1.312600	640	0.50584000	0.50378906	0.00205094	O/G	0.12500000	0.06323000	0.06297363	0.00025637				
MF117431	1	0.000000	1.875000	-1.875000	640	0.00000000	0.00292969	-0.00292969	O/G	0.12500000	0.00000000	0.00036621	-0.00036621				
MF117801	2	280.000000	280.000000	0.000000	640	0.43750000	0.43750000	0.00000000	O/G	0.12500000	0.05468750	0.05468750	0.00000000				
MF117949	1	30.806200	29.212500	1.593700	640	0.04813469	0.04564453	0.00249016	O/G	0.12500000	0.00601684	0.00570557	0.00031127				
MF118244	1	0.000000	0.750000	-0.750000	640	0.00000000	0.00117188	-0.00117188	O/G	0.12500000	0.00000000	0.00014648	-0.00014648				
MF118260	1	0.421900	1.125000	-0.703100	640	0.00065922	0.00175781	-0.00109859	O/G	0.12500000	0.00008240	0.00021973	-0.00013732				
MF118556	1	3.206300	2.362500	0.843800	640	0.00500984	0.00369141	0.00131843	O/G	0.12500000	0.00062623	0.00046143	0.00016480				
MF119276 (UNLEASED TRACT)	1	0.281300	0.750000	-0.468700	640	0.00043953	0.00117188	-0.00073235	O/G	0.25000000	0.00010988	0.00029297	-0.00018309				
MF119424	1	0.562500	1.500000	-0.937500	640	0.00087891	0.00234375	-0.00146484	O/G	0.12500000	0.00010986	0.00029297	-0.00018311				
LEASED		638.734500	639.250000			0.99802266	0.99882813				0.12475283	0.12485352					
TOTAL		639.015800	640.000000			0.99846219	1.00000000				0.12486272	0.12514648					
			0.750000														
State Unit Royalty Participation = .50*.25*{((359.7187 + 280.0000)/640)+.25*{(.2813/640)}} =						0.12505494	BUCKSLIP										
State Unit Royalty Participation = .50*.25*{((359.25 + 280.0000)/640)+.25*{(.75/640)}} =						0.12514648	CURRENT SETUP										
						(0.00009154)	DIFFERENCE										

Thank you,

Shemika Williams

Sr. Division Order Analyst

515 Central Park Drive, Suite 500

Oklahoma City, OK 73105

Phone: (405)602-7191

Email: snwilliams@diamondbackenergy.com

DIAMONDBACK
Energy

NASDAQ: FANG

Diamondback Owner Relations Hotline 866-531-3667

This transmission may contain information that is confidential and/or privileged.

If you are not the intended recipient, any disclosure or use of the information contained herein is strictly prohibited. If you received this message in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format.

Any opinions expressed in this transmission are those of the sender and may or may not reflect the views of the company. No employee or officer is authorized to conclude any binding agreement on behalf of the company by email.

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.

55.
File No. MF117293
Reeves County
Unit 9534 - Updated Buckslip
Date Filed: 04/06/2021
By gm George P. Bush, Commissioner



September 26, 2019

Texas General Land Office
1700 North Congress Avenue
Austin, Texas 787011495

RE: Quarterback 3-4 601H MF116706, MF117293, MF117481, MF117949, MF118244, MF18260 – Comprehensive Utility Easement and Right of Way Agreement – NW 9/16 of Section 4, Block 3, H&GN Ry Co. Survey, Reeves County, Texas.

Sir or Madam,

Please find enclosed check #97279 in the amount of \$500.00 as payment for damages on the above described lands.

Please indicate your receipt of the enclosed check as the full amount due from Diamondback E&P LLC for the above by signing, dating, and returning one copy of this letter in the postage paid envelope provided. If you have any questions or concerns, please do not hesitate to call me at 432-818-1755.

Sincerely,

A handwritten signature in blue ink that reads "Mandy Hendrix".

Mandy Hendrix
Land Technician III

MH/ks
Enclosures

RECEIVED AND ACCEPTED THIS _____ day of _____, 2019.

Texas General Land Office

By _____

Title _____

File No. ME117293

Reeves County

Surface Damage Use Pmt

Date Filed: 6-22-2021

George P. Bush, Commissioner

By VZ

DIAMONDBACK E&P LLC - OPERATING OKLAHOMA CITY OK 73105 1-866-450-7994

1209: TEXAS GENERAL LAND OFFICE

CHECK NUMBER: 131283

CHECK DATE: 10/20/2020

INVOICE/REF	DATE	COMMENT	GROSS AMOUNT	DISCOUNT	NET AMOUNT
CKREQMH101520	10/16/2020	QUARTERBACK STATE UNIT 3-4	22,328.35		22,328.35
				21701959	
					MF117293
					Ued
					X
Totals:			22,328.35		22,328.35

PLEASE DETACH AND RETAIN FOR YOUR RECORDS



October 22, 2020

Texas General Land Office
1700 N. Congress Ave.
Austin, Texas 78701-1495

RE: Quarterback State Unit 3-4 – Road, Flowlines and Pad – Section 4, Block 3, H&GN Ry Co.
Survey, Reeves County, Texas

Dear Sir or Madam,

Enclosed is Diamondback E&P LLC's check #131283 in the amount of \$22,328.35 representing the agreed payment for the following:

SECTION	RODS	PER ROD	INTEREST	TOTAL
ROAD (N 9/16)	65.13	\$75.00	.3359375	\$1,640.97
FLOWLINES (N 9/16) X 2 LINES	34.75	\$160.00	.3359375	\$1,867.81
ROAD (S 7/16)	40.58	\$75.00	.8333333	\$2,536.25
FLOWLINES (S 7/16) X 2 LINES	45.65	\$160.00	.8333333	\$6,086.67
PAD (S 7/16)	487,875	\$0.08	.8333333	\$32,525.00
GRAND TOTAL				\$44,656.70
TOTAL TIMES 50% TO STATE			.50	\$22,328.35

Please indicate your receipt of the enclosed check as the full amount due from Diamondback E&P LLC for the above by signing, dating, and returning one copy of this letter.

Sincerely,

Rick Wooldridge

Rick Wooldridge
Surface Landman

RECEIVED AND ACCEPTED THIS _____ day of _____, 2020.

By: _____

Title: _____



October 22, 2020

Texas General Land Office
1700 N. Congress Ave.
Austin, Texas 78701-1495

RE: Quarterback State Unit 3-4 – Road, Flowlines and Pad – Section 4, Block 3, H&GN Ry Co.
Survey, Reeves County, Texas

Dear Sir or Madam,

Enclosed is Diamondback E&P LLC's check #131283 in the amount of \$22,328.35 representing the agreed payment for the following:

SECTION	RODS	PER ROD	INTEREST	TOTAL
ROAD (N 9/16)	65.13	\$75.00	.3359375	\$1,640.97
FLOWLINES (N 9/16) X 2 LINES	34.75	\$160.00	.3359375	\$1,867.81
ROAD (S 7/16)	40.58	\$75.00	.8333333	\$2,536.25
FLOWLINES (S 7/16) X 2 LINES	45.65	\$160.00	.8333333	\$6,086.67
PAD (S 7/16)	487,875	\$0.08	.8333333	\$32,525.00
GRAND TOTAL				\$44,656.70
TOTAL TIMES 50% TO STATE			.50	\$22,328.35

Please indicate your receipt of the enclosed check as the full amount due from Diamondback E&P LLC for the above by signing, dating, and returning one copy of this letter.

Sincerely,

Rick Wooldridge

Rick Wooldridge
Surface Landman

RECEIVED AND ACCEPTED THIS _____ day of _____, 2020.

By: _____

Title: _____

File No. ME117293Reeves CountySurface Use PmtDate Filed: 6-22-2021

George P. Bush, Commissioner

By VZ

TT. 3.50

DIVISION ORDER

MF117293

Diamondback E & P LLC
515 Central Park Drive., Ste. 500
Oklahoma City, OK 73105

Date: February 4, 2021
 Effective Date: 1st SALES

Property Number: 1008323
 Property Name: QUARTERBACK STATE UNIT 3-4 603H
 Operator: DIAMONDBACK E & P LLC
 County and State: REEVES COUNTY, TX
 Property Description:

- Pooled unit comprised of the following tracts of land:
 - Tr. 1 - 360 acres, M/L, being the NW 9/16 of Section 4, Block 3, H&GN RR. Co. Survey, Abstract No. 5979, Reeves County, Texas
 - Tr. 2 - 280 acres, M/L, being the SE 7/16 of Section 4, Block 3, H&GN RR. Co. Survey, Abstract No. 4212, Reeves County, Texas.

Oil X Gas X Other X

Owner Name: TEXAS GENERAL LAND OFFICE
 Address: PO BOX 12873
 AUSTIN, TX 78711-2873

Owner Number: 1207
 Decimal Interest: 0.12514649
 Pay Code: A
 Type of Interest: RI

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each owner ("owner") who executes this agreement:

The undersigned certifies legal ownership of the interest in production as described above payable by Diamondback E&P LLC ("Diamondback").

Owner acknowledges that some properties produce from a horizontal drainhole well that may cross multiple tracts. In such cases, production is allocated to each tract based upon: a) the percentage that the producing portion of the drainhole in each tract bears to the whole, or (b) written agreement(s) between the various interest owners of the property. If this Division Order covers production from a horizontal well, the Decimal Interest reflected in the table above is either the product of the allocation percentage and the owner's tract interest, or calculated based upon the formulas set forth in the applicable agreement(s). Information pertaining to the interest reflected herein is available upon owner's request.

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. Diamondback shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order, subject to necessary computations as to quantity, corrections for gravity and temperature, and deductions for impurities.

PAYMENT: From the effective date and after initial payment is made, subsequent payments are to be made monthly by payor's check, based on this division of interest, not later than 60 days after the end of the calendar month in which oil production is sold and 90 days after the end of the calendar month in which gas is sold, from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser (unless the lease specifies a different time for payment, in which event the payment terms of the lease shall control). Payment of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. The undersigned agrees to indemnify and reimburse Diamondback any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold Diamondback harmless from any 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 Diamondback 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 Diamondback by the owner together with a copy of the complaint or petition filed. Diamondback is authorized to withhold payment, without interest unless required by applicable statute, pending resolution of any title dispute or adverse claim regarding the interest in production herein claimed by the undersigned. The undersigned agrees to indemnify and reimburse Diamondback any amount attributable to an interest the undersigned does not own.

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

NOTICES: The owner agrees to notify Diamondback in writing of any changes 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 Diamondback until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Diamondback 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 addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this Division Order, an owner and Diamondback may have certain statutory rights under the laws of this state.

