

MF117683

Lease Type RAL	Control 07-132877	Basefile 153483	County REEVES
	Survey	T & P Ry Co	
	Block	55	
	Block Name		
	Township	4-S	
	Section/Tract	8	
	Land Part	SE/4 SE/4	
	Acres	Net: 40.000000	Gross: 40.000000
	Depth Below	Depth Above	Depth Other
	Name	BELLOMY GROUP, LLC	
	Lease Date	10/24/2014	
	Primary Term	3 years	
	Bonus	\$70,000.00	
	Lease Royalty	0.12500000	
	Paid Up	No	

EXPIRED
 DATE 10/30/17
 LEASING TM 12/5/17
 MAPS JL
 GIS ML

Leasing: [Signature]
 Maps: [Signature]
 GIS: mcv
 Scanlab: _____



CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff

Contents of Mineral File Number: 117683

1. RAL Review sheet 6-29-15

2. Bonuses and Fees 7-2-15

3. Lease 7-2-15

4. FINCU Letter 7-31-15

~~See MF 88349 #59, Assign #9416~~

~~Double Eagle to Panther 8-3-15~~

(5) Assign ID 9506 1-6-16

Bellomy to Pivotal

Scanned SM 2/19/16

(6) Correction Cover Ltr
to Amend MF 117683 3-30-16

Scanned PJ 4-1-16

See MF-116797 #6, Assign ID #9637

From: Bellomy To: Arkoma

Scanned PJ 9-15-16

(See MF 116797 #7, Assign #9806)

From: Arkoma To: Bellomy

(7) Consent Ltr 10/12/16

(8) Assign #9892, Bellomy to Arkoma 11-14-16

(9) Assign #9893, Arkoma to Atlantic 11-14-16

(10) Assign #9894, Pivotal to Atlantic 11-14-16

(11) Assign #10233 Atlantic to Energen 5-16-17

(12) Rentals 2nd + 3rd yr 11/14/17

Scanned PJ 11-15-2017

LEASE EXPIRED 10/30/17

ENTRY DATE OF EXPIRATION 12/5/17

Scanned PJ 1-12-2018

RAL REVIEW SHEET

MF-117683

Working File #: RAL157876

MF:

Lessor: Bennett Inc M Brad

Lease Date: 11/03/2014

UI: No

Lessee: Bellomy Group, LLC

Gross Acres: 40.00

Net Acres: 40.00

LEASE DESCRIPTION

County	Control #	Base File No	Part	Sec	Block	Twp	Survey	Abst No
Reeves	07-132877	153483	SE/4 SE/4	8	55	4-S	T & P Ry Co	6030

TERMS OFFERED

Primary Term: 3 Years

Bonus / Acre: \$3,500.00

Rental / Acre:	2nd Yr	3rd Yr	4th Yr	5th Yr
	25.00	25.00		

Royalty: 0.250000

TERMS RECOMMENDED

Primary Term: 3 Years

Bonus / Acre: \$3,500.00

Rental / Acre:	2nd Yr	3rd Yr	4th Yr	5th Yr
	25.00	25.00		

Royalty: 0.250000

COMPARISONS

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

Approved:

12 7-2-15

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: Bellomy Group, LLC

County: Reeves

Prim. Term: 3 Years

Bonus/Acre: \$3,500.00

Royalty: 0.25000000

Rental/Acre 2nd Yr: \$25.00 3rd Yr: \$25.00 4th Yr: \$0.00 5th Yr: \$0.00

ConsiderationRecommended: RJADate: 7/03/15

Not Recommended: _____

Comments: _____

Lease FormRecommended: RJADate: 7/03/15

Not Recommended: _____

Comments: _____

Rene D. Truan, Director, PSF Income DivisionDate: 7/10/2015Recommended: RET

Not Recommended: _____

Mark Havens, General CounselDate: 7/13/2015Recommended: MH

Not Recommended: _____

Anne Idsal, Chief ClerkDate: 7/13/2015Approved: AI

Not Approved: _____

George P. Bush, CommissionerDate: 7/13/2015Approved: GPD

Not Approved: _____

File No. MF 117683
RAL REVIEW SHEET Count;

1.

