MF117681

#8841
DRR - good to 5/20/22

Lease Type	Control	Basefile	County
RAL	07-109531	151857	REEVES
	07-109559	095255	REEVES

Survey	T & P Ry Co
Block	54
Block Name	
Township	4-S
Section/Tract	6
Land Part	
Acres	Net: 240.000000 Gross: 320.000000

Depth Below	Depth Above	Depth Other
10633		Specified Depths

Name	DOUBLE EAGLE DEVELOPMENT LLC
Lease Date	5/20/2015
Primary Term	3 years
Bonus	$180,000.00
Lease Royalty	0.12500000
Paid Up	Yes

Leasing: QC
Maps: SH
GIS: MEV
Scanlab: ______

STOP

CAUTION

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

Thank you for your assistance.

Archives and Records Staff

M F 1 1 7 6 8 1

F1103577

Contents of Mineral File Number: 117681

1. RAL Review Sheet 6-9-15	scanned PJ 10-23-2020
2. Email Re: Lease Terms	see MF117669 #44 Division Order
and RRC Forms 389-32727 5-7-15	scanned PJ 11 Oct 2022
3. Bonuses and fees 6-9-15	see MF117669 #45 Division Order
4. Lease 7-23-15	scanned PJ 1-27-2023
5. Final Letter 7-31-15	see MF117669 #46 Division Order
Scanned SM 3/10/16	Scanned WM 3-7-2023
(See MF088349 #59, Asn # 9416	(See MF117669 #47, Comm EXMPTN & Gas lift Apprvl 10/19/23)
Double Eagle to Panther 8-3-15	(See MF ~~117681~~ 109880 #52, Comm EXMPTN & Gas lift Apprvl 10/19/23)
See MF088349 #63, Asn # 9554	(See MF117669 #48, Comm EXMPTN & Gas lift Apprvl 10/19/23)
(Refile of 9416) Double Eagle to Panther 3-30-16	Scanned SM 10/31/2023
See MF109880 #18, Assign #9598	10. Recon Billing 7/9/2024
Panther to CP2 5-20-16)	Scanned SM 07/10/2024
scanned PJ 8-1-16	
(See MF075080 #50. Assign #10221	
Panther & CP2 to RKI 4-26-17	
Scanned SM 5/30/2017	
See #19 in M-117669 For the	
Herc State Unit, #8841	
scanned PJ 1-30-2018	
6. Division Order 10/30/18	
scanned PJ 11-16-2018	
7. Reconciliation Billing 8/26/19	
scanned PJ 9-10-2019	
scanned PJ 9-27-2019	
See M-117669 #28 Recorded PSA Packet 1-6-19	
8. DRR Payment 6/5/20	
9. Letter accepting DRR 6/5/20	

RAL REVIEW SHEET

MF-117681

Working File #: RAL157819

MF:

Lessor: Hamilton Family Living Trust

Lease Date: 05/20/2015

UI: Yes

Lessee: Double Eagle Development Llc

Gross Acres: 320.00

Net Acres: 240.00

LEASE DESCRIPTION

County	Control #	Base File No	Part	Sec	Block	Twp	Survey	Abst No
Reeves	07-109531	151857	NE/4	6	54	4-S	T & P Ry Co	5791
Reeves	07-109559	095255	SE/4	6	54	4-S	T & P Ry Co	1998

TERMS OFFERED

Primary Term: 3 Years

Bonus / Acre: $1,500.00

	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: $1,500.00

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

Royalty 0.250000

COMPARISONS

Lease No	Lessee	Lease Date	Primary Term	Bonus/Acre	Rental/Acre	Royalty	Distance

Comments: paid up

Approved: DR 6.10.15

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office George P. Bush, Commissioner

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

FROM: Robert Hatter, Mineral Leasing

Applicant: Double Eagle Development Llc County: Reeves

Prim. Term: 3 Years Bonus/Acre: $1,500.00

Royalty: 0.25000000

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

Consideration

Recommended: RJH Date: 7/03/15

Not Recommended:

Comments: paid up

✓ Lease Form

Recommended: RJH Date: 7/03/15

Not Recommended:

Comments:

Rene D. Truan, Director, PSF Income Division Date: 7/10/2015

Recommended: RDT

Not Recommended:

Mark Havens, General Counsel Date: 7/13/2015

Recommended: MH

Not Recommended:

Anne Idsal, Chief Clerk Date: 7/13/2015

Approved: AI

Not Approved:

George P. Bush, Commissioner Date: 7/13/2015

Approved: GPB

Not Approved:

1.