Special Clauses:

Owner(s) Signature(s) _____
 Owner(s) SS/Tax ID #: _____
 Owner Home Telephone #: _____
 Owner Work Telephone #: _____
 Owner e-mail address: _____

Federal Law Requires you to furnish your Social Security or Taxpayer Identification Number.
 Failure to comply will result in 28% tax withholding and will not be refundable by Diamondback E & P LLC.

(PLEASE SIGN AND RETURN)



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 10, 2021

Isaac Evans
Division Order Analyst
Diamondback E&P LLC
515 Central Park, Suite 500
Oklahoma City, OK 73105

Re: State Lease Nos. MF117293, MF118244, MF117481, MF118260, MF118556, MF117949,
MF119424, MF119276 and MF117801 Quarterback State 3-4 603H
Unit 9534

Dear Mr. Evans:

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. MF117293

Reeves County

Division Order

Date Filed: 12/15/2021

George P. Bush, Commissioner

By VQ

REVISED DIVISION ORDER

Unit 9534

Diamondback E & P LLC ("payor")
515 Central Park Dr., Ste. 100
Oklahoma City, OK 73105

Date: 08/10/2022
Prepared by: KB/SW

Property Number: 102277

Effective Date: 07/01/2021

Property Name: QUARTERBACK STATE UN 3-4 603H

Operator: DIAMONDBACK E&P LLC

County and State REEVES COUNTY, TEXAS

Property Description: The Quarterback State 3-4 603H is a pooled unit containing the following lands:

- 360 acres, mol, being NW 9/16ths §4, Blk 3, H&GN RR Co. Svy, A-5979 & A4212, Reeves County, TX.
- 280 acres, more or less, being the SE 7/16 of Section 4, Block 3, H&GN RR. Co. Survey, Abstract No. 4212, Reeves County, Texas.

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil and related liquid hydrocarbons and gas and associated hydrocarbons produced from the property described below

Production		Oil	X	Gas	X	Other	X
Owner No/Name		Decimal Interest	Interest Type	Pay Code	Owner ISQ	Suspense Description	
1080001853 TEXAS GENERAL LAND OFFICE PO BOX 12873 AUSTIN, TX 78711-2873		0.12500000	RI	PAY	01	IN PAY	

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("owner") who executes this agreement.

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties in accordance with the terms of the oil and gas lease(s).

PAYMENT: From the effective date, after initial payment is made, payment is to be made monthly by payor's check, based on this division of interest not later than 60 days after the end of the calendar month in which oil production is sold and 90 days after the month in which gas is sold from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the owner's interest to which payor is made 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 addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

Owner(s) Signature(s)/Title: _____

Owner(s) SS/Tax ID #: _____

Owner Home Telephone #: _____

Owner Work Telephone #: _____

Owner e-mail address: _____

Failure to furnish your Social Security or Tax I.D. number will result in withholding tax in accordance with federal law,
and any tax withheld will not be refundable by payor.

COPY FOR YOUR RECORDS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 12, 2022

Isaac Evans
Division Order Analyst
Diamondback E&P LLC
515 Central Park, Suite 500
Oklahoma City, OK 73105

Re: State Lease Nos. MF117293, MF118244, MF117481, MF118260, MF118556, MF117949,
and MF119276 Quarterback State 3-4 603H Unit 9534

Dear Mr. Evans:

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 117293

County

Division Order

Date Filed: 9-20-2022

George P. Bush, Commissioner

By VR

REVISION DIVISION ORDER

Diamondback E & P LLC ("payor")
515 Central Park Dr., Ste. 100
Oklahoma City, OK 73105

Date: 08/10/2022
Prepared by: KB/SW

Property Number: 101430, 101431, 101432, 102033

Effective Date: 07/01/2021

Property Name: QUARTERBACK 3 4 601H, QUARTERBACK 3 4 701H, QUARTERBACK 3 4 7701H, QUARTERBACK 3 4 801H

Operator: DIAMONDBACK E&P, LLC

County and State REEVES COUNTY, TEXAS

Property Description: 360 acres, mol, being NW 9/16ths §4, Blk 3, H&GN RR Co. Svy, A-5979 & A4212, Reeves County, TX.

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil and related liquid hydrocarbons and gas and associated hydrocarbons produced from the property described below

Production	Oil	X	Gas	X	Other	X
Owner No/Name	Decimal Interest	Interest Type	Pay Code	Owner ISQ	Suspense Description	
1080001853	0.12485352	RO	PAY	01	IN PAY	
TEXAS GENERAL LAND OFFICE	0.00014648	RO	PAY	02		
PO BOX 12873						
AUSTIN, TX 78711-2873						

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("owner") who executes this agreement

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties in accordance with the terms of the oil and gas lease(s).

PAYMENT: From the effective date, after initial payment is made, payment is to be made monthly by payor's check, based on this division of interest not later than 60 days after the end of the calendar month in which oil production is sold and 90 days after the month in which gas is sold from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser.

Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the owner's interest to which payor is made 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 addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

Owner(s) Signature(s)/Title: _____

Owner(s) SS/Tax ID #: _____

Owner Home Telephone #: _____

Owner Work Telephone #: _____

Owner e-mail address: _____

Failure to furnish your Social Security or Tax I.D. number will result in withholding tax in accordance with federal law,
and any tax withheld will not be refundable by payor.

COPY FOR YOUR RECORDS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 12, 2022

Isaac Evans
Division Order Analyst
Diamondback E&P LLC
515 Central Park, Suite 500
Oklahoma City, OK 73105

Re: State Lease Nos. MF117293, MF118244, MF117481, MF118260, MF118556, MF117949,
and MF119276 Quarterback State 3-4 601H, 701H, 7701H and 801H
Unit 9534

Dear Mr. Evans:

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 117293

County

Division Order

Date Filed: 9-20-2022

George P. Bush, Commissioner

By VR

Updated Exhibit "A"
To that certain Pooling Agreement dated effective February 5, 2019

Oil and Gas Lease(s) Included in the Unit:

EXHIBIT "A"

1. APC LEASE NO: 1372918000
LESSOR: JAMIE WINKLER AND RICHARD MANDELSON, CO-TRUSTEE OF
THE MORRIS WINKLER BYPASS TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 37, REEVES COUNTY, TEXAS
2. AP LEASE NO: 1372917000
LESSOR: CHRISTINE WINKLER, TRUSTEE OF THE WINKLER FAMILY
TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 747, REEVES COUNTY, TEXAS
3. APC LEASE NO: 1363911000
LESSOR: OAK VALLEY LAND AND MINERAL LP, AS AGENT FOR THE
STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 10/4/2014
RECORDING: VOLUME 1128, PAGE 41, REEVES COUNTY, TEXAS
4. APC LEASE NO: 1363910000
LESSOR: ALLDALE MINERALS LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 4/1/2015
RECORDING: VOLUME 1215, PAGE 622, REEVES COUNTY, TEXAS
5. APC LEASE NO: 1363906000
LESSOR: WORD BE WILSON INBESTMENTS, LP, AS AGENT FOR THE
STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/10/2015
RECORDING: VOLUME 1215, PAGE 632, REEVES COUNTY, TEXAS
6. APC LEASE NO: 1363914000
LESSOR: JAMES ROBERT HILL ET AL, AS AGENTS FOR THE STATE OF
TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 2/1/2015
RECORDING: VOLUME 1215, PAGE 642, REEVES COUNTY, TEXAS
7. APC LEASE NO: N/A
LESSOR: TRIANGLE ROYALTY LP AND JK ROYALTY LP, AS AGENTS FOR
THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 467, REEVES COUNTY, TEXAS

8. APC LEASE NO: N/A
LESSOR: CG INTERESTS, LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 640, REEVES COUNTY, TEXAS
9. APC LEASE NO: 1363919000
LESSOR: KENNEDY MINERALS LTD., AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/19/2015
RECORDING: VOLUME 1258, PAGE 418, REEVES COUNTY, TEXAS
10. APC LEASE NO: 1363918000
LESSOR: FRED W. SHIELD AND COMPANY, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 427, REEVES COUNTY, TEXAS
11. APC LEASE NO: 1363917000
LESSOR: THE DE COMPIEGNE PROPERTY COMPANY NO. 20 LTD, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 436, REEVES COUNTY, TEXAS
12. APC LEASE NO: N/A
LESSOR: LEGADO INVESTMENTS LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 1/6/2017
RECORDING: VOLUME 1373, PAGE 654, REEVES COUNTY, TEXAS
13. APC LEASE NO: 1378761000
LESSOR: MIDTEX ROYALTY II LP, AS AGENT FOR THE STATE OF TEXAS, MF 117480E
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1554, PAGE 685, REEVES COUNTY, TEXAS
14. APC LEASE NO: 1378845000
LESSOR: BRUNO AND MARSHALL INVESTMENTS, AS AGENT FOR THE STATE OF TEXAS, MF 117480F
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1565, PAGE 183, REEVES COUNTY, TEXAS
15. APC LEASE NO: 1386435000
LESSOR: MBR OIL & GAS #1, LTD. & PPLB INVESTMENTS, LLC, AS AGENT FOR THE STATE OF TEXAS, MF 119424A
LESSEE: JASE ENERGY, LLC
LEASE EFFECTIVE DATE: 3/21/2018
RECORDING: VOLUME 1580, PAGE 290, REEVES COUNTY, TEXAS

[END OF EXHIBIT "A"]

File No. MF117293

Reemes County

Updated Exhibit A for Unit 9881

Date Filed: 03/01/2023

Commissioner Dawn Buckingham, M.D.