Date Filed: 6-29-15

George P. Bush, Commissioner

By [Signature]



THE BELLOMY GROUP LLC
1700 PACIFIC AVENUE SUITE 2210
DALLAS, TEXAS 75201

PLAINSCAPITAL BANK

15714053

2374

06/25/2015

PAY TO THE
ORDER OF

Texas General Land Office

\$ **70,000.00

Seventy thousand and 00/100*****

DOLLARS

Drew Reid
1700 North Congress Ave.
Room 600
Austin, Texas 78701-1495

MEMO:

Reeves Lease Bonus - Sec. 8 Block 55 T4



[Signature]
AUTHORIZED SIGNATURE

⑈002374⑈

THE BELLOMY GROUP LLC

06/25/2015

Texas General Land Office

2374

Reeves Lease Bonus - Sec. 8 Block 55 T4

70,000.00

15714053

121

Checking

Reeves Lease Bonus - Sec. 8 Block 55 T4

70,000.00



THE BELLOMY GROUP LLC
1700 PACIFIC AVENUE SUITE 2210
DALLAS, TEXAS 75201

PLAINSCAPITAL BANK

15714054

2375

06/25/2015

PAY TO THE
ORDER OF

Texas General Land Office

\$ **125.00

One hundred twenty-five and 00/100

DOLLARS

Drew Reid
1700 North Congress Ave.
Room 600
Austin, Texas 78701-1495

MEMO:

State GLO - Processing and Filing Fee



[Signature]
AUTHORIZED SIGNATURE

⑈002375⑈

THE BELLOMY GROUP LLC

06/25/2015

Texas General Land Office

State GLO - Processing and Filing Fee

2375

125.00

15714054

121

Checking

State GLO - Processing and Filing Fee

125.00

T H E
BELLOMY
G R O U P

June 24, 2015

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

Dear Mr. Reid,

The Bellomy Group has leased the following interest in Reeves County, Texas and has included here within the certified copy of the lease, the State's share of the bonus, the required \$25 filing fee and the required \$100 processing fee. The Bellomy Group has filed the standard Relinquishment Act Lease Form with an Addendum including favorable provisions for the State.

- **Legal Description of Interest Leased:**
 - SE/4 SE/4 of Section 8, Block 55, T4, T&P RR Co. Survey, Reeves County, Texas
- **Agent (Lessor):**
 - M. Brad Bennett, Agent of the State of Texas
- **Net Undivided Interest:**
 - 40 net acres
- **Bonus Per Acre Paid:**
 - \$3,500 per acre (\$70,000 to each the owner of the soil and the State)
- **Primary Term of Lease:**
 - 3 year primary term
- **Rental Per Acre Paid:**
 - Paid-Up lease; No rentals
- **Gross Royalty:**
 - 25% royalty

Please let me know if you have any questions or concerns regarding this lease. We will wait patiently for your letter with the mineral file number of the file.

Best Regards,



Sean Bellomy

Managing Partner | The Bellomy Group, LLC
(214) 636-8834 | sean@thebellomygroup.com
www.thebellomygroup.com

The Bellomy Group, LLC

1700 Pacific Ave. Suite 2220, Dallas, Texas 75201

T H E
BELLOMY
G R O U P

June 24, 2015

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

Will need wk up

Dear Mr. Reid,

open

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Best Regards,



Sean Bellomy
Managing Partner | The Bellomy Group, LLC
(214) 636-8834 | sean@thebellomygroup.com
www.thebellomygroup.com