File No. MF 117681

RAL Review Sheet

Date Filed: 6-9-15

George P. Bush, Commissioner

By JK

Drew Reid - Re: Section 6 Blk 54 T-4 T&P

From: Drew Reid
To: sawyer, kenneth
Date: 5/7/2015 10:12 AM
Subject: Re: Section 6 Blk 54 T-4 T&P

Kenneth,
$600.00 per ac. for the wolfcamp formation in Reeves Co. will not work.
We are in the process of cleaning these leases up as to the depth
that was severed at the end of the two year development period.
It looks like that will be 11,650 ft. as to the language in the two unit agreements.
It will take $1500.00 per ac. to lease the wolfcamp formation.
Drew

>>> kenneth sawyer <ok.landman@yahoo.com> 5/6/2015 1:58 PM >>>
Mr. Reid,
1430930064610_28658 dir=ltr>In regards to our previous phone conversation pertaining to **Section 6 Blk 54 T-4 T&P** where Sullivan Land Resources on behalf of Energen had negotiated a lease for the Deep Rights 100' below the stratigraphic equivalent of 10,509' with each of the following listed mineral owners. It was our intent to release these depths from the current leases and then take a new lease on the same depths. The original leases were taken at **$300.00** per nma. Each of the mineral owners listed had agreed to **$300.00** per nma for the new leases with a **1/4 royalty and a 3 year term** on the Deep Rights 100' below the stratigraphic equivalent of 10,509'. Upon speaking with you by phone you requested I get with my client to come up with a more reasonable offer that will be acceptable to all parties. After some deliberation Energen has responded stating they are willing to double their current bonus offer to make it $600.00 per nma. Again this is for the deep rights only and they feel this would be an acceptable compromise. Will this be acceptable to the state of Texas or at least presentable to the board. If so we will have the new leases @ $600.00 per nma executed.
1429197510199_3839 dir=ltr>
1429197510199_3839 dir=ltr>
1429197510199_3839 dir=ltr>**Section 6 Blk 54 T-4 T&P**

1429197510199_4097 dir=ltr>

- Mary Louise Cardwell - **SW/4 -160 Net Acres** / 160 Gross Acres - $600 per nma , 1/4 Royalty
- Hamilton Family Living Revocable Trust, dated January 16, 2001, Nancy Hamilton, Sole Trustee - **E/2 - 240 Net Acres** / 320 Gross Acres $600 per nma , 1/4 Royalty
- Clifford Blatchley and Betty Blatchley Revocable Trust U/A/D 12/11/2000, Deborah A. Blatchley, Trustee - **NW/4 80 Net Acres** / 160 Gross Acres $600 per nma , 1/4 Royalty
- Lawrence Wayne Mcgee- **S/2 NW/4- 20 Net Acres** / 80 Gross Acres - $600 per nma, 1/4 Royalty

Please give me a call at your convenience to discuss.

1430930064610_28501 class=signature>
Thank you,

Kenneth Sawyer, Landman
Sullivan Land Resources Inc.
(405) 463-3300 Office
28500>(405) 205-4921 Cell

On Thursday, April 16, 2015 11:00 AM, kenneth sawyer <ok.landman@yahoo.com> wrote:

1429197510199_3839 dir=ltr>Mr. Reid,
1429197510199_3839 dir=ltr>**1429197510199_4249 class=yiv7834800635>Section 6 Blk 54 T-4 T&P** Sullivan Land Resources on behalf of Energen has negotiated a lease for the Deep Rights 100' below the stratigraphic equivalent of 10,509' with each of the following listed mineral owners. It is our intent to release these depths from the current leases and then take a new lease on the same depths. The original leases were taken at **1429197510199_4479 class=yiv7834800635>$300.00** per nma. Each of the mineral owners listed has agreed to **1429197510199_4476 class=yiv7834800635>$300.00** per nma for the new leases with a **1/4 royalty and a 3 year term** on the Deep Rights 100' below the stratigraphic equivalent of 10,509'. We have the executed leases and are prepared to send them to you for your approval. Before doing so I wanted to see if this will be acceptable to the State of Texas?
1429197510199_3839 dir=ltr>
1429197510199_3839 dir=ltr>
1429197510199_3839 dir=ltr>**Section 6 Blk 54 T-4 T&P**

