

MF117310

PSA 00469

Lease Type
Free Royalty

Control

Basefile

County

08-029803

149560

REEVES

Survey

Public School Land

Block

57

Block Name

Township

Section/Tract

27

Land Part

Acres

Net: 640.000000 Gross: 640.000000

Depth Below

Depth Above Depth Other

Name

CIMAREX ENERGY CO

Lease Date

8/1/2010

Primary Term

3 years

Bonus

\$0.00

Lease Royalty

0.06250000

Paid Up

NA

Leasing: Q

Maps: _____

GIS: MC

Scanlab: _____



CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff



Contents of Mineral File Number: 117310

1. Basefile info + plat 01/13/15

2. Lease 03/04/15

3. Ltr from Cimarex 03/04/15

Scanned SM 10/1/15

4. Request to Gas Lift 3/30/17

5. Agree to Gas Lift 3/30/17

Scanned SM 5/30/2017

(See MF 111342 Item #32. Production Sharing Agreement #00469 9/13/22)

Scanned PT 22 Sept 2022

(See MF 111342 Item #33
PSA 00469 Hardcastle State 27-34-39
Sharing Area 10/25/22)

Scanned PT 27 Oct 2022

(See MF 111342 #39, Commingling 3/9/23)

(See MF 111342 #40, Division Order)

Scanned A 7-14-2023

**Basefile Number - 149560**

Information for this County -

REEVES COUNTY[Related ALAMO Record](#)[Download GIS Data](#)[Energy Lease Information](#)**IDENTIFICATION NUMBERS****LAND CLASS NUMBER - 08****CONTROL NUMBER 08-029803****SURVEY INFORMATION****SURVEY NAME - PSL****GRANTEE NAME - Clinton, Mack****ABSTRACT - 5473****BLOCK - TOWNSHIP - PSL 57****SECTION NUMBER - 27****SECTION/PART - 27****CURRENT ACRES - 640.000000****ORIGINAL ACRES - 640.00**

1/14

PATENT INFORMATION:**PATENTEE NAME - McGowen, R B Jr and Moore, J T Jr****DISTRICT - Bexar****CLASSIFICATION - School****FILE NUMBER - 149560****PATENT DATE - 08 Aug 1967****CERTIFICATE -****PATENT NUMBER - 365****PATENT VOLUME - 35-B****PAGE - 143****LEASE INFORMATION****Pooling Agreements within this Unit:****6741****6840****Concurrent Oil & Gas Leases in this Parcel:****MF111341****MF111342****HISTORIC LEASES FOR THIS PARCEL****Historical Oil & Gas Leases in this Parcel:****MF100138****MF100139****MF106998****MF106999**



Printed: Jan 13, 2015

1.
File No. 117310

County

Basefile info & plat

Date Filed: 01/13/15

George P. Bush, Commissioner

By [Signature]

FILE # 4098

OIL AND GAS LEASE

NOTICE: PRIOR TO RECORDING THIS INSTRUMENT, A NATURAL PERSON MAY REMOVE OR STRIKE HIS/HER SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER THEREFROM.

THIS AGREEMENT made this 1st day of August, 2010 between Moore Capital, Ltd., LP, 3508 Laurel Ledge Lane, Austin, Texas 78731, Lessor and Cimarex Energy Co., 600 North Marienfeld, Suite 600, Midland, Texas 79701, Lessee.

WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets unto Lessee for the purpose of investigating, exploring, conducting geophysical operations, prospecting, drilling and producing oil and gas, from the following described land in Reeves County, Texas, to-wit:

All of Section 27, Block 57, PSL Survey, Reeves County, Texas,

and containing 640 acres, more or less. No water from any source from said land shall be used for any purposes without written consent of Lessor.

2. Subject to the other provisions herein contained, the lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced and sold in paying quantities from said land hereunder.

3. The Royalties to be paid Lessor are:

3(a) On oil (including condensate and other liquid hydrocarbons) 1/4th of the value of oil that flows from a well on said land. Lessee shall pay Lessor the market value thereof at the well purchased by a non-affiliated third party. Non-affiliated third party is one in which Lessee owns no interest and has no agreement with, except for the purchase of oil. If oil is purchased by an affiliated third party, then the value of the oil is that of the highest market price in the area of like gravity or the amount received by Lessee, which ever is greater.