The Bellomy Group, LLC

1700 Pacific Ave. Suite 2220, Dallas, Texas 75201

Drew Reid - Reeves Co. - M. Brad Bennett State Lease

From: Sean Bellomy <sean@thebellomygroup.com>
To: Drew.Reid@GLO.TEXAS.GOV
Date: 6/25/2015 10:28 AM
Subject: Reeves Co. - M. Brad Bennett State Lease
CC: lopez_d@outlook.com; ryan@thebellomygroup.com
Attachments: Bellomy Bennett State Lease.pdf

Drew,

I hope all is well. I wanted to give you a heads up that I will be sending you an executed State Lease form covering the SE/4 SE/4 of Section 8, Block 55 T4 T&P, Reeves Co., signed by M. Brad Bennett, Agent of the State. This lease was originally executed mistakenly on a regular lease form in late 2014. We have resolved the issue with Mr. Bennett and finally have a certified copy of the correct State lease form with payment to send to you. Iâ€™ve attached a copy of the cover letter included in the package. Let me know if you have any questions or concerns. Thank you.

2.
File No. MF 117683
Bonuses and Fees County
Date Filed: 7-2-15
George P. Bush, Commissioner
By GP

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

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

OIL AND GAS LEASE

15-03607
FILED FOR RECORD
REEVES COUNTY, TEXAS
Apr 27, 2015 at 10:13:00 AM

THIS AGREEMENT is made and entered into this 24th day of October, 2014, between the State of Texas, acting by and through its agent, M. Brad Bennett, said agent, whose address is P.O. Box 51510, Midland, Texas 79710, hereinafter referred to as the owner of the soil (whether one or more), and The Bellomy Group, LLC, a Texas Limited Liability Company, whose address is P.O. Box 192281, Dallas, Texas, 75219, hereinafter called Lessee.

1. **GRANTING CLAUSE.** For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power Stations, telephone lines and other Structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit:

The Southeast Quarter (SE/4) of the Southeast Quarter (SE/4), known as tracts 45, 46, 59, and 60 recorded in Plat Book Volume 1, Page 146 of the Plat Records, located in Section 8, Block 55, Township 4, T&P RR Co Survey.

SEE ADDENDUM 1 ATTACHED HERETO FOR ADDITIONAL PROVISIONS

Containing 40 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Seventy Thousand & 00/100 Dollars (\$70,000.00)
To the owner of the soil: Seventy Thousand & 00/100 Dollars (\$70,000.00)
Total bonus consideration: One Hundred Forty Thousand & 00/100 Dollars (\$140,000.00)

The total bonus consideration paid represents a bonus of THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500.00) per acre, on 40 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.

3. **DELAY RENTALS.** If oil or gas in paying quantities is not being produced from the premises on the first anniversary date of this lease and there are then no drilling operations being conducted on the premises, then this lease shall terminate unless, on or before such anniversary date, Lessee shall pay, $\frac{1}{2}$ directly to the owner of the soil and a like amount paid or tendered to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a delay rental in the amount specified in the following schedule multiplied by the number of acres then covered by this lease, which payment, when timely made, shall continue this lease for a period of one (1) additional year. In like manner and upon payment of the amounts set out in the following schedule, this lease may be further continued for successive one-year periods during the primary term of this lease provided that payment is made on or before the anniversary date.

<u>Anniversary Date</u>	<u>Delay Rental per Acre</u>
First	\$ 25.00
Second	\$ 25.00

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 twenty-five dollars (\$25.00) 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, marketing, 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



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

authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year, such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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

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

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

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

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

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



drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

14. **SHUT-IN ROYALTIES.** For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary 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 twenty-five dollars (\$25.00) 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. *MBB*

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

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

MBB (A) **VERTICAL.** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and right of ways for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

MBB (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. ~ Lessee shall be obligated to notify the General Land Office and the owner of the soil, in writing, within forty-five (45) days after the beginning of any claimed force majeure and within thirty (30) days after the claimed ending of each force majeure or this clause shall be null and of no effect whatsoever. The provisions of this paragraph shall in no event be exercised for a cumulative period of more than two years.