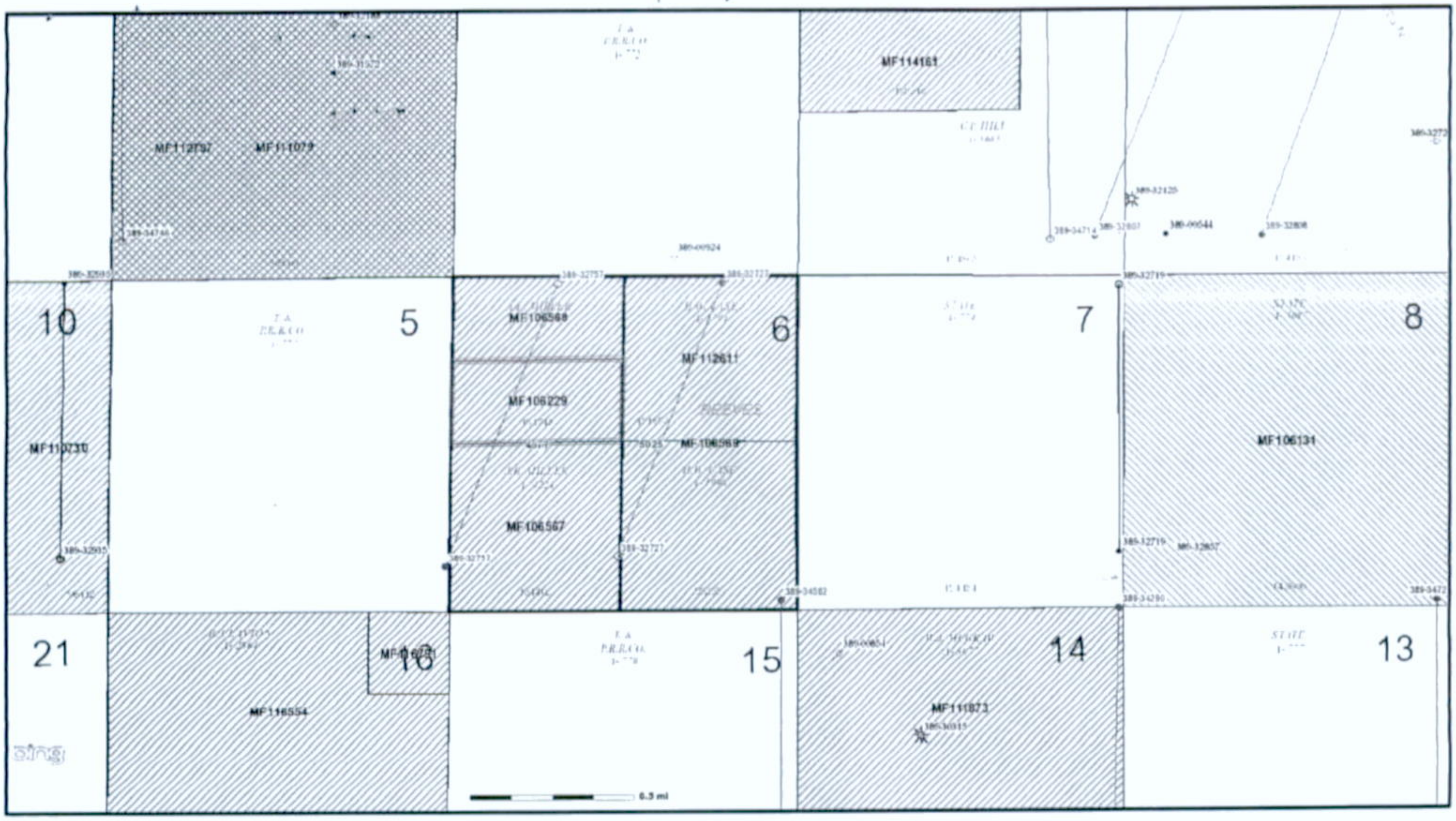
1429197510199_4097 dir=ltr>

- Mary Louise Cardwell - **SW/4 -160 Net Acres** / 160 Gross Acres - $300 per nma , 1/4 Royalty
- Hamilton Family Living Revocable Trust, dated January 16, 2001, Nancy Hamilton, Sole Trustee - **E/2 - 240 Net Acres** / 320 Gross Acres $300 per nma , 1/4 Royalty
- Clifford Blatchley and Betty Blatchley Revocable Trust U/A/D 12/11/2000, Deborah A. Blatchley, Trustee - **NW/4 80 Net Acres** / 160 Gross Acres$300 per nma , 1/4 Royalty

Will this agreement be acceptable to the State of Texas?

1429197510199_3873 class=yiv7834800635signature>
Thank you,

Kenneth Sawyer, Landman
Sullivan Land Resources Inc.
(405) 463-3300 Office
4005>(405) 205-4921 Cell



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.

Printed: May 06, 2015

Unit #'s 4977 + 5025

MF #'s 106229 - S/2 NW/4   IN unit 4977

106567 - SW/4   "

106568 - N/2 NW/4   "

106569 - E/2   IN unit 5025

112611 - NE/4

Bone Springs - oil   St. 54-6 #2   unit 4977

"   St 54-6 #1   unit 5025

Look like they are holding to 11,650 ft. & Top of Wolfcamp

RAILROAD COMMISSION OF TEXAS

Form W-2

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

Status: Approved
Date: 09/28/2012
Tracking No.: 22097

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: ENERGEN RESOURCES CORPORATION
Operator No.: 252002
Operator Address: 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000

WELL INFORMATION

API No.: 42-389-32727
County: REEVES
Well No.: 1
RRC District No.: 08
Lease Name: STATE 54-6
Field Name: TWO GEORGES (BONE SPRING)
RRC Lease No.: 41565
Field No.: 92100050
Location: Section: 6, Block: 54 T4S, Survey: T&P RR CO / CASE, H W, Abstract: 5791

Latitude: 31.62053
Longitude: -103.67209
This well is located miles in a
direction from 16.7 MILES NW OF PECOS,
which is the nearest town in the county.

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing
Completion or Recompletion Date: 06/28/2011

Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	02/11/2011	707783
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION

Spud date:
Date of first production after rig released: 06/28/2011
Date plug back, deepening, recompletion, or drilling operation commenced: 03/06/2011
Date plug back, deepening, recompletion, or drilling operation ended: 05/25/2011
Number of producing wells on this lease in this field (reservoir) including this well: 1
Distance to nearest well in lease & reservoir (ft.): 2384.0
Total number of acres in lease: 640.00
Elevation (ft.): 2811 GR
Total depth TVD (ft.): 10509
Total depth MD (ft.): 14880
Plug back depth TVD (ft.): 10509
Plug back depth MD (ft.): 14880
Was directional survey made other than inclination (Form W-12)? Yes
Rotation time within surface casing (hours):
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No
Multiple completion? No
Type(s) of electric or other log(s) run: None
Electric Log Other Description:
Location of well, relative to nearest lease boundaries **Off Lease :** No
of lease on which this well is located: 467.0 **Feet from the** North **Line and**
467.0 **Feet from the** East **Line of the**
STATE 54-6 **Lease.**