3(b) On gas, including casinghead gas or other gaseous substances that flow from a well on said land, the value at the well head of 1/4th of the gas, or at Lessor's option 1/4th of the proceeds of the sale of gas by Lessee, whichever yields the higher value; where gas from said land is processed in a plant for the purpose of extracting products therefrom, Lessor shall receive as royalty 1/4th of the amount realized by Lessee at the plant of the products so extracted and 1/4th of the value of the residue gas remaining after extractions of said products.

3(c) If gas is gathered by, or sold to an affiliated third party of Lessee, then Lessee will pay Lessor's cost of making the gas market ready, which includes compressing, dehydrating, treating and transporting gas to the trunk pipeline. Affiliated third party means any person or entity in which there is any ownership or shared beneficial interest with Lessee.

3(d) Notwithstanding the provisions of (b) above, Lessor may elect one (1) time only, to take in kind its royalty share of gas and gaseous substances produced. Once the election is made, all of Lessor's gas shall be marketed by Lessor, and delivered to Lessor, free of production costs, by Lessee at the wellhead.

3(e) Whenever Lessor takes its royalty share of oil or gas in kind, it shall construct or cause to be constructed, such facilities as may be necessary in connection with such taking in kind at or near Lessee's facilities, at Lessor's sole cost and expense.

3(f) In addition to Lessor's royalty or share of the oil and gas provided above, Lessee agrees to pay Lessor 1/4th of the total value or money received, whichever is the greater (free of cost to Lessor), of any contract, agreement, exchange or other bargain that Lessee may enter into that in anywise pertains to any of the oil or gas under the land, whether produced or not, and of the total of any other benefit Lessee may receive under any incident of ownership of this lease. Such



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payment to Lessor shall be at the same time Lessee receives the value or money. Such payment or obligation of payment shall not extend the term of this lease or diminish any other obligation of Lessee under this lease agreement. This paragraph 3(f) is not applicable to any value or payment received by Lessee for a bona fide sale of any of Lessee's interest in this lease to another party or entity.

3(g) After expiration of the primary term, if there is a gas well on said land capable of producing gas in paying quantities, and if gas is not being sold for a period in excess of ninety (90) days, and this lease is not then being maintained in force and effect under the other provisions hereof, this lease shall automatically terminate unless Lessee shall pay as royalty on or before ninety (90) days from the date production of gas ceases, a sum (herein called "shut-in royalty") of Five Dollars (\$5.00) for each acre of land subject to this lease on the date of payment, and upon such payment this lease shall remain in force as to the acreage for which such payment is made for a period of one (1) year from the date of such payment; this lease shall automatically terminate at the expiration of each period of one (1) year for which payment of shut-in royalty has been made unless on or before the expiration of such period of one (1) year, Lessee shall pay a shut-in royalty computed as hereinabove provided, and upon each such payment, this lease shall remain in force as to the acreage for which such payment is made for an additional period of one (1) year; provided, however, that after the expiration of the primary term of this lease, the payment of shut-in royalty shall not maintain this lease in force or effect to any extent for any period in excess of two (2) consecutive years during which there is no actual production of oil or gas, nor drilling, reworking or other operations, under which the term of this lease is extended by some other provision, and no such payment shall be treated or considered as advance royalty payment on any gas produced from the land.

4. This is a paid-up oil and gas lease for a primary term of three (3) years.

5. (a) If oil or gas is not being produced and sold from said land in paying quantities at the expiration of the primary term hereof, then this lease shall ipso facto terminate as to both parties unless Lessee is engaged in actual drilling of an oil and/or gas well thereon or reworking operations thereon, then this lease shall remain in force as long as said drilling and reworking operations are diligently prosecuted with no cessation of more than a total of sixty (60) days, and if the drilling or reworking operations result in the production and sale of oil and/or gas in paying quantities, then so long thereafter as oil and/or gas in paying quantities is produced and sold from said land, but subject to the termination or partial termination provisions contained herein. If, after the expiration of the primary term, production and sale of oil and/or gas in paying quantities on a particular proration unit that has not previously terminated should cease for any cause, this lease as to that proration unit shall remain in force as long as drilling or reworking operations are commenced within sixty (60) days after such cessation and are thereafter diligently prosecuted with no cessation of more than a total of sixty (60) days, and if said reworking operations result in the production and sale of oil and/or gas in paying quantities, so long thereafter as oil and/or gas in paying quantities is produced and sold from said proration unit.