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



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General Land Office, the School Land Board, or the Railroad Commission, or if Lessee should refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

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

34. POOLING. Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.153. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152. ~ Notwithstanding anything in this paragraph, Lessee hereby agrees that any pooled units formed hereunder shall not at any time exceed the number of acres allowable for a Production Unit as defined by Paragraph 44 in the Addendum to this lease.

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

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. **LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (I) A VIOLATION OF THE FOREGOING PROHIBITION OR (II) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY**



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

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

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

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

SEE ADDENDUM 1 ATTACHED HERETO FOR ADDITIONAL PROVISIONS

LESSEE
THE BELLOMY GROUP, LLC

By: [Signature]
Date: 2/25/2015

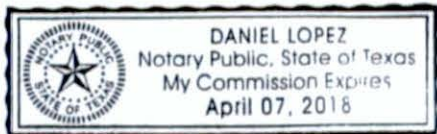
LESSOR
THE STATE OF TEXAS

By: [Signature]
Date: 2/9/2015
M. Brad Bennett, as agent for the State of Texas

ACKNOWLEDGMENTS

STATE OF TEXAS
COUNTY OF Dallas

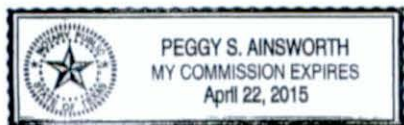
This instrument was acknowledged before me this 25 day of February, 2015, by Ryan Bellomy as ^{Member} Managing Partner of The Bellomy Group, LLC, a Texas Limited Liability Company, on behalf of said company.



[Signature]
Notary Public in and for the State of Texas

STATE OF TEXAS
COUNTY OF MIDLAND

This instrument was acknowledged before me this 9th day of February, 2015, by M. Brad Bennett.



[Signature]
Notary Public in and for the State of Texas



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REEVES COUNTY
CLERKS OFFICE

ADDENDUM 1

Attached to and Made a Part of Oil and Gas Lease dated October 24, 2014,
From the State of Texas, acting by and through its agent, M. Brad Bennett,
as the Lessor, to The Bellomy Group, as Lessee

The printed lease form to which this addendum is attached contains printed Paragraphs 1 through 39. The provisions set forth below, including Paragraphs 40 through 68, are made a part of the printed lease form as though originally contained therein. In the event of a conflict between any of the provisions of Paragraphs 1 through 39 and any of the provisions contained in this addendum, the conflicting provision of this addendum shall prevail. The term "this lease," whether appearing in the printed lease form or this addendum, shall mean the agreement contained in the printed lease form, as amended, supplemented and superseded by this addendum.