W2: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination Depth (ft.): Date: 01/03/2011

SWR 13 Exception Depth (ft.):

INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION

Date of test: 06/30/2011
Production method: Flowing
Number of hours tested: 24
Choke size: 18/64
Was swab used during this test? No
Oil produced prior to test: 4400.00

PRODUCTION DURING TEST PERIOD:

Oil (BBLS): 267.00
Gas (MCF): 1222
Gas - Oil Ratio: 4576
Flowing Tubing Pressure: 2350.00
Water (BBLS): 960

CALCULATED 24-HOUR RATE

Oil (BBLS): 267.0
Gas (MCF): 1222
Oil Gravity - API - 60.: 44.0
Casing Pressure: 0.00
Water (BBLS): 960

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1		9 5/8	12 1/4	4327			C	1100	2113.0	2021	
2		9 5/8	12 1/4	0	2021		C	750	1230.5	SURF	
3		7	8 3/4	10580			50:50 POX H & TXI	800	1548.0	5980	
4		7	8 3/4	0	5980		50:50 P9OZ H & TXI	800	1778.0	4790 CBL	

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	4 1/2		9989	14880					

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 7/8	9929	9919 /

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 11307	14880.0

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed? No

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment:

Actual maximum pressure (PSIG) during hydraulic fracturing:

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? No

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1		SET CMT RETAINER SQZ OPEN HOLE W/800 SX CMT FOR WATERFLOW.	4294	5500
2		PUMP 300 SX C (TOC 6414) TO SIDETRACK HOLE AROUND FISH LOST WHILE DRILLING. PERFORM CHEMICAL SQZ TO STOP WATERFLOW. PUMP ADDITIONAL 3750 SX CMT PLUG BUT CMT DID NOT SET.	6417	6480
3		FRAC W/20,572 TOTAL FLUID & 1,183,372# PROPANT	11307	14880

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
AVALON		7780.0	7780.0		
2ND BONE SPRING		8730.0	8730.0		
3RD BONE SPRING		10264.0	10295.0		

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)? No

Is the completion being downhole commingled (SWR 10)? No

REMARKS

KOP 10032. PACKERS PLUS OPEN HOLE SYSTEM, TOP PACKER @ 111146, TOP PORT @ 11307.

FISH LOST CONSISTS OF BIT AND MANDREL.

LEASE ACREAGE IS NOW 640; WEST 320 ACRES ADDED AFTER PERMIT APPROVED.

RRC REMARKS

PUBLIC COMMENTS:

[RRC Staff 2012-06-13 13:37:19.586] EDL=3573 feet, max acres=640, TWO GEORGES (BONE SPRING) oil well

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

POTENTIAL TEST DATA:

OPERATOR'S CERTIFICATION

Printed Name: Tracie Cherry	**Title:** Asst. Supervisor Reg/Admin
Telephone No.: (432) 684-3692	**Date Certified:** 05/10/2012

RAILROAD COMMISSION OF TEXAS

Form W-2

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

Status: Approved
Date: 02/23/2015
Tracking No.: 124573

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: ENERGEN RESOURCES CORPORATION
Operator No.: 252002
Operator Address: 3510 N A ST BLDGS A AND B MIDLAND, TX 79705-0000

WELL INFORMATION

API No.: 42-389-32727
County: REEVES
Well No.: 1H
RRC District No.: 08
Lease Name: STATE 54-6
Field Name: TWO GEORGES (BONE SPRING)
RRC Lease No.: 41565
Field No.: 92100050
Location: Section: 6, Block: 54 T4S, Survey: T&P RR CO / CASE, H W, Abstract: 5791

Latitude: 31.62053
Longitude: -103.67209
This well is located 16.7 **miles in a** NW
direction from 16.7 MILES NW OF PECOS,
which is the nearest town in the county.

FILING INFORMATION

Purpose of filing: Well Record Only
Type of completion: Other/Recompletion
Well Type: Producing
Completion or Recompletion Date: 06/28/2011

Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	02/11/2011	707783
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION

Spud date: 03/06/2011
Date of first production after rig released: 06/28/2011
Date plug back, deepening, recompletion, or drilling operation commenced: 03/06/2011
Date plug back, deepening, recompletion, or drilling operation ended: 05/25/2011
Number of producing wells on this lease in this field (reservoir) including this well: 1
Distance to nearest well in lease & reservoir (ft.): 2384.0
Total number of acres in lease: 640.00
Elevation (ft.): 2811 GR
Total depth TVD (ft.): 10509
Total depth MD (ft.): 14880
Plug back depth TVD (ft.): 10509
Plug back depth MD (ft.): 14880
Was directional survey made other than inclination (Form W-12)? Yes
Rotation time within surface casing (hours):
Is Cementing Affidavit (Form W-15) attached? No
Recompletion or reclass? Yes
Multiple completion? No
Type(s) of electric or other log(s) run: None
Electric Log Other Description:

Location of well, relative to nearest lease boundaries of lease on which this well is located:
Off Lease : No
467.0 **Feet from the** North **Line and**
467.0 **Feet from the** East **Line of the**
STATE 54-6 **Lease.**

W2: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination	Depth (ft.): 1700.0		Date: 01/03/2011
SWR 13 Exception	Depth (ft.): 5000.0		

INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION

Date of test:

Production method:

Number of hours tested: 24

Choke size:

Was swab used during this test? No

Oil produced prior to test:

PRODUCTION DURING TEST PERIOD:

Oil (BBLS):

Gas (MCF):

Gas - Oil Ratio: 0

Flowing Tubing Pressure:

Water (BBLS):

CALCULATED 24-HOUR RATE

Oil (BBLS):

Gas (MCF):

Oil Gravity - API - 60.:

Casing Pressure:

Water (BBLS):

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	9 5/8	12 1/4	4327			C	1100	2113.0	2021	Calculation
2	Surface	9 5/8	12 1/4	0	2021		C	750	1230.5	SURF	Circulated to Surface
3	Conventional Production	7	8 3/4	10580			50:50 POX H & TXI	800	1548.0	5980	Calculation
4	Conventional Production	7	8 3/4	0	5980		50:50 P9OZ H & TXI	800	1778.0	4790	Cement Evaluation Log

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	4 1/2		9989	14880					

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 7/8	9929	9919 /

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 11307	14880.0

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed? No

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment:

Actual maximum pressure (PSIG) during hydraulic fracturing:

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? No

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1		SEE FRAC FOCUS	11307	14880

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
AVALON	No	7780.0	7780.0	No	
2ND BONE SPRING	No	8730.0	8730.0	No	
3RD BONE SPRING	No	10264.0	10295.0	No	

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)? No

Is the completion being downhole commingled (SWR 10)? No

REMARKS

WELL RECORD TO CHANGE WELL NUMBER

RRC REMARKS

PUBLIC COMMENTS:

[RRC Staff 2015-02-18 15:11:56.242] EDL=3573 feet, max acres=640, TWO GEORGES (BONE SPRING) oil well

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

POTENTIAL TEST DATA:

OPERATOR'S CERTIFICATION			
Printed Name:	Delia Skinner	**Title:**	Regulatory Analyst
Telephone No.:	(432) 684-3692	**Date Certified:**	01/08/2015

2.

File No. MF 117681

Email re: Lease Terms ~~County~~

and RRC Forms 389-32727

Date Filed: 5-7-15

George P. Bush, Commissioner

By JK

15713092 8300

Double Eagle Development, LLC
PO Box 2508
Fort Worth, TX 76113

FROST BANK
Fort Worth, Texas 76102
[redacted]

6/8/2015

PAY TO THE
ORDER OF Texas General Land Office

$ **180,000.00

One Hundred Eighty Thousand and 00/100** DOLLARS

Security features. Details on back.

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

[redacted]

AUTHORIZED SIGNATURE

MEMO
E2 of Sec 6, Blk 54, T4S, Reeves County

⑈008300⑈

Double Eagle Development, LLC

8300

Texas General Land Office		6/8/2015	
	E2 of Sec 6, Blk 54, T4S, Reeves County		180,000.00

RECEIVED
JUN 09 2015

15713092

Frost National Bank	E2 of Sec 6, Blk 54, T4S, Reeves County	180,000.00

8301

15713093

Double Eagle Development, LLC
PO Box 2508
Fort Worth, TX 76113

FROST BANK
Fort Worth, Texas 76102

[redacted]

6/8/2015

PAY TO THE ORDER OF Texas General Land Office $ **100.00

One Hundred and 00/100*** DOLLARS

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

[redacted]

AUTHORIZED SIGNATURE

MEMO Filing Fee - E2 of Sec 6, Blk 54, Reeves County

⑈008301⑈

Double Eagle Development, LLC

8301

Texas General Land Office		6/8/2015	
	Filing Fee - E2 of Sec 6, Blk 54, Reeves County		100.00

RECEIVED
JUN 09 2015
15713093

Frost National Bank	Filing Fee - E2 of Sec 6, Blk 54, Reeves County	100.00

9208

Double Eagle Development, LLC
PO Box 2508
Fort Worth, TX 76113

FROST BANK
Fort Worth, Texas 76102
[redacted]

16702759

10/27/2015

PAY TO THE ORDER OF Texas General Land Office $ **100.00

One Hundred and 00/100** DOLLARS

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

AUTHORIZED SIGNATURE

Security features. Details on back.

MEMO Hamilton Family Living Revocable Trust - E2 Sec 6,

⑈009208⑈

Double Eagle Development, LLC

9208

Texas General Land Office 10/27/2015

Hamilton Family Living Revocable Trust - E2 Sec 6, 100.00

121
16702759

Frost National Bank Hamilton Family Living Revocable Trust - E2 Se X 100.00

15715031 8602

Double Eagle Development, LLC
PO Box 2508
Fort Worth, TX 76113

FROST BANK
Fort Worth, Texas 76102
[redacted]

7/21/2015

PAY TO THE ORDER OF Texas General Land Office $ **25.00

Twenty-Five and 00/100** DOLLARS

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

[redacted]