5(b) Notwithstanding anything contained herein to the contrary, if at the end of the primary term, oil and/or gas is being produced and sold, or if this said lease is otherwise in force and effect as to all acreage, so long as Lessee commences to drill (and continues to drill with due diligence) an oil and/or gas well, or reenters an existing oil and/or gas wellbore every eight (8) months after the end of the primary term, then this lease shall continue. Upon failure to begin drilling a new well or reenter an existing well every eight (8) months after the primary term, this lease shall ipso facto terminate as to all acreage except for acreage surrounding a producing well in paying quantities in the form, as nearly as possible, of a square or rectangular tract (a producing unit) containing the number of acres permitted by the Railroad Commission of the State of Texas for a proration unit under applicable field rules, but never to be less than forty (40) acres for an oil well and not to exceed three hundred and twenty (320) acres for a gas well for a producing unit, unless the Railroad Commission of the State of Texas requires a larger production unit (acres) for a maximum production allowable for the production of gas, but not to exceed six hundred and forty (640) acres for gas well for a producing unit. Thereafter, any producing unit formed under the provisions of this paragraph 5(b) shall also ipso facto terminate sixty (60) days after cessation of production of oil and gas in paying quantities from the producing well thereon, unless there are ongoing operations to drill, rework, or recompleat the well on the producing unit and said drilling, reworking or recompleat



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operations result in production in paying quantities thereon, then the producing unit shall not terminate so long as the well is producing in paying quantities. This lease shall also ipso facto terminate (i) at the occurrence of the expiration of the primary term or end of the continuous drilling operations contemplated by this paragraph as to all depths within each such producing unit deeper than one hundred feet (100') below the deepest depth drilled in any well therein, and (ii) three (3) years after the end of the primary term (or on cessation for more than sixty (60) consecutive days of any drilling or reworking operations then in progress in such producing unit, whichever is later) as to all depths within such producing unit deeper than one hundred feet (100') below the deepest then producing depth of any well therein. Provided, however, that if a shut-in gas well(s), capable of producing in paying quantities, is located on the acreage contained herein, and if Lessee has adhered to the provisions of paragraph 3(g) hereof, this lease shall remain in full force and effect as to the producing unit around each well with the same depth limitations immediately set forth above for the period of time provided in paragraph 3(g) hereof.

6. If a well capable of producing oil, gas or other hydrocarbon in paying quantities shall be completed hereafter on land (whether or not owned by Lessor), other than the leased land, within one thousand feet (1,000') on an adjoining proration unit, established by proper regulatory authority, to the leased land, then within one hundred eighty (180) days after such well shall have been completed on such other land, (or in case of a gas or gas condensate well, within one hundred eighty (180) days after commencement of first production of gas therefrom) Lessee shall commence operations for, and shall thereafter diligently prosecute the drilling of an offset well on the proration unit on the leased land off-setting the adjoining proration unit to the depth of the producing formation. Lessee has the option to release the off-set proration unit as to the stratigraphic equivalent of the producing interval in the well producing on the adjoining acreage. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas in paying quantities from the same formation on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land.

7. This lease may NOT be assigned in whole, or in part, without written consent of Lessor, except to an affiliate or subsidiary business entity of Lessee, and Lessee shall remain liable and responsible for the obligations of the Lessee herein, and any attempted assignment shall be void, and if assigned with written permission, the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. Written permission to assign this Lease shall not be unreasonably withheld by Lessor. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a copy of a recorded instrument evidencing same.

8. Lessor, hereby agrees that Lessee at its option may discharge any tax, mortgage or other lien bearing upon the mineral interest of Lessor with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other payments to be paid Lessor shall be reduced proportionately.

9. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement or requirement hereof is delayed or interrupted by any law, order of the Government of the United States or of any State or other governmental body, or act of God which results in Lessee being prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, or regulation is terminated and for a period of ninety (90) days after such termination and after such act of God, each and every provision of this lease that might operate to terminate it shall be suspended. If any period of suspension occurs during the primary term, the time thereof shall be added to the primary term.