By: Jm

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA190067

Unit Number 9881
Operator Name Anadarko E&P Onshore LLC
Customer ID C000044444
Unit Name Cold Harbor State 2-40
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Standard
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth Surface
To Depth
Well
Formation Base of Wolfcamp
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 03/01/2019
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		303.100000	358.330000	0.84586833	O/G	0.12500000	0.10573354	
MF117307		19.900000	358.330000	0.05553540	O/G	0.12500000	0.00694193	
MF117480		4.240000	358.330000	0.01183267	O/G	0.12500000	0.00147908	
MF117949		27.460000	358.330000	0.07663327	O/G	0.12500000	0.00957916	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF118556		2.220000	358.330000	0.00619541	O/G	0.12500000	0.00077443	
MF119424		1.410000	358.330000	0.00393492	O/G	0.12500000	0.00049187	No

API Number

4238936284

Remarks:

Prepared By:

Jm

Prepared Date:

11/07/2023

GLO Base Updated By:

Jm

GLO Base Date:

11/07/2023

RAM Approval By:

JD

RAM Approval Date:

11/07/2023

GIS By:

GIS Date:

Well Inventory By:

Jm

WI Date:

11/07/2023

Pooling Committee Report

To: School Land Board

☐

Date of Board Meeting: 11/03/2023

Unit Number: 9881

Effective Date: 03/01/2019

Unit Expiration Date:

Applicant: Anadarko E&P Onshore LLC

Attorney Rep:

Operator: ANADARKO E&P ONSHORE LLC,

Unit Name: Cold Harbor State 2-40

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF117293	0.12500000	12/01/2018	46 months	864.876813	303.100000	0.10573354
RAL	MF117307	0.12500000	11/12/2017	3 years	20.000000	19.900000	0.00694193
RAL	MF117480	0.12500000	10/04/2017	3 years	4.230000	4.240000	0.00147908
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	27.460000	0.00957916
RAL	MF118556	0.12500000	01/06/2020	3 years	4.370000	2.220000	0.00077443
RAL	MF119424	0.12500000	03/21/2021	3 years	5.247080	1.410000	0.00049187

Private Acres:	0.000000
State Acres:	358.330000
Total Unit Acres:	358.330000

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

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

Working File Number: ☐

REMARKS:

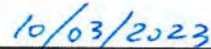
- Anadarko E&P Onshore LLC is requesting to amend the Cold Harbor State 2-40 Unit which was approved by the School Land Board on September 5, 2017.
- The applicant is requesting to update the lease exhibit to include three leases that were taken after the unit was approved by the School Land Board.
- With Board approval of the amended unit the State's unit royalty will remain 12.5%.
- The applicant has drilled one unit well and two allocation wells which cross the unit for a total of three wells.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the amended Cold Harbor State 2-40 Unit under the above-stated provisions.

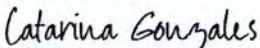


General Land Office



Date

DocuSigned by:



EE8EA40C65F64CC...

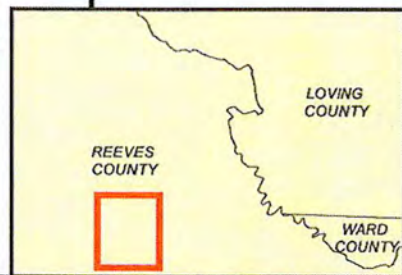
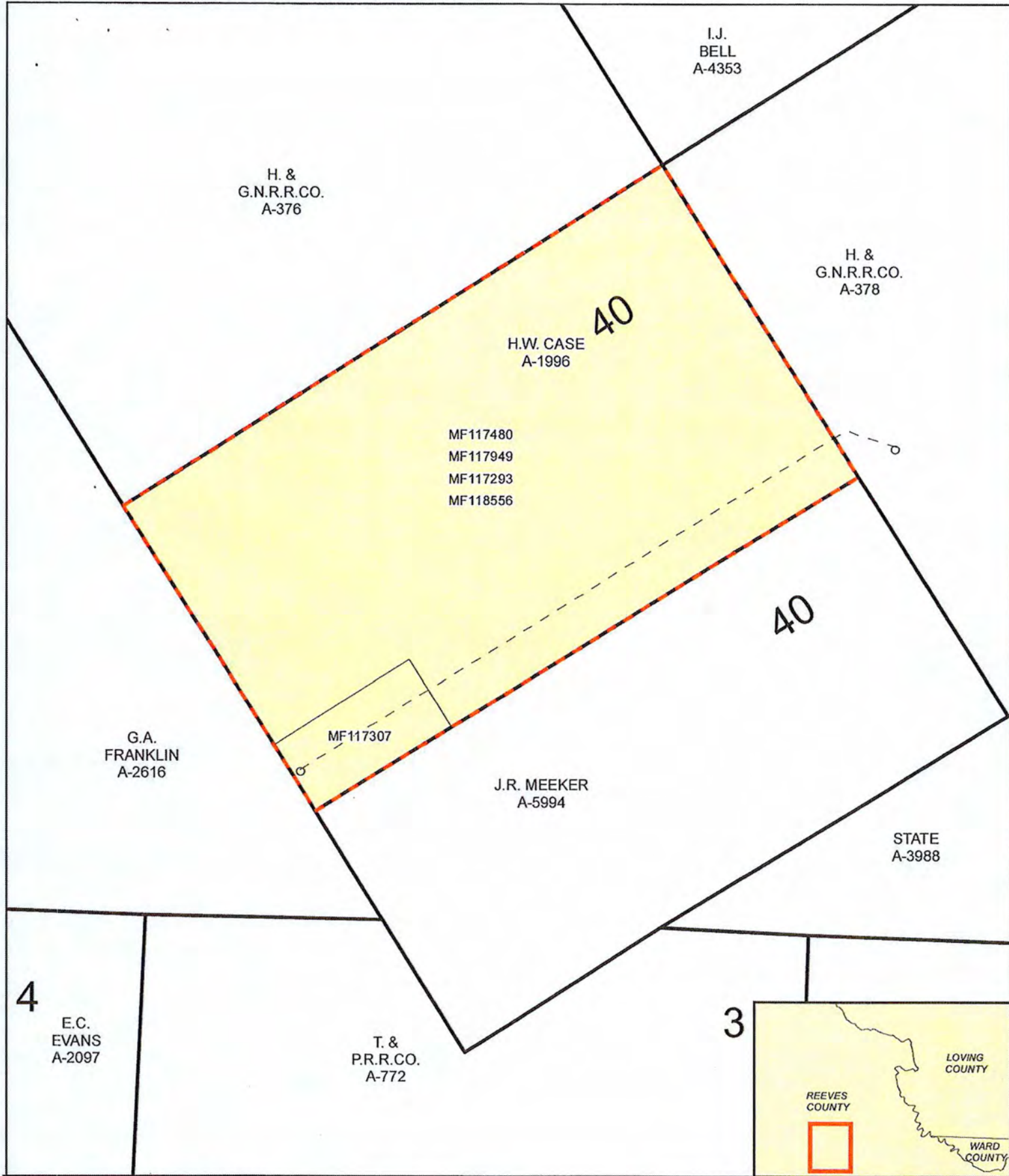
Office of the Governor

10/6/2023

Date

Office of the Governor

Date



Unit # 9881
Anadarko E&P Onshore, LLC.
Cold Harbor State 2-40 Unit
Phantom (Wolfcamp) Field
Reeves County, Texas

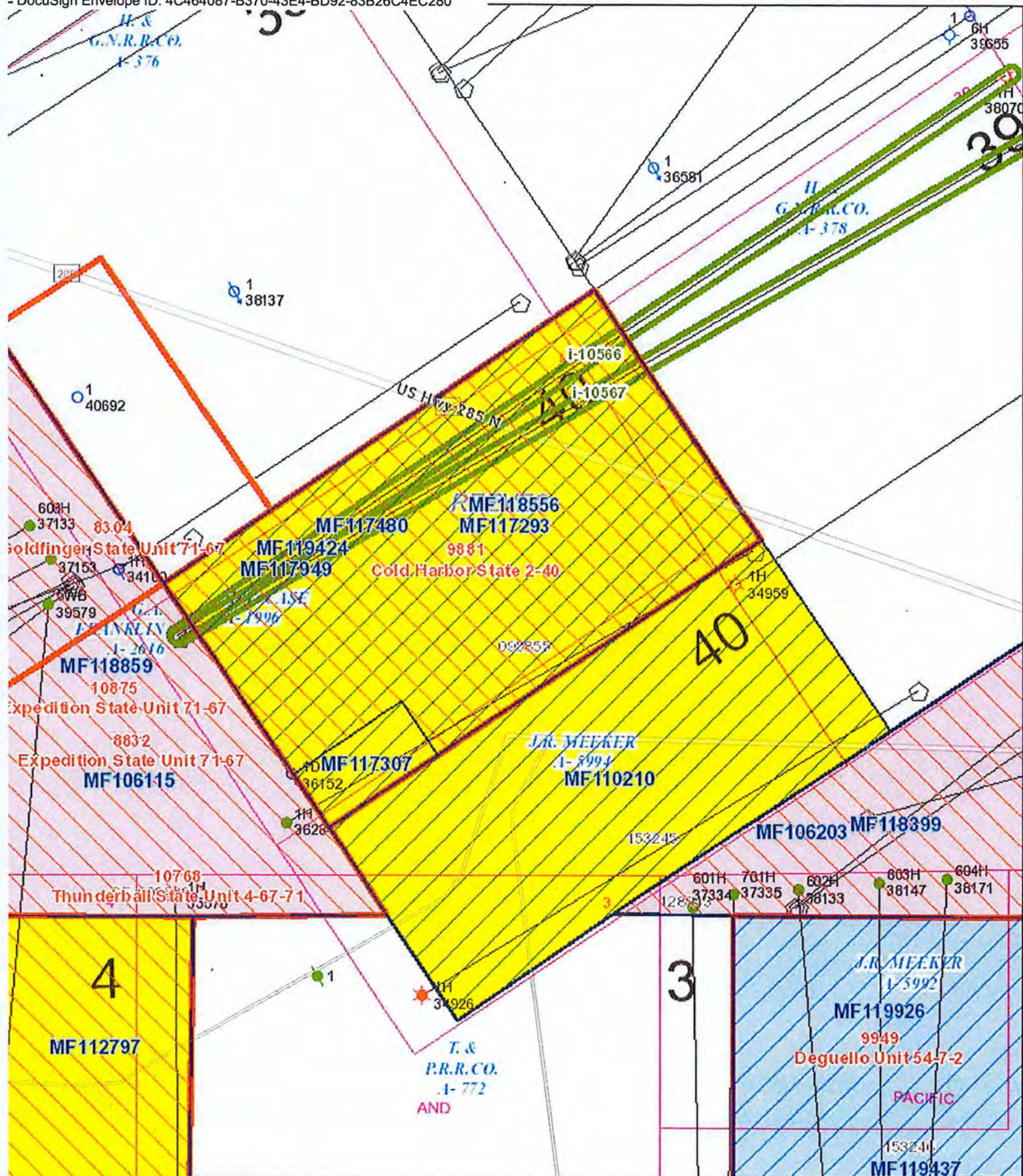
1,000 500 0 1,000 Feet



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



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



GLO Land/Lease Mapping Viewer

Please review all copyright and disclaimer information from our webpage here, <https://www.glo.texas.gov/policy/index.html>. The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map is not suitable for navigational purposes and does not purport to depict boundaries of private and public land.