AUTHORIZED SIGNATURE

MEMO
Section 6, Block 54 - Reeves County

⑈008602⑈

Double Eagle Development, LLC

8602

Texas General Land Office 7/21/2015

Processing Fee - Hamilton Fam Rev Trust 25.00

15715031

121

Frost National Bank Section 6, Block 54 - Reeves County 25.00

File No. MF117681 3

Bonuses and Fees ~~County~~y

Date Filed: 6-9-15

George P. Bush, Commissioner

By ____

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

15-05786
FILED FOR RECORD
REEVES COUNTY, TEXAS
Jul 01, 2015 at 10:57:00 AM

MF117681

The State of Texas

THE STATE OF TEXAS

Austin, Texas

VOL 1177 PG 0235

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 20th day of May ,2015 , between the State of Texas, acting by and through its agent, The Hamilton Family Living Revocable Trust u/t/a dated January 16, 2001

of 416 Bedford Road, El Paso, TX 79922
(Give Permanent Address)

said agent herein referred to as the owner of the soil (whether one or more), and Double Eagle Development, LLC

of 1401 Ballinger Suite hereinafter called Lessee.
(Give Permanent Address)

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:

The E/2 of Section 6, Block 54, T4S, T&P Ry. Co. Survey; limited to all depths below 10,633' subsurface

containing 320 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: One Hundred Eighty Thousand and no/100
Dollars ($180,000.00)

To the owner of the soil: One Hundred Eighty Thousand and no/100
Dollars ($180,000.00)

Total bonus consideration: Three Hundred Sixty Thousand and no/100
Dollars ($360,000.00)

The total bonus consideration paid represents a bonus of One Thousand – Five Hundred Dollars and no/100 Dollars ($1,500.00) per acre, on 240.00 net acres.

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

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

~~**3. DELAY RENTALS.** If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the ______________________ 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 1/4 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived, in writing, by the royalty owners upon such terms and conditions as they prescribe.

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

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

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

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

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

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

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

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

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.

VOL 1177 PG 0242

LESSEE: Double Eagle Development, LLC

BY: ______________________

Title: Cody C. Campbell, Manager

Date: 5/20/2015

STATE OF TEXAS

BY: Nancy M. Hamilton, Trustee

Individually and as agent for the State of Texas Hamilton Family Living Ano ask Trust

Date: 6-4-15

STATE OF TEXAS (CORPORATION ACKNOWLEDGMENT)

COUNTY OF TARRANT

BEFORE ME, the undersigned authority, on this day personally appeared Cody C. Campbell known to me to be the person whose name is subscribed to the foregoing instruments as Manager of Double Eagle Development, 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 8th day of June, 2015.

Jessica Hawkins
Notary Public,
State of Texas
Expires: 10-20-2018

Jessica Hawkins

Notary Public in and for Tarrant county, Texas

STATE OF Texas (INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF El Paso

BEFORE ME, the undersigned authority, on this day personally appeared Nancy M. Hamiton

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 4 day of June, 2015.

YADIRA SILVA
NOTARY PUBLIC
STATE OF TEXAS
EXPIRES
04-07-2018

Yadira Silva

Notary Public in and for El Paso, TX

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

4.

File No. MF 117681

Lease County

Date Filed: 7-23-15

George P. Bush, Commissioner

By JF

CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

I, hereby certify that this instrument with its certificates of authenticity was FILED on the date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC RECORDS of Real Property of Reeves County, Texas, as indicated.

Date Filed 7-1-15 File # 15-05786 Vol 1177 Page 235

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: [signature] Deputy

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 31, 2015

David M. Rader
Double Eagle Development
1401 Ballinger Street, Suite 200
Fort Worth, Texas 76102

Re: **State Lease MF 117681** RAL Lease dated May 20, 2015, recorded in V. 1177, P. 235, Reeves Co, covering 320 ac., Sec. 6, Blk. 54, T&P Ry Co. Survey, The Hamilton Family Living Revocable Trust, agent for State of TX, Lessor

Dear Mr. Rader:

The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File numbers **MF-117681. Please refer to this lease number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

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

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

Your remittance of **$180,000.00** has been applied to the State's portion of the cash bonus. In addition, we are in receipt of the processing and filing fees.

Sincerely yours,

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

5.

..e No. MF117681

Finall letter County

Date Filed: 7-31-15

George P. Bush, Commissioner

By JK

WPXENERGY

MF117669, MF117672, MF117673, MF117680 + MF 117681

DIVISION ORDER unit 8841

To: **RKI EXPLORATION & PRODUCTION LLC**
Subsidiary of WPX Energy, Inc.
Division Order Department
P. O. Box 3102 MD 44
Tulsa, OK 74101

Date: August 13, 2018
JLL/EJP

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil, gas and related liquid hydrocarbons produced from the property described below and payable by **RKI EXPLORATION AND PRODUCTION LLC** (Payor):

Property Number:	62478458
Property Name:	HERC STATE 6-1H
Operator:	WPX ENERGY PERMIAN LLC
Spacing Acres:	640
County and State:	REEVES, TX
Property Description:	SECTION 6, BLOCK 54, T4S: T&P RR CO ABS:A-5768
	389-36749

Effective Date: 1st Production

Production: ________ Oil ________ Gas ___X___ Both ________ Other

Owner Name and Address: TEXAS GENERAL LAND OFFICE
PO BOX 12873
AUSTIN, TX 78711-2873

OWNER NUMBER: 401460

Type of Interest: TXRRI
Decimal Interest: 0.12499999

If the mailing address above is incorrect, please include your new mailing address when returning this form.

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 at the price agreed to by the operator for oil or gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month or gas produced during the preceding two calendar months 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 payment address or 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.