10. Lessee agrees to indemnify and hold Lessor harmless from all liability, loss, damage, expense and obligations resulting from injury to (including the death of) persons or damage to property, pollution, environment, air space, surface and subsurface, of any kind arising out of or in connection with Lessee's, its successors' or assigns', operations on the leased premises.

11. Lessor does not warrant title to the mineral rights hereunder except to the extent of any royalties received from that portion of the land to which the mineral title shall fail or a



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proportionate part of said royalties in the event of failure of title to an undivided interest in said portion. Notwithstanding the fact that the Lessor has executed this lease on the above described lands, and the ownership is now, or in the future may be in separate tracts or parcels, this lease shall be treated as an entirety, except that royalties as to any producing well or shut-in gas well shall be payable to the owner or owners of the royalty in the respective tracts upon which the producing well or shut-in gas well is located.

12. Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public.

13. At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells.

14. Lessee shall have the option, but not the obligation, of extending the primary term of this lease in whole or in part for an additional two (2) years from the expiration of the primary term by payment to Lessor on or before the expiration of the primary term, a sum equal to the original bonus paid per net mineral acre.

15. If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee.

This oil and gas lease agreement shall be binding upon and shall inure to be benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable).

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

MOORE CAPITAL, LTD., a Texas Limited Partnership

BY: JTM INVESTMENTS, INC.,
ITS GENERAL PARTNER

By: J. Tatum Moore, III
J. Tatum Moore, III, President

ACCEPTED:
CIMAREX ENERGY CO.

By: [Signature]



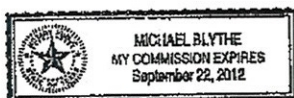
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ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF REEVES *Travis*

The foregoing instrument was acknowledged before me this 21st day of August, 2010, J. Tatum Moore, III, President of JTM Investments, Inc., the General Partner of Moore Capital, Ltd., LP, on behalf of said corporation.

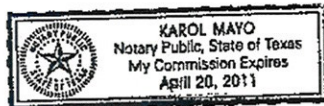


[Signature]
Notary Public, State of Texas.

STATE OF TEXAS

COUNTY OF REEVES *Midland*

This instrument was acknowledged to before me this the 18th day of October, 2010, by Roger Alexander as Attorney-in-Fact of Cimarex Energy Co., on behalf of said corporation.



[Signature: Karol Mayo]
Notary Public, State of Texas.

FILE # 4098

FILED FOR RECORD ON THE 3RD DAY OF NOVEMBER A.D. 2010 10:44 A.M.

DULY RECORDED ON THE 9TH DAY OF NOVEMBER A.D. 2010 9:00 A.M.

BY: *[Signature: Dalia Helms]* DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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



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13-02939
FILED FOR RECORD
REEVES COUNTY, TEXAS
Apr 30, 2013 at 01:18:00 PM

**ACKNOWLEDGEMENT OF EXERCISED OPTION TO
EXTEND OIL, GAS AND MINERAL LEASE**

WHEREAS, Moore Capital, Ltd, LP, whose address is 3508 Laurel Ledge Lane, Austin, Texas, 78731, as Lessor, executed an Oil, Gas and Mineral Lease dated August 1, 2010, in favor of Cimarex Energy Co., as Lessee, covering: All of Section 27, Block 57, Public School Land Survey, Reeves County, Texas. Said original Oil, Gas and Mineral Lease is filed at Volume 856, Page 386, Official Records of Reeves County, Texas to wit:

WHEREAS, the above described Oil, Gas and Mineral Lease is for a three (3) year primary term, with an option to extend said lease for an additional two (2) years. Said option may be exercised by the payment of an additional bonus consideration to Lessor.

NOW THEREFORE, the option to extend said Oil, Gas and Mineral Lease for an additional period of two (2) years, has been duly exercised, insofar as the entirety of the acreage covered thereby. Also, that said lease is in full force and effect, and remains unchanged, insofar as all other provisions contained therein.

This Notice is placed of record for purposes of evidencing that the primary term of the Lease has been extended to August 1, 2015.

IN WITNESS WHEREOF, this instrument is executed this 19th day of April 2013.

LESSEE:

Roger Alexander
Roger Alexander, Attorney-in-fact for Cimarex Energy Co.

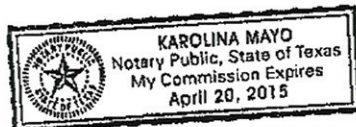
STATE OF TEXAS §
COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this day personally appeared Roger Alexander known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-in-fact 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 19th day of April, 2013.