0 0.13 0.25 0.5 mi

**AMENDMENT OF POOLING AGREEMENT
COLD HARBOR STATE 2-40 UNIT
GLO UNIT NO. 09881
(FORMERLY UNIT NO. 8643)
REEVES COUNTY, TEXAS**

WHEREAS, on September 5, 2017, the application for the Cold Harbor State 2-40 Unit ("Unit") was presented to and approved by the School Land Board of the State of Texas pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Anadarko E&P Onshore, LLC and the Commissioner of the General Land Office of the State of Texas entered into that certain Pooling Agreement dated to be effective as of September 5, 2017 ("Agreement"), to pool certain State lands into the Unit, which covers 358.33 acres in Reeves County, Texas, as more particularly described in said Agreement on file in the Archives and Records of the Texas General Land Office, Austin, Texas, in Mineral File No. M-117293; and

WHEREAS, Anadarko E&P Onshore, LLC ("Anadarko") is the current operator of the Cold Harbor State 2-40 Unit; and

WHEREAS, Anadarko made application and, at its regular meeting on November 7, 2023, the School Land Board approved its application to amend the Unit to include additional leases as contained and provided in Agreement's Exhibits "A", "B" and "C" ("Amendment"); and

WHEREAS, the Commissioner of the General Land Office finds that amending said Agreement as approved by the School Land Board is in the best interests of the State of Texas:

NOW THEREFORE, in consideration of ten U.S. Dollars (\$10.00), the premises and the mutual agreements contained in this Amendment of Pooling Agreement, it is agreed that Exhibits "A", "B" and "C" of the Agreement are hereby amended, deleting in their entirety, and amending and replacing it with the Amended Exhibits "A", "B" and "C" attached to this Amendment.

This Amendment shall in all other respects remain subject to the terms and provisions of the Agreement.

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

release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty or other obligation owed to the State.

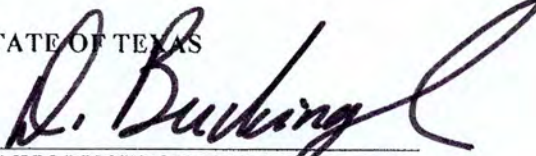
This Amendment of Pooling Agreement may be executed in counterparts and if so executed, shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Amendment of Pooling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

IN WITNESS WHEREOF, the parties hereto have executed this Amendment of Pooling Agreement upon the respective dates indicated below but effective as of March 1, 2019.

[Signature pages to follow]

Date Executed 2-13-24

STATE OF TEXAS



DAWN BUCKINGHAM, M.B.
Commissioner, General Land Office

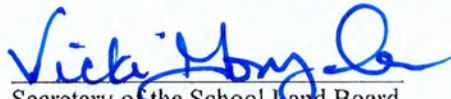
Approved:

leas. CB
cont. DBO
legal NO
DL 88
exec. MA

CERTIFICATE

I, Vicki Gonzales, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on November 7th, 2023, the foregoing instrument was approved by said Board under the provisions of Chapter 32 and 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 13 day of February, 2024.


Secretary of the School Land Board

Date Executed 1/10/2024

By: John V. Chiles

Printed: John V. Schneider

Its: Attorney-in-Fact

STATE OF Texas §

ss

COUNTY OF Harris

This instrument was acknowledged before me on 1/10, 2014, by John V. Schneider,
as Attorney in fact for Aradorka LLP, a Delaware Limited Liability
behalf of said LLP.

Notary Public in and for the State of Texas



The image shows four distinct dot patterns arranged horizontally. The first pattern consists of 4 dots, the second of 2 dots, the third of 3 dots, and the fourth of 5 dots. Each pattern is a unique arrangement of dots that visually represents its corresponding number.

Exhibit "A"

*Attached to and made a part of that certain Amendment of Pooling Agreement:
Anadarko E&P Onshore LLC
Cold Harbor State 2-40 Unit
Reeves County, Texas*

1. APC LEASE NO: 1372918000
LESSOR: JAMIE WINKLER AND RICHARD MANDELSON, CO-TRUSTEE OF THE MORRIS WINKLER BYPASS TRUST, AS AGENT FOR THE STATE OF TEXAS

LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 37, REEVES COUNTY, TEXAS
2. AP LEASE NO: 1372917000
LESSOR: CHRISTINE WINKLER, TRUSTEE OF THE WINKLER FAMILY TRUST, AS AGENT FOR THE STATE OF TEXAS

LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 747, REEVES COUNTY, TEXAS
3. APC LEASE NO: 1363911000
LESSOR: OAK VALLEY LAND AND MINERAL LP, AS AGENT FOR THE STATE OF TEXAS

LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 10/4/2014
RECORDING: VOLUME 1128, PAGE 41, REEVES COUNTY, TEXAS
4. APC LEASE NO: 1363910000
LESSOR: ALLDALE MINERALS LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 4/1/2015
RECORDING: VOLUME 1215, PAGE 622, REEVES COUNTY, TEXAS
5. APC LEASE NO: 1363906000
LESSOR: WORD BE WILSON INBESTMENTS, LP, AS AGENT FOR THE STATE OF TEXAS

LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/10/2015
RECORDING: VOLUME 1215, PAGE 632, REEVES COUNTY, TEXAS
6. APC LEASE NO: 1363914000
LESSOR: JAMES ROBERT HILL ET AL, AS AGENTS FOR THE STATE OF TEXAS

LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 2/1/2015
RECORDING: VOLUME 1215, PAGE 642, REEVES COUNTY, TEXAS
7. APC LEASE NO: N/A
LESSOR: TRIANGLE ROYALTY LP AND JK ROYALTY LP, AS AGENTS FOR THE STATE OF TEXAS

LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 467, REEVES COUNTY, TEXAS



8. APC LEASE NO: N/A
LESSOR: CG INTERESTS, LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 640, REEVES COUNTY, TEXAS
9. APC LEASE NO: 1363919000
LESSOR: KENNEDY MINERALS LTD., AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/19/2015
RECORDING: VOLUME 1258, PAGE 418, REEVES COUNTY, TEXAS
10. APC LEASE NO: 1363918000
LESSOR: FRED W. SHIELD AND COMPANY, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 427, REEVES COUNTY, TEXAS
11. APC LEASE NO: 1363917000
LESSOR: THE DE COMPIEGNE PROPERTY COMPANY NO. 20 LTD, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 436, REEVES COUNTY, TEXAS
12. APC LEASE NO: N/A
LESSOR: LEGADO INVESTMENTS LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 1/6/2017
RECORDING: VOLUME 1373, PAGE 654, REEVES COUNTY, TEXAS
13. APC LEASE NO: 1378761000
LESSOR: MIDTEX ROYALTY II LP, AS AGENT FOR THE STATE OF TEXAS, MF 117480E
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1554, PAGE 685, REEVES COUNTY, TEXAS
14. APC LEASE NO: 1378845000
LESSOR: BRUNO AND MARSHALL INVESTMENTS, AS AGENT FOR THE STATE OF TEXAS, MF 117480F
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1565, PAGE 183, REEVES COUNTY, TEXAS
15. APC LEASE NO: 1386435000
LESSOR: MBR OIL & GAS #1, LTD. & PPLB INVESTMENTS, LLC, AS AGENT FOR THE STATE OF TEXAS, MF 119424A
LESSEE: JASE ENERGY, LLC
LEASE EFFECTIVE DATE: 3/21/2018
RECORDING: VOLUME 1580, PAGE 290, REEVES COUNTY, TEXAS

[END OF EXHIBIT "A"]



Exhibit "B"

*Attached to and made a part of that certain Amendment of Pooling Agreement:
Anadarko E&P Onshore LLC
Cold Harbor State 2-40 Unit
Reeves County, Texas*

358.33 acres, being the North 9/16ths of Section 40, Block 2, H&GN RR Co. Survey, A-1996,
Reeves County, Texas.

[END OF EXHIBIT "B"]

423 3

Anadarko E&P Onshore LLC

A Subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110

Houston, Texas 77046

Christopher.Gertson@oxy.com | Office: 713-552-8818

February 1, 2024

Texas General Land Office

Attn: Joy McCauley

1700 North Congress Avenue, Suite 840

Austin, Texas 78701-1495

RE: Amendment of Pooling Agreement
Cold Harbor State 2-40 Unit
GLO Unit No. 09881
Reeves County, Texas

Dear Ms. McCauley,

Enclosed please find two executed originals for the Amendment of Pooling Agreement for the Cold Harbor State 2-40 Unit.

Once executed by the GLO, could you please return an original to my attention. If you have any questions or concerns, please feel free to contact me by phone at 713-552-8818 or via email at Christopher.Gertson@oxy.com.

Sincerely,



Christopher Gertson
Land Negotiator



62

File No. MF117293

Pooling Agent Packet #9881 ~~County~~

Cold Harbor State 2-40 Unit

Date Filed: 2-16-24

Commissioner Dawn Buckingham, M.D.

By: CRB



Van Liew, Peter R

From: Chase Brockman <Chase.Brockman@glo.texas.gov>
Sent: Wednesday, April 03, 2024 2:04 PM
To: Van Liew, Peter R
Subject: [EXTERNAL] RE: Cold Harbor 2-40 State Unit Question

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Peter,

I wasn't aware that there was a missing signature page but the good news is that the file still hasn't been scanned-in to our records and I have the folder sitting on my desk. Please go ahead and add the signature page for recording and if you could forward a copy of the signature page (or mail me an original), I will add it to our files. Also, once the agreement is recorded, please send me a certified copy.

Kind Regards,
Chase

From: Van Liew, Peter R <Peter_VanLiew@oxy.com>
Sent: Wednesday, April 3, 2024 1:44 PM
To: Chase Brockman <Chase.Brockman@glo.texas.gov>
Subject: [EXTERNAL] Cold Harbor 2-40 State Unit Question

Chase,

I recently began working a portion of Reeves County, Texas that was previously handled by Christopher Gertson and had a question regarding some work you two handled. I received the Cold Harbor State 2-40 Unit (GLO Unit No. 09881) last month and Chris mentioned that we were unable to obtain one signature from our partner, Permian Delaware Enterprise Holdings, LLC (PDEH), prior to mailing to the GLO. We have since received PDEH's signature page and I wanted to know whether the GLO would be amenable to Anadarko including the PDEH signature page with the GLO approved unit agreement for filing in the county. If not, would the GLO prefer Anadarko to resubmit the pooling agreement with the now received signature page included?

Any guidance you may be able to provide would be greatly appreciated. Thanks!

Sincerely,

Peter R. Van Liew, CPL
Land Negotiator Advisor
Anadarko E&P Onshore, LLC, subsidiary of:
Occidental Petroleum Corporation
5 Greenway Plaza, Suite 110
Houston, Texas 77046
713.985.6972 (o)
832.627.6880 (c)

49014

File No. MF117293

(63)

Reeves County

Email correspondence

Date Filed: 4-22-24

Commissioner Dawn Buckingham, M.D.