Special Clauses:

Owner(s) Signature(s): x________________ x________________

Owner(s) Tax I.D. Number(s): ________________ ________________

Owner Daytime Telephone #: ________________ ________________

Owner Secondary Telephone #: ________________ ________________

Owner Email: ________________________________

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 Payor.

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

October 30, 2018

Stacy Hamilton
Division Order Analyst
WPX Energy Permian, LLC
P.O. Box 3102
Tulsa, OK 74101-9827

Re: State Lease Nos. MF117669, MF117672, MF117673, MF117680 and MF117681
HERC State 6-1H Unit 8841

Dear Mrs. Hamilton:

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

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

6.

File No. MF117681

Reeves County

Division Order

Date Filed: 10/30/18

George P. Bush, Commissioner

By VB

7011 1150 0001 2420 2003

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

MF117669
mf117672
3
MF117673
MF117680
MF117681

Postage	$	
Certified Fee		Postmark Here
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	$	

ATTN: LOU ANN GRUBER

Sent To WPX Energy Permian LLC

Street, Apt. No.; or PO Box No. 3500 One Williams CTR

City, State, ZIP+4 Tulsa, OK 74172-0135

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

WPX Energy Permian LLC
Attn: Lou Ann Gruber
3500 One Williams CTR
Tulsa, OK 74172-0135

9590 9402 1749 6074 7752 09

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

7011 1150 0001 2420 2003

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by *(Printed Name)*

C. Date of Delivery

AUG 2 9 2019

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

MF117681

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ...il
- ...il Restricted Delivery
- (over $500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

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

Texas General Land Office
Reconciliation Billing

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

George P. Bush, Commissioner

WPX Energy Permian, LLC
Attn: Lou Ann Gruber
3500 One Williams Ctr
Tulsa, OK 74172-0135

Billing Date: 8/23/2019
Billing Due Date: 9/22/2019
Customer Number: C000048105

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00680	MF117669	$1,841.67	$0.00	$184.17	$97.96	$2,123.80
19I00681	MF117672	$1,841.67	$0.00	$184.17	$97.96	$2,123.80
19I00682	MF117673	$3,683.70	$0.00	$368.37	$195.94	$4,248.01
19I00683	MF117680	$1,841.67	$0.00	$184.17	$97.96	$2,123.80
19I00684	MF117681	$5,525.36	$0.00	$552.54	$293.90	$6,371.80
Total Due		$14,734.07	$0.00	$1,473.42	$783.72	**$16,991.21**

Penalty and interest have been calculated thru 8/31/2019. Payment remitted after 8/31/2019 will result in additional penalty and interest charges.

Contact Info: Andrea Charlton (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

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

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

Detach and return with payment

Reconciliation Billing
WPX Energy Permian, LLC
Billing Date: 8/23/2019
Billing Due Date: 9/22/2019
Customer Number: C000048105

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
19I00680	MF117669	$1,841.67	$0.00	$184.17	$97.96	$2,123.80
19I00681	MF117672	$1,841.67	$0.00	$184.17	$97.96	$2,123.80
19I00682	MF117673	$3,683.70	$0.00	$368.37	$195.94	$4,248.01
19I00683	MF117680	$1,841.67	$0.00	$184.17	$97.96	$2,123.80

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: WPX Energy Permian, LLC
Customer Number: C000048105
Mineral File #: MF117681
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	$6,371.80	08/19/19	Under reported/paid sales volumes	MM 8/20/2019	
			To include interest with cancellation		

All original invoices must be approved.
All reductions in billing of more than $1000 must be approved.

Customer ID:	C000048105	**Category**	Gas
Invoice Number:		**Auditor/AE:**	Acharito
GLO Lease:	MF117681	**Billing Date:**	8/19/2019
GLO Review:	WPX ENERGY PERMIAN, LLC	**P&I Calculation Date:**	8/31/2019
Review Period:	201609-201708	**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 Particip**	**Price**	**BTU**	**Gross Value**	**Royalty Due**	**Royalty Paid**	**Additional Ro**	**Number of Da**	**Interest Rate For**	**Penalty Rate Fro**	**Interest Rate Fro**	**Revenue Due**
May-18	08-284353	15,190	1.00000000	2.910000	1.000000	$44,202.90	$5,525.36	$0.00	$5,525.36	412	5.50%	$552.54	$293.90	$6,371.80
TOTALS		**15,190**				**$44,202.90**	**$5,525.36**	**$0.00**	**$5,525.36**			**$552.54**	**$293.90**	**$6,371.80**

ATTN: Lou Ann Gruber

CERTIFIED MAIL: 7011 1150 0001 2420 2003

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

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-284353

COLUMN (5) PRICE - TAKEN FROM HOUSTON SHIP CHANNEL PRICE LISTING

COLUMN (6) BTU - USED 1.0

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

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

Texas General Land Office

George P. Bush, Commissioner

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

19I00684	MF117681	$5,525.36	$0.00	$552.54	$293.90	$6,371.80
Total Due		$14,734.07	$0.00	$1,473.42	$783.72	**$16,991.21**
Amt. Paid						

7

File No. MF117681

_____ County

Reconciliation Billing

Date Filed: 8/26/19

George P. Bush, Commissioner

By UD

SCOTT DOUGLASS & McCONNICO LLP OPERATING ACCOUNT Frost Bank

DATE: 05-20-2020 PAYEE: Commissioner, Texas General Land Office **V: 1089** **CK NO: 217975**