My commission expires:

4/30/2015



Karolina Mayo
Notary Public, State of TEXAS

Inst No. 13-02939
DIANNE O. FLOREZ
COUNTY CLERK
2013 Apr 30 at 01:18 PM
REEVES COUNTY, TEXAS
By: AC Jurora Calanche, DEPUTY



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FILE # 3409

OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 20th day of August, 2010 between R. B. McGowen, III, a married man dealing in his sole and separate property and Jack Louis McGowen, a married man dealing in his sole and separate property, whose address is 2628 Sherwood Dr., Sherman, Texas 75092 hereinafter called Lessor (whether one or more), and Cimarex Energy Co., hereinafter called Lessee, whose address is 600 North Marinfeld Street, Ste 600, Midland, Texas 79701.

1. Lessor, in consideration of TEN AND OTHER DOLLARS (\$10.00) in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and operating for and producing oil and gas, injecting gas, waters, other fluids and air into subsurface strata, laying pipelines, storing oil, building tanks, roadways, telephone lines and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Reeves County, Texas, to-wit:

All of Section 27, Block 57, PSL Survey

Said land is estimated to comprise 640.0000 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this Lease shall remain in force for a term of three (3) years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.
3. The royalties to be paid by Lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipeline in which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 1/4 of the gas used, provided that on gas sold on or off the premises, the royalties shall be 1/4 of the amount realized from such sale; (c) at any time when this Lease is not validated by other provisions hereof and there is a well capable of producing gas and/or condensate on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, this Lease shall nevertheless not terminate, and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities so long as such well remains capable of so producing. If such well remains shut in for more than 90 consecutive days, and if this Lease is then or at any time thereafter not being maintained in force and effect by some other provision hereof, Lessee shall pay or tender to Lessor thereupon, and annually thereafter on or before the anniversary of the date Lessee became obligated for the first such payment until actual production of oil, gas or condensate has commenced from such well or some other well on the leased premises or lands pooled therewith, a shut-in royalty equal to \$1.00 per net acre of Lessor's oil and gas acreage then held under this Lease by the party making such payment or tender. So long as said shut-in royalty is paid or tendered, this Lease shall not terminate, and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this Lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this Lease in the same manner as though a proper payment had been made if Lessee shall correct such error within 30 days after Lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable Lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event Lessee compresses, treats, purifies or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, Lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.
4. This is a paid-up lease, and Lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this Lease in force during the primary term; however, this provision is not intended to relieve Lessee of the obligation to pay royalties on actual production pursuant to paragraph 3 hereof.
5. Lessee is hereby granted the right and power, from time to time, to pool or combine this Lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the governmental regulatory authority having jurisdiction of well spacing and density for the pool or area in which said land is situated, plus a tolerance of 10%; provided that if no such standard proration unit is so fixed or prescribed, such pooled units shall not exceed 40 acres for oil wells, plus a tolerance of 10%, or 640 acres for gas wells, plus a tolerance of 10%, or such larger area as may be prescribed or permitted by such governmental authority to be assigned to each well for purposes of a well spacing or density pattern or in the allocation of producing allowable. Lessee shall file written unit designations for record in the office of the county clerk of the county in which the premises are located, and such units may be designated from time to time and either before or after the completion of wells. Drilling Operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this Lease. There shall be allocated to the land covered by this Lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this Lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this Lease. Any pooled unit designated by Lessee, as provided herein, may be amended or dissolved by Lessee by filing an appropriate instrument for record in the office of the county clerk of the county where the land is situated at any time after the original designation of such unit.
6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but Lessee has commenced operations for drilling or reworking thereon, this Lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this Lease shall not terminate if Lessee commences operations for additional drilling or for reworking within 60 days thereafter, and shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells. If any drilling, additional drilling, or reworking operations hereunder result in production, then this Lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

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.

McGowen, R. B., III Lease.docx

Page 1 of 3



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ACKNOWLEDGMENTS

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Texas §
COUNTY OF Grayson §

This instrument was acknowledged before me this 27 day of August, 2010, by R. B. McGowan, III, a married man dealing in his sole and separate property.