By: CRB

**AMENDMENT OF POOLING AGREEMENT
COLD HARBOR STATE 2-40 UNIT
GLO UNIT NO. 09881
(FORMERLY UNIT NO. 8643)
REEVES COUNTY, TEXAS**

WHEREAS, on September 5, 2017, the application for the Cold Harbor State 2-40 Unit ("Unit") was presented to and approved by the School Land Board of the State of Texas pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Anadarko E&P Onshore, LLC and the Commissioner of the General Land Office of the State of Texas entered into that certain Pooling Agreement dated to be effective as of September 5, 2017 ("Agreement"), to pool certain State lands into the Unit, which covers 358.33 acres in Reeves County, Texas, as more particularly described in said Agreement on file in the Archives and Records of the Texas General Land Office, Austin, Texas, in Mineral File No. M-117293; and

WHEREAS, Anadarko E&P Onshore, LLC ("Anadarko") is the current operator of the Cold Harbor State 2-40 Unit; and

WHEREAS, Anadarko made application and, at its regular meeting on November 7, 2023, the School Land Board approved its application to amend the Unit to include additional leases as contained and provided in Agreement's Exhibits "A", "B" and "C" ("Amendment"); and

WHEREAS, the Commissioner of the General Land Office finds that amending said Agreement as approved by the School Land Board is in the best interests of the State of Texas:

NOW THEREFORE, in consideration of ten U.S. Dollars (\$10.00), the premises and the mutual agreements contained in this Amendment of Pooling Agreement, it is agreed that Exhibits "A", "B" and "C" of the Agreement are hereby amended, deleting in their entirety, and amending and replacing it with the Amended Exhibits "A", "B" and "C" attached to this Amendment.

This Amendment shall in all other respects remain subject to the terms and provisions of the Agreement.

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



True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Clerk
Page 1 of 10

release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty or other obligation owed to the State.

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

IN WITNESS WHEREOF, the parties hereto have executed this Amendment of Pooling Agreement upon the respective dates indicated below but effective as of March 1, 2019.

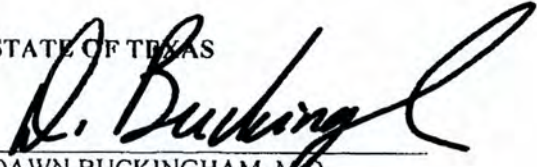
[Signature pages to follow]

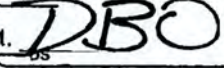
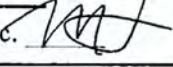


True & Correct Copy of a
document on file at
Reeves County Texas,
Evangeline N. Abila, County Clerk
Page 2 of 10

DocuSign Envelope ID: 7DE23569-9EE2-47AE-BFCC-C243D1448E35

Date Executed 2-13-24

STATE OF TEXAS

DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

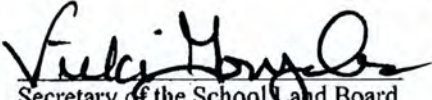
Approved:
leas. 
cont. 
legal 
DL 
exec. 



CERTIFICATE

I, Vicki Gonzales, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on November 7th, 2023, the foregoing instrument was approved by said Board under the provisions of Chapter 32 and 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 13 day of February, 2024.


Secretary of the School Land Board



True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Clerk
Page 3 of 10

Date Executed 1/10/2024

ANADARKO E&P ONSHORE, LLC

By: John V. Schneider

Printed: John V. Schneider

Its: Attorney-in-Fact

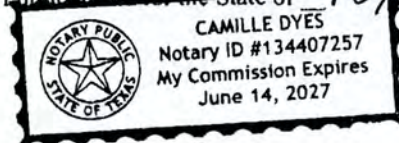
STATE OF Texas §

COUNTY OF Harris §

This instrument was acknowledged before me on 1/10, 2024, by John V. Schneider, as Attorney in fact for Anadarko E&P Onshore Delaware Limited Liability on behalf of said LLC.

Camille Dyes

Notary Public in and for the State of Texas



403 3



True & Correct Copy of a
document on file at
Reeves County Texas,
Evangeline N. Abila, County Clerk
Page 4 of 10

Date Executed 2/13/2024

PERMIAN DELAWARE ENTERPRISES HOLDINGS LLC
as partial successor of interest to SWEPI LP

By: *[Signature]* MB

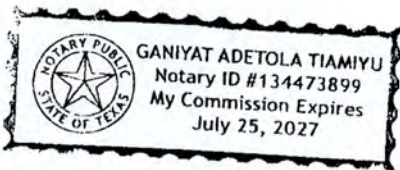
Printed: JONI-ARON M. HOUSE

Its: Attorney-in-fact

THE STATE OF TEXAS §

COUNTY OF Midland §

This instrument was acknowledged before me on February 13th 2024, 2024,
by Joni-Aaron M. House as Attorney-in-Fact for
PDELH, a limited liability company on behalf of said company.



[Signature]
Notary Public
Printed Name: TOLA TIAMIYU
My Commission Expires: July 27th 2027



True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Clerk
Page 5 of 10

Exhibit "A"

*Attached to and made a part of that certain Amendment of Pooling Agreement:
Anadarko E&P Onshore LLC
Cold Harbor State 2-40 Unit
Reeves County, Texas*

1. APC LEASE NO: 1372918000
LESSOR: JAMIE WINKLER AND RICHARD MANDELSON, CO-TRUSTEE OF THE MORRIS WINKLER BYPASS TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 37, REEVES COUNTY, TEXAS
2. AP LEASE NO: 1372917000
LESSOR: CHRISTINE WINKLER, TRUSTEE OF THE WINKLER FAMILY TRUST, AS AGENT FOR THE STATE OF TEXAS
LESSEE: THE BELLOMY GROUP, LLC
LEASE EFFECTIVE DATE: 11/12/2014
RECORDING: VOLUME 1138, PAGE 747, REEVES COUNTY, TEXAS
3. APC LEASE NO: 1363911000
LESSOR: OAK VALLEY LAND AND MINERAL LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 10/4/2014
RECORDING: VOLUME 1128, PAGE 41, REEVES COUNTY, TEXAS
4. APC LEASE NO: 1363910000
LESSOR: ALLDALE MINERALS LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 4/1/2015
RECORDING: VOLUME 1215, PAGE 622, REEVES COUNTY, TEXAS
5. APC LEASE NO: 1363906000
LESSOR: WORD BE WILSON INBESTMENTS, LP, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/10/2015
RECORDING: VOLUME 1215, PAGE 632, REEVES COUNTY, TEXAS
6. APC LEASE NO: 1363914000
LESSOR: JAMES ROBERT HILL ET AL, AS AGENTS FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 2/1/2015
RECORDING: VOLUME 1215, PAGE 642, REEVES COUNTY, TEXAS
7. APC LEASE NO: N/A
LESSOR: TRIANGLE ROYALTY LP AND JK ROYALTY LP, AS AGENTS FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 467, REEVES COUNTY, TEXAS



True & Correct Copy of a
document on file at
Reeves County Texas,
Evangeline N. Abila, County Clerk
Page 6 of 10

8. APC LEASE NO: N/A
LESSOR: CG INTERESTS, LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 2/8/2016
RECORDING: VOLUME 1250, PAGE 640, REEVES COUNTY, TEXAS
9. APC LEASE NO: 1363919000
LESSOR: KENNEDY MINERALS LTD., AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/19/2015
RECORDING: VOLUME 1258, PAGE 418, REEVES COUNTY, TEXAS
10. APC LEASE NO: 1363918000
LESSOR: FRED W. SHIELD AND COMPANY, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 427, REEVES COUNTY, TEXAS
11. APC LEASE NO: 1363917000
LESSOR: THE DE COMPIEGNE PROPERTY COMPANY NO. 20 LTD, AS AGENT FOR THE STATE OF TEXAS
LESSEE: ENERGEN RESOURCES CORPORATION
LEASE EFFECTIVE DATE: 6/24/2015
RECORDING: VOLUME 1258, PAGE 436, REEVES COUNTY, TEXAS
12. APC LEASE NO: N/A
LESSOR: LEGADO INVESTMENTS LLC, AS AGENT FOR THE STATE OF TEXAS
LESSEE: SUMMIT WEST RESOURCES LP
LEASE EFFECTIVE DATE: 1/6/2017
RECORDING: VOLUME 1373, PAGE 654, REEVES COUNTY, TEXAS
13. APC LEASE NO: 1378761000
LESSOR: MIDTEX ROYALTY II LP, AS AGENT FOR THE STATE OF TEXAS, MF 117480E
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1554, PAGE 685, REEVES COUNTY, TEXAS
14. APC LEASE NO: 1378845000
LESSOR: BRUNO AND MARSHALL INVESTMENTS, AS AGENT FOR THE STATE OF TEXAS, MF 117480F
LESSEE: ANADARKO E&P ONSHORE LLC
LEASE EFFECTIVE DATE: 1/1/2018
RECORDING: VOLUME 1565, PAGE 183, REEVES COUNTY, TEXAS
15. APC LEASE NO: 1386435000
LESSOR: MBR OIL & GAS #1, LTD. & PPLB INVESTMENTS, LLC, AS AGENT FOR THE STATE OF TEXAS, MF 119424A
LESSEE: JASE ENERGY, LLC
LEASE EFFECTIVE DATE: 3/21/2018
RECORDING: VOLUME 1580, PAGE 290, REEVES COUNTY, TEXAS

[END OF EXHIBIT "A"]



True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Clerk
Page 7 of 10

Exhibit "B"

*Attached to and made a part of that certain Amendment of Pooling Agreement:
Anadarko E&P Onshore LLC
Cold Harbor State 2-40 Unit
Reeves County, Texas*

358.33 acres, being the North 9/16ths of Section 40, Block 2, H&GN RR Co. Survey, A-1996,
Reeves County, Texas.