REF. #	INV. #	DATE	AMOUNT	INVOICE DESCRIPTION	AMOUNT PAID
219112	052020	05-20-2020	90,000.00	0 22500; Extension payment for Lease M-117681	90,000.00

20709189

121

RECEIVED
MAY 20 2020
General Land Office

SCOTT DOUGLASS & McCONNICO LLP
OPERATING ACCOUNT
303 COLORADO STREET, SUITE 2400
AUSTIN, TEXAS 78701
PHONE 512.495.6300

Frost Bank
059/Austin, TX
30-9/1140

20709189

CHECK NO. 217975

CHECK DATE 05-20-2020

CHECK AMOUNT

90,000.00

NINETY THOUSAND AND 00/100 Dollars

PAY TO THE ORDER OF **Texas General Land Office**

VOID AFTER 90 DAYS

⑈217975⑈ [redacted]

8.

File No. MF 117681

DRR payment County

Date Filed: 6/5/20

George P. Bush, Commissioner

By SSD

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 5, 2020

WPX Energy Permian, LLC
Attn: Amber Cooke
3500 One Williams Center, MD:34
Tulsa, OK 74172

RE: MF117681 – Relinquishment Act Lease (RAL)
Deep Rights Retention, Reeves County, Texas
320.00 acres / Net 240.00 acres, E/2 of Section 6, Block 54, T4S, T&P Ry. Co. Survey
Limited to depths below 10,633' subsurface.
Wells: Herc State 6, API 42-389-36749, RRC permit 08-284353
Unit: Herc State Unit #8841

Dear Ms. Cooke:

The Deep Rights Retention check in the total amount of $90,000.00 has been accepted and will retain the deep rights until May 20, 2022 for State Lease MF117681. Enclosed is a copy of the check received on May 20, 2020.

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

Best regards,

Susan S. Draughn

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

Enclosure

9.

File No. MF 117681

Letter accepting DRR County

Date Filed: 6/5/20

George P. Bush, Commissioner

By SSD

Texas General Land Office
Reconciliation Billing

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

Commissioner Dawn Buckingham, M.D.

WPX Energy Permian, LLC
Attn: Lou Ann Gruber
3500 One Williams Ctr
Tulsa, OK 74172-0135

Billing Date: 7/8/2024
Billing Due Date: 8/7/2024
Customer Number: C000048105

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00926	MF117681	$3,786.76	$0.00	$378.68	$303.52	$4,468.96
Total Due		$3,786.76	$0.00	$378.68	$303.52	**$4,468.96**

Penalty and interest have been calculated thru 7/31/2024. Payment remitted after 7/31/2024 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
WPX Energy Permian, LLC
Billing Date: 7/8/2024
Billing Due Date: 8/7/2024
Customer Number: C000048105

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
24I00926	MF117681	$3,786.76	$0.00	$378.68	$303.52	$4,468.96
Total Due		$3,786.76	$0.00	$378.68	$303.52	**$4,468.96**
Amt. Paid						

Customer ID: C000048105
Invoice Number:
GLO Lease: MF117681
GLO Review: WPX ENERGY PERMIAN, LLC
Review Period: Sept 2022 - Aug 2023

Category Gas
Auditor/AE: Eric M
Billing Date: 7/1/2024
P&I Calculation Date: 7/31/2024
Royalty Rate: 12.50%

(1) Month / Year	(2) RRC Number	(3) Gas/Oil Volume	(4) Tract Participation Rate	(5) Price	(6) BTU	(7) Gross Value	(8) Royalty Due	(9) Royalty Paid	(10) Additional Royalty Due	(11) Number of Days Late	(12) Interest Rate For Additional Royalty	(13) Penalty Rate From Additional Royalty	(14) Interest Rate From Additional Royalty2	(15) Revenue Due
Sep-22	08-284353	1822	1	$7.430	1	$13,537.46	$1,692.18	$0.00	$1,692.18	624	4.25%	$169.22	$111.32	$1,972.72
Oct-22	08-284353	1724	1	$4.520	1	$7,792.48	$974.06	$0.00	$974.06	594	4.25%	$97.41	$60.68	$1,132.15
Nov-22	08-284353	0	1	$0.000	1	$0.00	$69,174.05	$68,053.53	$1,120.52	563	8.50%	$112.05	$131.52	$1,364.09
TOTALS		3,546				$21,329.94	$71,840.29	$68,053.53	$3,786.76			$378.68	$303.52	$4,468.96

COMMENTS: BILLING IS FOR UNDERREPORTED VOLUMES And UNDERPAID ROYALTIES FOR RRC ID: 08-290110 08-284353 08-290108 08-290125 08-290089 08-290107 08-292307 08-291608 08-291750 08-291607

COLUMN (3) UNDERERPORTED VOLUMES REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC
COLUMNS (5) & (6) AVERAGE PRICE AND BTU REPORTED TO THE GLO ON THE GLO 2'S
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/rrac/forms/penalty-interest-assessment-rules.pdf

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.martinez@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.martinez@glo.texas.gov
NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

EMAIL:

Erin Walker(Admin)	Zac Zobell
erin.walker@dvn.com	zac.zobell@dvn.com

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File No. MF117681

County

Recon Billing

Date Filed: 7/9/2024

Commissioner Dawn Buckingham, M.D.

By: VD