My commission expires:
7-9-14



Tusca M. Orr
Notary Public, State of Texas

STATE OF Texas §
COUNTY OF Grayson §

This instrument was acknowledged before me this 27 day of August, 2010, by Jack Louis McGowan, a married man dealing in his sole and separate property.

My commission expires:
7-9-14



Tusca M. Orr
Notary Public, State of Texas



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Reeves County
Clerks Office

ADDENDUM TO OIL, GAS LEASE

This addendum is attached to, incorporated into, and made a part of, that certain Oil, Gas and Mineral lease (the "Lease"), executed by Jack Louis McGowen and R. B. McGowen III, as Lessor, to Cimarex Energy Company, as Lessee, dated August 20, 2010 covering property located in Reeves County, Texas, and being generally described as follows:

All of Section 27, Block 57, PSL Survey.

It is understood and agreed that by the acceptance of the Lease by Lessee, the terms, provisions, and conditions contained in this Addendum shall be, and are, included in such Lease by reference as if fully as if set forth therein at length, and the terms of this addendum shall amend, modify, supercede, and override all other and inconsistent terms, provisions, covenants, and conditions of said Lease, as follows:

1. The royalty provided by the Lease shall be 1/4 of production of oil, gas, and associated liquid or liquefiable hydrocarbons.
2. This lease is limited to the production of oil, gas, and associated liquid or liquefiable hydrocarbons produced through a well bore, and does not cover or include any other minerals or materials whatsoever.
3. Lessee's right to maintain this lease in force after the primary term by the payment of shut-in royalty payments or other payments in lieu of production shall not continue beyond any shut-in periods of more than two (2) years in the aggregate, and upon reaching the two (2) year aggregate maximum continuation of the lease by any such payments, whether in one or more periods, this lease shall terminate unless oil, gas, or associated hydrocarbons are being produced in paying quantities.
4. Shut in royalty shall be \$100.00 per net mineral acre per year payable to Lessor at Lessor's last known address within thirty days after declaring such shut-in payments applicable to extend the lease.
5. At the expiration of the primary term hereof, this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a well unit, as hereinafter defined, unless lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or then engaged in the drilling or reworking of any well on the leased premises and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises have been fully developed, as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of primary term if production is established under this lease prior to the expiration of primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in, or otherwise allocated to, a well unit. For the purpose hereof, the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed and permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed and permitted by the applicable rules and regulation of the governmental authority having jurisdiction. "Completion" as defined herein shall be the date of the official potential test. At expiration of the primary term or this continuous development program, whichever is later, Lessee shall also release this lease as to all depths one hundred feet below the deepest depth from which oil or gas is being produced in each well unit. At the expiration of primary term of this continuous development program, each such well shall be treated as a separate oil and gas lease.
6. Time is of the essence of the Lease and all of the requirements under the Lease and this addendum.

Signed for Identification

R B McGowen III
R. B. McGowen, III

Jack Louis McGowen
Jack Louis McGowen

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 # 3409

FILED FOR RECORD ON THE 24TH DAY OF SEPTEMBER A.D. 2010 1:25 P.M.

DULY RECORDED ON THE 28TH DAY OF SEPTEMBER A.D. 2010 9:00 A.M.

BY: [Signature] DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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

13-02930
FILED FOR RECORD
REEVES COUNTY, TEXAS
Apr 30, 2013 at 01:18:00 PM

**ACKNOWLEDGEMENT OF EXERCISED OPTION TO
EXTEND OIL, GAS AND MINERAL LEASE**

WHEREAS, R. B. McGowen, III, a married man dealing in his sole and separate property and Jack Louis McGowen, a married man dealing in his sole and separate property, whose address is 2628 Sherwood Dr., Sherman, Texas, 75092, as Lessor, executed an Oil, Gas and Mineral Lease dated August 20, 2010, in favor of Cimarex Energy Co., as Lessee, covering: All of Section 27, Block 57, Public School Land Survey, Reeves County, Texas. Said original Oil, Gas and Mineral Lease is filed at Volume 852, Page 808, Official Records of Reeves County, Texas to wit:

WHEREAS, the above described Oil, Gas and Mineral Lease is for a three (3) year primary term, with an option to extend said lease for an additional two (2) years. Said option may be exercised by the payment of an additional bonus consideration to Lessor.