[END OF EXHIBIT "B"]



True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Clerk
Page 8 of 10

Reeves County
Evangelina N. Abila
Reeves County Clerk

Instrument Number: 2024002018

eRecording - Real Property
AMENDMENT

Recorded On: April 04, 2024 08:57 AM

Number of Pages: 10

" Examined and Charged as Follows: "

Total Recording: \$57.00

***** 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: 2024002018
Receipt Number: 20240404000001
Recorded Date/Time: April 04, 2024 08:57 AM
User: Rebecca G
Station: CLERK07

Record and Return To:

CSC



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



True & Correct Copy of a
document on file at
Reeves County Texas,
Evangelina N. Abila, County Clerk
Page 10 of 10

45014

64

File No. MF117293
Certified Copy Recorded County
Amendment of Pooling Agrmt # 09881
Date Filed: 4-22-24
Commissioner Dawn Buckingham, M.D.
By: CRB



CERTIFIED A TRUE AND CORRECT COPY
OF THE RECORD ON FILE IN MY OFFICE
EVANGELINA N. ABILA
Reeves County Clerk

Date 4-8-2024 By: R. Shameds
Deputy Clerk



Texas General Land Office

Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

Diamondback E&P LLC
515 Central Park Drive, Suite 500
Oklahoma City, OK 73105-1704

Billing Date: 4/3/2024
Billing Due Date: 5/3/2024
Customer Number: C000089009

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00583	MF117293	\$5,199.90	\$0.00	\$556.45	\$318.15	\$6,074.50
Total Due		\$5,199.90	\$0.00	\$556.45	\$318.15	\$6,074.50

Penalty and interest have been calculated thru 4/30/2024. Payment remitted after 4/30/2024 will result in additional penalty and interest charges.

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.

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

Diamondback E&P LLC

Billing Date: 4/3/2024

Billing Due Date: 5/3/2024

Customer Number: C000089009

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
24I00583	MF117293	\$5,199.90	\$0.00	\$556.45	\$318.15	\$6,074.50
Total Due		\$5,199.90	\$0.00	\$556.45	\$318.15	\$6,074.50
Amt. Paid						

Customer ID: C000089009
 Invoice Number:
 GLO Lease: MF117293
 GLO Review: DIAMONDBACK E&P LLC
 Review Period: Sept 2022 - Aug 2023

Category Gas
 Auditor/AE: ECortez
 Billing Date: 4/1/2024
 P&I Calculation Date: 4/30/2024
 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
Sep-22	08-52056	1,383	1	\$5.761	1.205941	\$9,604.87	\$1,200.61	\$0.00	\$1,200.61	532	4.25%	\$120.06	\$68.12	\$1,386.79
Oct-22	08-52056	1,417	1	\$2.510	1.204397	\$4,284.90	\$535.61	\$0.00	\$535.61	502	4.25%	\$53.56	\$27.63	\$616.80
Nov-22	08-52056	1,224	1	\$2.507	1.199893	\$3,681.64	\$460.20	\$0.00	\$460.20	471	8.50%	\$46.02	\$44.15	\$550.37
Dec-22	08-52056	1,153	1	\$2.935	1.217909	\$4,122.68	\$515.33	\$0.00	\$515.33	440	8.50%	\$51.53	\$45.72	\$612.58
Jan-23	08-52056	1,330	1	\$2.481	1.188985	\$3,923.54	\$490.44	\$0.00	\$490.44	412	8.50%	\$49.04	\$40.32	\$579.80
Feb-23	08-52056	852	1	\$1.473	1.190716	\$1,493.75	\$186.72	\$0.00	\$186.72	381	8.50%	\$25.00	\$14.00	\$225.72
Mar-23	08-52056	1,329	1	\$0.866	1.162556	\$1,338.63	\$167.33	\$0.00	\$167.33	351	8.50%	\$25.00	\$11.38	\$203.71
Apr-23	08-52056	2,104	1	\$0.141	1.109643	\$328.90	\$41.11	\$0.00	\$41.11	320	8.50%	\$25.00	\$2.50	\$68.61
May-23	08-52056	2,424	1	\$0.716	1.107563	\$1,921.24	\$240.15	\$0.00	\$240.15	290	8.50%	\$25.00	\$12.92	\$278.07
Jun-23	08-52056	2,100	1	\$1.187	1.113791	\$2,777.55	\$347.19	\$0.00	\$347.19	259	8.50%	\$34.72	\$16.17	\$398.08
Jul-23	08-52056	2,219	1	\$2.029	1.113487	\$5,014.15	\$626.77	\$0.00	\$626.77	228	8.50%	\$62.68	\$24.67	\$714.12
Aug-23	08-52056	1,722	1	\$1.623	1.11181	\$3,107.50	\$388.44	\$0.00	\$388.44	198	8.50%	\$38.84	\$12.57	\$439.85
TOTALS		19,259				\$41,599.35	\$5,199.90	\$0.00	\$5,199.90			\$556.45	\$318.15	\$6,074.50

COMMENTS: BILLING ON UNDER REPORTED GAS VOLUMES TO THE GLO FOR UNIT 9867 (08-52056)

COLUMN (3) UNDER REPORTED VOLUMES: REPORTED RRC VOLUMES MINUS REPORTED GLO2 VOLUMES
 COLUMNS (5) & (6) REPORTED GLO2 PRICES AND BTU FACTORS WERE USED
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/trac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.cortez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
 PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

EMAIL: Kristen Butcher
kbutcher@diamondbackenergy.com

65

File No. MF 117293

County

Recor Billing

Date Filed: 6/3/2024

Commissioner Dawn Buckingham, M.D.

By: VD

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA240077

Unit Number 13577
Operator Name Energen Resources Corporation
Customer ID C000043130
Unit Name Quarterback State Unit 3-4
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Standard
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth Surface
To Depth
Well
Formation Base of Wolfcamp
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 01/01/2024
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		322.363750	640.454350	0.50333603	O/G	0.12500000	0.06291700	
MF117481		2.625000	640.454350	0.00409865	O/G	0.12500000	0.00051233	
MF117801		280.000000	640.454350	0.43718963	O/G	0.12500000	0.05464870	
MF117949		29.212500	640.454350	0.04561215	O/G	0.12500000	0.00570152	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF118244		0.750000	640.454350	0.00117104	O/G	0.12500000	0.00014638	
MF118260		1.640600	640.454350	0.00256162	O/G	0.12500000	0.00032020	No
MF118556		2.362500	640.454350	0.00368879	O/G	0.12500000	0.00046110	
MF119424		1.500000	640.454350	0.00234209	O/G	0.12500000	0.00029276	No

API Number

4238934700, 4238935254, 4238935255, 4238935256, 4238939023, 4238939024

Remarks: Update effective January 1, 2024.

Prepared By: Jim
GLO Base Updated By: Jim
RAM Approval By: UD
GIS By: JA
Well Inventory By: Jim

Prepared Date: 06/04/2024
GLO Base Date: 06/04/2024
RAM Approval Date: 06/04/2024
GIS Date: 06/10/2024
WI Date: 06/04/2024

Pooling Committee Report

To: School Land Board

UPA240077

Date of Board Meeting:

Unit Number: 13577

Effective Date: 01/01/2024

Unit Expiration Date:

Applicant: Energen Resources Corporation

Attorney Rep:

Operator: Energen Resources Corporation

Unit Name: Quarterback State Unit 3-4

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF117293	0.12500000	12/01/2018	46 months	864.876813	322.363750	0.06291700
RAL	MF117481	0.12500000	10/04/2017	3 years	2.850000	2.625000	0.00051233
RAL	MF117801	0.12500000	10/01/2018	3 years	280.000000	280.000000	0.05464870
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	29.212500	0.00570152
RAL	MF118244	0.12500000	06/13/2019	3 years	0.834000	0.750000	0.00014638
RAL	MF118260	0.12500000	08/26/2019	3 years	1.640600	1.640600	0.00032020
RAL	MF118556	0.12500000	01/06/2020	3 years	4.370000	2.362500	0.00046110
RAL	MF119424	0.12500000	03/21/2021	3 years	5.247080	1.500000	0.00029276

Private Acres:	0.000000
State Acres:	640.454350
Total Unit Acres:	640.454350

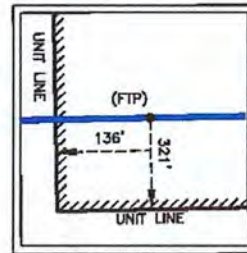
Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	100.00%
State Net Revenue Interest:	12.50%

Unit Type:	Unitized for:
Standard	Oil And Gas
Term:	

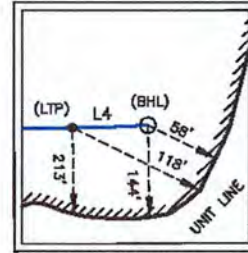
RRC Rules:	Spacing Acres:
No	

LINE	LATERAL	DISTANCE
L1	SHL TO POP	7,861'(TVD)
L2	POP TO FTP	3,477'
L3	FTP TO LTP	12,064'
L4	LTP TO BHL	62'
TOTAL LENGTH FROM FTP TO LTP = 12,064'		

NO.	MINERAL OWNERS	ACREAGE
1	STATE RAL	360 AC.
2	STATE RAL	280 AC.
TOTAL = 640 AC.		



DETAIL "A" N.T.S.



DETAIL "B" N.T.S.
UNIT LINE



H.&T.C.R.R.CO.
SECTION 76
BLOCK 33
ABSTRACT 1199

H.&T.C.R.R.CO.
SECTION 76
BLOCK 33
ABSTRACT 1288

LOVING COUNTY
WARD COUNTY

H.&T.C.R.R.CO.
SECTION 76
BLOCK 33
ABSTRACT 982

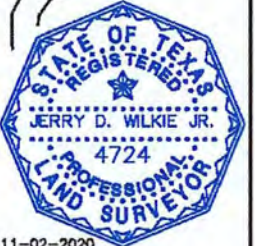
DIAMONDBACK E&P LLC

(LTP)(MD:23,402')
SEE DETAIL "B"

PECOS RIVER

QUARTERBACK STATE
UNIT 3-4 603H
(BHL)(MD:23,464')

NAD27
X:984618.61
Y:733727.17
LAT:31.643145°
LONG:103.596593°



JERRY D. WILKIE, JR.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 4724

T.&P.R.R.CO
SECTION 1
BLOCK 54 T4
ABSTRACT 771

H.&G.N.R.R.CO.
SECTION 3
BLOCK 3
ABSTRACT 48

H.&G.N.R.R.CO.
SECTION 4
BLOCK 3
ABSTRACT 5979

QUARTERBACK STATE UNIT 3-4 #701H

QUARTERBACK STATE UNIT 3-4 #601H

QUARTERBACK STATE UNIT 3-4 #801H

QUARTERBACK STATE UNIT 3-4 #7701H

QUARTERBACK STATE UNIT 3-4 602H

H.&G.N.R.R.CO.
SECTION 4
BLOCK 3
ABSTRACT 4212

QUARTERBACK STATE UNIT 3-4 603H

UNIT LINE

H.&G.N.R.R.CO.
SECTION 5
BLOCK 3
ABSTRACT 380

QUARTERBACK STATE
UNIT 3-4 602H
QUARTERBACK STATE
UNIT 3-4 603H

DETAIL WELL LAYOUT
N.T.S.