NOW THEREFORE, the option to extend said Oil, Gas and Mineral Lease for an additional period of two (2) years, has been duly exercised, insofar as the entirety of the acreage covered thereby. Also, that said lease is in full force and effect, and remains unchanged, insofar as all other provisions contained therein.

This Notice is placed of record for purposes of evidencing that the primary term of the Lease has been extended to August 20, 2015.

IN WITNESS WHEREOF, this instrument is executed this 18th day of April, 2013.

LESSEE:

Roger Alexander
Roger Alexander, Attorney-in-fact for Cimarex Energy Co.

STATE OF Texas §
COUNTY OF Midland §

BEFORE ME, the undersigned authority, on this day personally appeared Roger Alexander known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-in-fact 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 18th day of April, 2013.

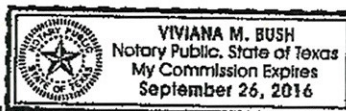
My commission expires:

September 26, 2016

Inst No. 13-02930
DIANNE O. FLOREZ
COUNTY CLERK
2013 Apr 30 at 01:18 PM
REEVES COUNTY, TEXAS

By: AC Aurora Colonchi DEPUTY

Viviana M. Bush
Notary Public, State of Texas



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

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File No. 117310

County _____

Lease

Date Filed: 03/04/15

George P. Bush, Commissioner

By _____



DEPARTMENT OF AGRICULTURE
STATE OF FLORIDA
TALLAHASSEE, FLORIDA

Office of the Commissioner
Tallahassee, Florida

TO THE HONORABLE COMMISSIONER OF AGRICULTURE
Tallahassee, Florida

FROM THE HONORABLE COMMISSIONER OF AGRICULTURE
Tallahassee, Florida

RE: [Illegible text]

TO THE HONORABLE COMMISSIONER OF AGRICULTURE
Tallahassee, Florida

FROM THE HONORABLE COMMISSIONER OF AGRICULTURE
Tallahassee, Florida

RE: [Illegible text]

FROM THE HONORABLE COMMISSIONER OF AGRICULTURE
Tallahassee, Florida

RECEIVED BY THE DEPARTMENT OF AGRICULTURE
TALLAHASSEE, FLORIDA

117310

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, TX 79701
MAIN 432.571.7800



March 2, 2015

Via-Federal Express

Mineral Leasing Division
Texas General Land Office
Attn: Drew Reid
P.O. Box 12873
Austin, TX 78701-1495

FR
MF-117310

**RE: Moore Capital, Ltd., LP
Section 27, Block 57
Reeves County, Texas**

**R.B. McGowen, III and Jack Louis McGowen
Section 27, Block 57
Reeves County, Texas**

Dear Mr. Reid,

Please find enclosed two (2) copies of the certified copies of the *Oil and Gas Lease*, and *Acknowledgment of Exercise Option to Extend Oil, Gas and Mineral Lease* for the above-referenced fee leases associated to the Castle 57-27 #1H.

If there is anything further that you should require, please contact Mr. Hayden Tresner at (432) 571-7856 or by email at htresner@cimarex.com.

Sincerely,

CIMAREX ENERGY CO.

A handwritten signature in blue ink, appearing to read "Priscilla Sanchez", is written over the printed name.

Priscilla Sanchez
Land Department
(432) 620-1968

Drew Reid - RE: Question

From: Hayden Tresner <htresner@cimarex.com>
To: Drew Reid <Drew.Reid@GLO.TEXAS.GOV>
Date: 3/2/2015 2:23 PM
Subject: RE: Question
CC: Priscilla Sanchez <psanchez@cimarex.com>
Attachments: 20150302140104635.pdf

Drew,

Attached are Certified copies of Cimarex's OGLs covering Sec. 27, Block 57, PSL Survey, Reeves County, Texas.

This is a Free Royalty tract.

The Castle 57-27 #1H is located on the tract.

The attached is being mailed to your attention in today's mail.

-Hayden
(432) 571-7856

From: Drew Reid [Drew.Reid@GLO.TEXAS.GOV]
Sent: Monday, March 02, 2015 1:25 PM
To: Hayden Tresner
Subject: Re: Question

Yes Hayden, I can make those work.
Drew

>>> Hayden Tresner <htresner@cimarex.com> 3/2/2015 1:03 PM >>>
Drew,

I have two fee OGL's covering a Free Royalty tract. I ordered Certified copies from the Clerk's office but the originals were misplaced. However, I do have copies of the Certified copies. Will these work for your files?
-Hayden

File No. 117310
 _____ County
Ltr from Cimarex
 Date Filed: 03/04/15
 George P. Bush, Commissioner
 By _____

Cimarex Energy Co.
202 S. Cheyenne Ave.
Suite 1000
Tulsa, Oklahoma 74103-4346
PHONE: 918.585.1100
FAX: 918.585.1133



March 6, 2017

Texas General Land Office
Matthew Scott
Mineral Leasing
1700 N. Congress
Austin, TX 78701

Re: State Lease No: 117310
Gas Lift Gas Usage
Castle 57-27 1H
Reeves County, Texas

Dear Mr. Scott,

Cimarex Energy respectfully requests approval for off-lease gas lift on the above referenced General Land Office (GLO) lease. The gas lift gas will be routed through a gas lift meter located at the well head (#420067015G).

Cimarex will continuously meter the off-lease gas to be utilized for gas lift purposes. The gas BTU content and component analysis obtained at the gas lift meter shall be determined by gas sample chromatographic analysis.

Please feel free to contact me with any questions regarding the commingling at 918-560-7275.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sheli Armstrong", is written over the printed name.

Sheli Armstrong
Regulatory Analyst

276 4

File No. ME117310

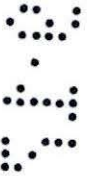
REEVES County

REQUEST TO GAS LIFT

Date Filed: 3/30/17

George P. Bush, Commissioner

By MT SCOTT





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 28, 2017

Certified Mail: 7016 2070 0000 7391 7987

Ms. Sheli Armstrong
Regulatory Analyst
Cimarex Energy Co.
202 S. Cheyenne Ave.
Suite 1000
Tulsa, Oklahoma 74103-4346

RE: Your Letter Dated 03/6/2017 Requesting Authority to Utilize Gas Produced on the Leased Premises for Gas Lift Purposes and/or to Use Off-Lease Gas for Gas Lift or Gas Lift Makeup Supply as Applicable to the Castle 57-27 Lease, Free Royalty MF117310, Reeves County, Texas.

Dear Ms. Armstrong:

General Land Office staff has reviewed your letter dated March 6, 2017 that requested permission to utilize gas lift as an artificial lift method on the leased premises and to use off-lease gas for the gas lift supply to the wells on the lease.

Pursuant to the terms of the applicable State lease, please be advised that the request to utilize gas lift on the lease and to commingle the gas produced by the wells on the lease with the off-lease gas used for gas lift supply is approved subject to the following conditions:

1. Lessee shall install and utilize square-edged orifice meters and meter tubes per all applicable specifications and requirements of API MPMS 14.3/AGA Report No. 3 for gas measurement.
2. Lessee shall continuously meter the gas lift supply to each well and the gas that passes through any other gas lift supply and distribution meter.
3. The gas BTU content and component analysis obtained at each lease/unit gas meter shall be determined by gas sample chromatographic analysis.

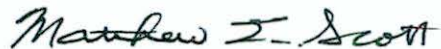
Please be advised that if the volumes and energy content of the off-lease gas supply are deducted directly from the volumes reported by the lease facility meters discharging into a gas gathering system, then the actual lease production volumes and royalty due amounts may be under-reported due to the commingling of the off-lease gas with that of the gas produced from the lease wells. Not all of the gas that passes through an off-lease gas lift supply meter and/or a buy-back

Ms. Sheli Armstrong
Cimarex Energy Co.
March 28, 2017
Page 2 of 2

gas meter is returned through the lease facility meters since a portion is consumed as lease use and absorbed by the oil.

If you have questions, please contact me at (512) 475-2230, or by FAX at (512) 475-1543. My e-mail address is matthew.scott@glo.state.tx.us

Sincerely,

A handwritten signature in black ink that reads "Matthew T. Scott". The signature is written in a cursive, slightly slanted style.

Matthew T. Scott, P.E.
Petroleum Engineer
Energy Resources/Mineral Leasing

cc: Robert Hatter, Deputy Director of Energy Resources
Dale Sump, Director of Minerals Audit

File No. MF117310

REEVES County

AGREE TO GAS LIFT

Date Filed: 3/30/17

George P. Bush, Commissioner

By MT SCOTT