RS JOHNSON
SECTION 88
ABSTRACT 3963

NAD27
X:973800.15
Y:729982.01
LAT:31.631977°
LONG:103.630985°

(POP)
(TVD:7,861')

(FTP)
(MD:11,338')
SEE DETAIL "A"

NAD27
X:975178.50
Y:727790.32
LAT:31.626066°
LONG:103.626350°

T.&P.R.R.CO
SECTION 9
BLOCK 54 T4
ABSTRACT 775

WARNING: PLAT MAY NOT SHOW ALL CROSSINGS OF PIPELINES OR CABLES.
USE TEXAS ONE CALL SYSTEM BEFORE EXCAVATION ON PROPERTY.

DIAMONDBACK E&P LLC

QUARTERBACK STATE UNIT 3-4 603H AS-DRILLED
QUARTERBACK STATE UNIT 3-4 640 ACRES (CALLED)

N 27°40'36" W 16.0 MILES FROM PECOS, TEXAS
SITUATED IN
H. & G.N.R.R.CO., SECTION 4, BLOCK 1, ABSTRACT 4212
REEVES COUNTY, TEXAS

NOTES:
1. SURVEY RECONSTRUCTION FILED IN THE OFFICE OF ATWELL, L.L.C.
2. ALL BEARING AND COORDINATES SHOWN ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1927, CENTRAL ZONE.
3. THE ABOVE SKETCH REPRESENTS THE LOCATION AS STAKED ON THE GROUND AND IS FOR PERMIT PURPOSE ONLY.

LEGEND

- N.T.S. NOT TO SCALE
UNIT LINE
SECTION LINE
AS-DRILLED LATERAL
- SURFACE HOLE LOCATION (SHL)
PENETRATION OF POINT (POP)
 - FIRST TAKE POINT (FTP)
LAST TAKE POINT (LTP)
 - BOTTOM HOLE LOCATION (BHL)



DRAWN	RCJ	DATE	10-09-20
CHECKED	LF	DATE	10-09-20
APP'D		DATE	
SCALE	1"=1000'	PAGE	1 OF 1
REV#	INT.	DATE	DESC.
JOB NAME	QUARTERBACK STATE UNIT 3-4 603H AS-DRILLED		
JOB NO.	E&P PROJECTS		

WELL NUMBER	UNIT CALLS	SECTION CALLS	NAD. 27 TEXAS STATE PLANE COORDINATES	NAD. 27 GEOGRAPHIC COORDINATES (DMS)	NAD. 27 GEOGRAPHIC COORDINATES (DD)	NAD. 83 GEOGRAPHIC COORDINATES (DD)
603H SHL	315' FSWL 472' FSEL	315' FSWL 472' FSEL	Y=728357.37 X=975194.02	LAT:= 31°37'39.45"N LONG:= 103°37'34.87"W	LAT:= 31.627628°N LONG:= 103.626354°W	LAT:= 31.627756°N LONG:= 103.626813°W
603H POP	208' FSEL 2,191' FSWL	208' FSEL 2,191' FSWL	Y=728018.72 X=974790.97	LAT:= 31°37'35.96"N LONG:= 103°37'39.42"W	LAT:= 31.626657°N LONG:= 103.627616°W	-----
603H FTP	136' FSWL 321' FSEL	136' FSWL 321' FSEL	Y=728134.30 X=975122.99	LAT:= 31°37'37.23"N LONG:= 103°37'35.82"W	LAT:= 31.627007°N LONG:= 103.626561°W	-----
603H LTP	12,168' FSWL 118' FSEL	12,168' FSWL 118' FSEL	Y=734577.04 X=985284.77	LAT:= 31°38'43.92"N LONG:= 103°35'40.32"W	LAT:= 31.645534°N LONG:= 103.594533°W	-----
603H BHL	12,230' FSWL 58' FSEL	12,230' FSWL 58' FSEL	Y=734610.67 X=985336.88	LAT:= 31°38'44.27"N LONG:= 103°35'39.73"W	LAT:= 31.645631°N LONG:= 103.594369°W	-----

66.

File No. MF117293

Reeves County

Unit 13577 - Quarterback State Unit 3-4

Date Filed: 06/04/2024

Commissioner Dawn Buckingham, M.D.

By: Jm

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA240143

Unit Number 13825
Operator Name Diamondback E&P LLC
Customer ID C000089009
Unit Name Misbehaving State Unit C-19-19-14 (BPO)
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Standard
State Net Revenue Interest Oil 0.17909486
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth 7640.000000
To Depth 13044.000000
Well
Formation Top of Bone Springs to Base of Wolfcamp
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 03/21/2018
Unitized For Oil And Gas
Unit Term

Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		238.039213	951.000000	0.25030411	O/G	0.12500000	0.03128801	
MF117484		3.959032	951.000000	0.00416302	O/G	0.12500000	0.00052038	
MF117736		206.720000	951.000000	0.21737119	O/G	0.12500000	0.02717140	
MF117949		21.566940	951.000000	0.02267817	O/G	0.12500000	0.00283477	

API Number
4238936966, 4238936969, 4238936970

This unit is only for wells in before payout status.

Prepared Date:	09/24/2024
GLO Base Date:	09/24/2024
RAM Approval Date:	09/24/2024
GIS Date:	2/13/25
WI Date:	09/24/2024

Pooling Committee Report

To: School Land Board

UPA240143

Date of Board Meeting:

Unit Number: 13825

Effective Date: 03/21/2018

Unit Expiration Date:

Applicant: Diamondback E&P LLC

Attorney Rep:

Operator: Diamondback E&P LLC

Unit Name: Misbehaving State Unit C-19-19-14 (BPO)

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF117293	0.12500000	12/01/2018	46 months	864.876813	238.039213	0.03128801
RAL	MF117484	0.12500000	10/04/2017	3 years	4.512740	3.959032	0.00052038
RAL	MF117736	0.12500000	06/18/2018	3 years	206.720000	206.720000	0.02717140
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	21.566940	0.00283477
RAL	MF118244	0.12500000	06/13/2019	3 years	0.834000	0.553708	0.00007278
RAL	MF118543	0.12500000	01/25/2020	3 years	67.500000	67.500000	0.00887224
RAL	MF119424	0.12500000	03/21/2021	3 years	5.247080	1.107400	0.00014556
RAL UNL	MF121518	0.25000000	10/17/2017		0.692136	0.553707	0.00014556
U Fee	MF118128	0.25000000	07/19/2019	3 years	411.000000	411.000000	0.10804416

Private Acres:	0.000000
State Acres:	951.000000
Total Unit Acres:	951.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	17.91%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

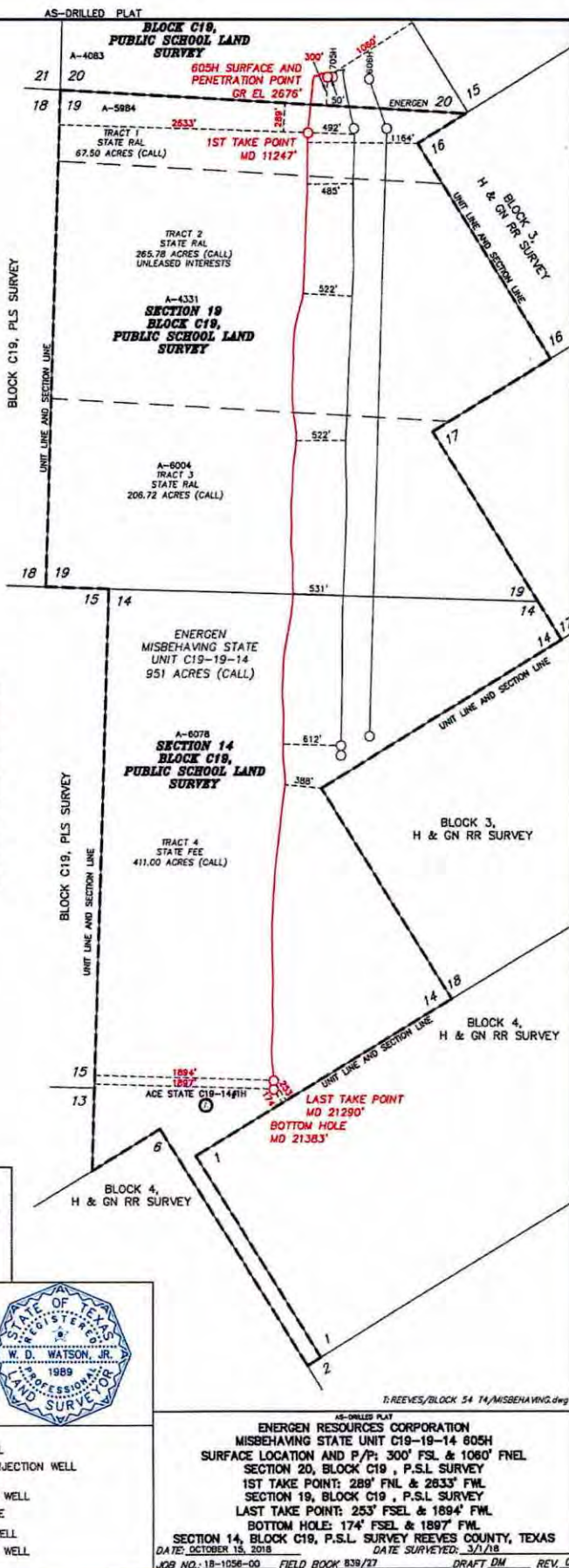
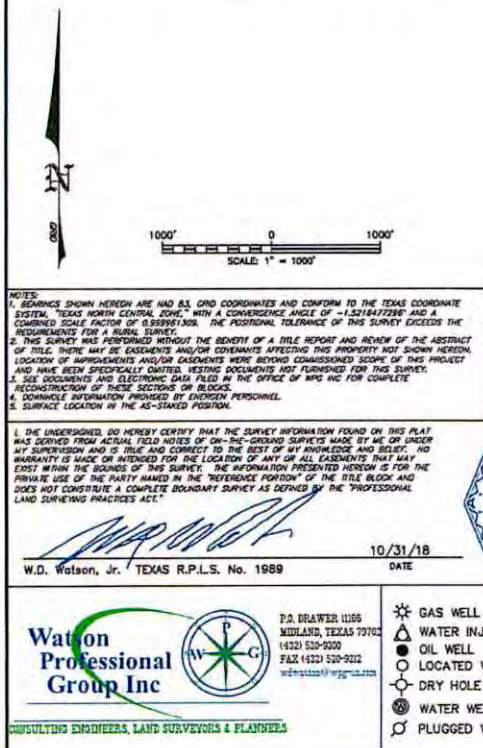
NAD 27, TEXAS CENTRAL ZONE

S/L: N=714757.3, E=1000972.3	LAT=N1.5923153 N, LONG=-103.5426276 W
1ST: N=714717.9, E=1000663.5	LAT=N1.5907906 N, LONG=-103.5432443 W
L/P: N=704108.5, E=1000303.1	LAT=N1.5632266 N, LONG=-103.5434754 W
B/L: N=704035.6, E=1000303.1	LAT=N1.5629713 N, LONG=-103.5434658 W

NAD 83, TEXAS CENTRAL ZONE

S/L: N=10557333.1, E=1297336.4	LAT=N1.5924464 N, LONG=-103.5430828 W
1ST: N=10556754.0, E=1297127.6	LAT=N1.5908405 N, LONG=-103.5436993 W
L/P: N=10546764.2, E=1295767.3	LAT=N1.5633582 N, LONG=-103.5438302 W
B/L: N=10546671.3, E=1296767.3	LAT=N1.5631028 N, LONG=-103.5439218 W

APPX. 11.9 MILES NW OF PECOS, TEXAS



File No. ME117293
Rooves County
Unit 13825 - Misbehaving State Unit
C-19-19-14 (BPO) 9/24/2024
Date Filed: _____
Commissioner Dawn Buckingham, M.D.
By: Jm

Updated to reflect all
pooled acreage now being
leased.

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA240144

Unit Number 13826
Operator Name Diamondback E&P LLC
Customer ID C000089009
Unit Name Misbehaving State Unit C-19-19-14
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Standard
State Net Revenue Interest Oil 0.17902208
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth 7640.000000
To Depth 13044.000000
Well
Formation Top of Bone Springs to Base of Wolfcamp
Participation Basis Surface Acreage
Unit Term
Effective Date 07/01/2021
Unitized For Oil And Gas
Old Unit Number **Inactive Status Date**
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117293		238.039213	951.000000	0.25030411	O/G	0.12500000	0.03128801	
MF117484		3.959032	951.000000	0.00416302	O/G	0.12500000	0.00052038	
MF117736		206.720000	951.000000	0.21737119	O/G	0.12500000	0.02717140	
MF117949		22.120648	951.000000	0.02326041	O/G	0.12500000	0.00290755	

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF118128		411.000000	951.000000	0.43217666	O/G	0.25000000	0.10804416	No
MF118244		0.553708	951.000000	0.00058224	O/G	0.12500000	0.00007278	
MF118543		67.500000	951.000000	0.07097792	O/G	0.12500000	0.00887224	No
MF119424		1.107400	951.000000	0.00116446	O/G	0.12500000	0.00014556	No

API Number

4238936966, 4238936969, 4238936970

Remarks:

Prepared By: Jm
GLO Base Updated By: Jm
RAM Approval By: JD
GIS By: RC
Well Inventory By: Jm

Prepared Date: 01/30/2025
GLO Base Date: 01/30/2025
RAM Approval Date: 01/30/2025
GIS Date: 2/13/25
WI Date: 01/30/2025

Pooling Committee Report

To: School Land Board

UPA240144

Date of Board Meeting:

Unit Number: 13826

Effective Date: 07/01/2021

Unit Expiration Date:

Applicant: Diamondback E&P LLC

Attorney Rep:

Operator: Diamondback E&P LLC

Unit Name: Misbehaving State Unit C-19-19-14

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF117293	0.12500000	12/01/2018	46 months	864.876813	238.039213	0.03128801
RAL	MF117484	0.12500000	10/04/2017	3 years	4.512740	3.959032	0.00052038
RAL	MF117736	0.12500000	06/18/2018	3 years	206.720000	206.720000	0.02717140
RAL	MF117949	0.12500000	02/08/2019	3 years	78.519600	22.120648	0.00290755
RAL	MF118244	0.12500000	06/13/2019	3 years	0.834000	0.553708	0.00007278
RAL	MF118543	0.12500000	01/25/2020	3 years	67.500000	67.500000	0.00887224
RAL	MF119424	0.12500000	03/21/2021	3 years	5.247080	1.107400	0.00014556
U Fee	MF118128	0.25000000	07/19/2019	3 years	411.000000	411.000000	0.10804416

Private Acres:	0.000000
State Acres:	951.000000
Total Unit Acres:	951.000000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	100.00%
State Net Revenue Interest:	17.90%

Unit Type:	Unitized for:
Standard	Oil And Gas
Term:	

RRC Rules:	Spacing Acres:
No	

AS-DRILLED PLAT

LEASE	DESCRIPTION	LENGTH
ENERGEN	SHL TO TR LN	302'
STATE RAL-TRACT 1	TR LN TO FIP	289'
STATE RAL-TRACT 1	FIP TO TR LN	450'
STATE RAL-TRACT 2	TR LN TO TR LN	2497'
STATE RAL-TRACT 3	TR LN TO TR LN	1918'
STATE FEE-TRACT 4	TR LN TO LTP	5157'
STATE FEE-TRACT 4	LTP TO TERMINUS	93'
TOTAL DISTANCE FROM SHL - TERMINUS: 10712'		

NAD 27, TEXAS CENTRAL ZONE	
S/L: N=714757.2', E=1000872.3'	LAT=31.5923153 N, LONG=103.5426278 W
ISR: N=714178.9', E=1000863.5'	LAT=31.5907095 N, LONG=103.5432443 W
LTP: N=704188.5', E=1000303.1'	LAT=31.5632266 N, LONG=103.5434754 W
B/H: N=704095.6', E=1000303.1'	LAT=31.5629713 N, LONG=103.5434589 W
NAD 83, TEXAS CENTRAL ZONE	
S/L: N=10257333.1', E=1297336.4'	LAT=31.5924464 N, LONG=103.5430828 W
ISR: N=10256754.8', E=1297272.6'	LAT=31.5908405 N, LONG=103.5436993 W
LTP: N=10246764.2', E=1296767.3'	LAT=31.5633582 N, LONG=103.5439302 W
B/H: N=10246871.3', E=1296767.3'	LAT=31.5631028 N, LONG=103.5439218 W
APPX. 11.9 MILES NW OF PECOS, TEXAS	



1000' 0 1000'

SCALE: 1" = 1000'

NOTES:

1. BEARINGS SHOWN HEREON ARE NAD 83 GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE, WITH A CONVERGENCE ANGLE OF +1.57141259" AND A COMBINED SCALE FACTOR OF 0.999999999. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A PUBLIC SURVEY.
2. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF EASEMENTS AND/OR COVENANTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. HEADING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
3. SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WDS AND FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OF BLOCKS.
4. COMPILED INFORMATION PROVIDED BY ENERGEN PERSONNEL.
5. SURFACE LOCATION IN THE AS-DRILLED POSITION.

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OR ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OF ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

Watson Professional Group Inc



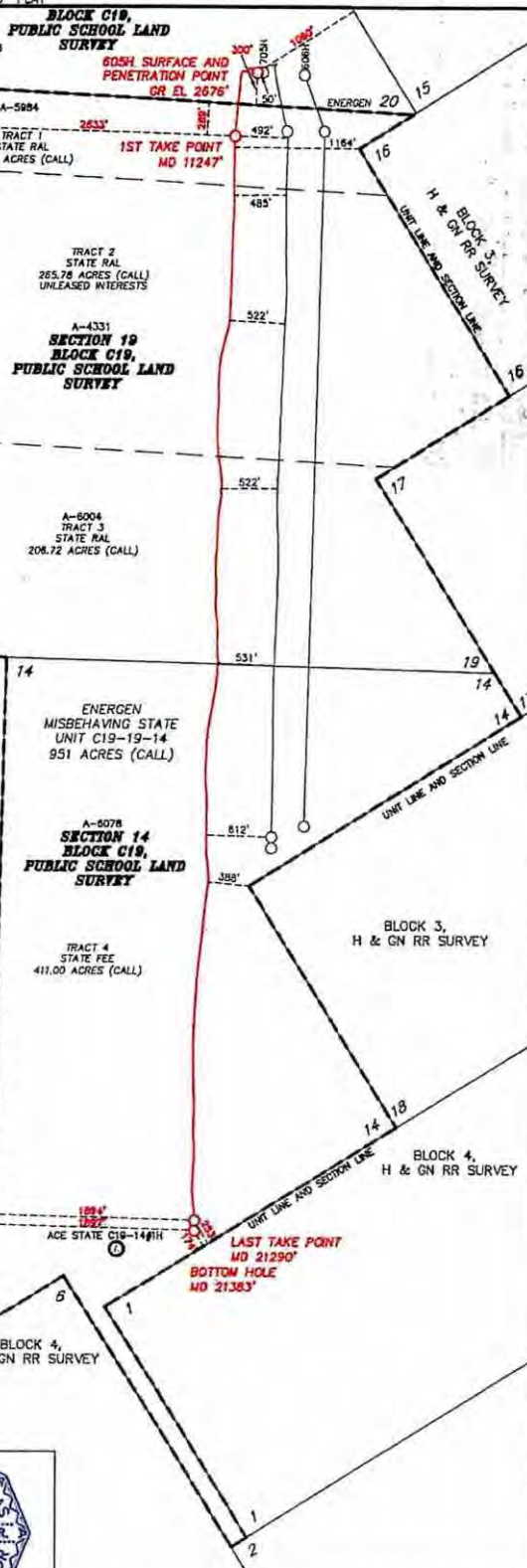
P.O. BOX 11056
MIDLAND, TEXAS 79702
(432) 520-9200
FAX (432) 520-9212
info@watsongroup.com

- ✱ GAS WELL
- ⚙ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- WATER WELL
- ⊕ PLUGGED WELL



W.D. Watson, Jr. TEXAS R.P.L.S. No. 1989

10/31/18
DATE



T:\REVIEWS\BLOCK 34 T4\MISBEHAVING.dwg

ENERGEN RESOURCES CORPORATION
MISBEHAVING STATE UNIT C19-19-14 605H
SURFACE LOCATION AND P/P: 300' FSL & 1060' FNL
SECTION 20, BLOCK C19, P.S.L. SURVEY
1ST TAKE POINT: 289' FNL & 2833' FWL
SECTION 19, BLOCK C19, P.S.L. SURVEY
LAST TAKE POINT: 253' FSEL & 1894' FWL
BOTTOM HOLE: 174' FSEL & 1897' FWL

SECTION 14, BLOCK C19, P.S.L. SURVEY REEVES COUNTY, TEXAS
DATE, OCTOBER 15, 2018 DATE SURVEYED, 9/1/18
JOB NO.: 18-1058-00 FIELD BOOK: 839/87 DRAFT DM REV. 0

File No. MF117293

Reeves County

Unit 13826 - Misbehaving State Unit

C-19-19-14
Date Filed: 01/30/2025

Commissioner Dawn Buckingham, M.D.

By: Jm