40. The term "Production Unit" is defined as the area of land within a pool, reasonably assigned by Lessee to a well that is producing or capable of producing, oil and/or gas in paying quantities from such pool, with size to be determined by Paragraph 44. A Production Unit need have no correlation with the proration unit dedicated (under applicable RRC rules or order) to the well to which such Production Unit is assigned. Lessee shall assign a Production Unit to each well drilled pursuant to this lease and completed as a producer, or capable of producing, oil and/or gas in paying quantities within a reasonable time following the well's completion, not to exceed ninety (90) days. Nothing in this Paragraph shall be construed as prohibiting Lessee from reducing the number of acres in a Production Unit previously assigned to a well (and adjusting the shape of such unit accordingly).
41. The term "Actual Drilling" will be defined as having a rig on location (and drilling operations underway) that is capable of drilling to the permitted total depth, which must be within a formation reasonably believed to contain commercially recoverable deposits of oil and/or gas.
42. Production, production in paying quantities and production in commercial quantities shall have the same meaning for purposes of this lease, namely production in quantities sufficient to yield a return to the holders of the working interest excluding severance taxes, in excess of operating expenses, royalties and costs including overhead even though drilling costs may never be recouped by the working interest owners. The review period for purposes of determining whether production is in paying or commercial quantities shall be six (6) months. There shall be no review period where production ceases. Production in less than paying or commercial quantities shall never be considered as production for purposes of this lease.
43. If, as of the expiration of the primary term, Lessee is engaged in the Actual Drilling of an oil or gas well on the premises then covered hereby, then Lessee shall conduct a continuous development program hereunder (the "Continuous Development Program") by continuously drilling oil or gas wells on said premises in accordance with the following provisions:
- a. Lessee shall commence the Actual Drilling of the first Continuous Development Well on or before 90 days following the expiration of the primary term, and thereafter drill additional Continuous Development Wells in accordance with the following:
- (i) Lessee shall allow not more than 180 days to elapse between the commencement of Actual Drilling of one Continuous Development Well and the commencement of Actual Drilling of the next succeeding Continuous Development Well.
- (ii) In such manner, Lessee shall prosecute the Continuous Development Program until the entire leased premises have been assigned to a Production Unit or Units in accordance with Paragraph 44 below. Each Continuous Development Well must be drilled to a depth sufficient to test at least one zone or formation, reasonably believed by Lessee to contain commercially recoverable deposits of oil and/or gas, for the presence of such hydrocarbons.
- b. The only consequence of Lessee's failure to comply with the terms of the Continuous Development Program shall be the automatic termination of this lease, insofar as this lease covers:
- (i) All lands covered by this lease not then assigned to a Production Unit; and
- (ii) As to each Production Unit, all depths below 150' below the true vertical depth of the deepest producing perforation.
- The termination or partial termination of this lease under the provisions of this subparagraph shall become effective on the date such failure occurred.
44. Notwithstanding any provision of this lease to the contrary, a Production Unit shall never exceed the following acreage limitations regardless of whether the rules and regulations of the Railroad Commission of Texas or any successor agency shall authorize a greater number of acres to be allocated for production purposes to a proration unit:
- (1) The provisions of this subparagraph (1) apply to Vertical Wells only.
- a. With respect to any well classified as an oil well, the Production Unit shall contain no more than 40 acres.
- b. With respect to any well classified as a gas well:



- i. If the deepest stratum in which the well is completed and capable of producing in paying quantities lies between the surface and the base of the Wolfcamp formation, then the Production Unit shall contain no more than 80 acres.
- ii. If the deepest stratum in which the well is completed and capable of producing in paying quantities lies below the base of the Wolfcamp formation, then the Production Unit shall contain no more than 160 acres.

(2) The provisions of this subparagraph (2) apply to Horizontal Wells.

a. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise:

- i. Horizontal drainhole - That portion of the wellbore drilled in the producing formation, between the penetration point and the terminus.
- ii. Horizontal drainhole displacement - The calculated horizontal displacement of the horizontal drainhole from the penetration point to the terminus.
- iii. Horizontal drainhole well - Any well that is developed with one or more horizontal drainholes having a horizontal drainhole displacement of at least 100 feet.
- iv. Penetration point - The point where the drainhole penetrates the top of the producing formation.
- v. Terminus - The farthest point required to be surveyed along the horizontal drainhole from the penetration point and within the producing formation.

b. With respect to any well that is classified as a Horizontal Drainhole Well:

- i. The Production Unit may contain up to, but not more than the acreage allowable as provided in the following table:

Horizontal Drainhole Displacement, ft	Acreage Allowed, acres
0 to 660	40
661 to 1320	60
1321 to 1980	80
1981 to 2640	100
2641 to 3300	120
3301 to 3960	140
3961 to 4880	160
4881 to 5280	180
5280 to 5940	200
5940 to 6600	220

For all purposes of this lease, the term "oil well" shall mean a well with a gas oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with a gas oil ratio of 100,000 cubic feet or more per barrel, based upon a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment.

45. Notwithstanding anything else in this lease to the contrary, upon the expiration of the Continuous Development Program, or the expiration of the primary term if there is no Continuous Development Program, this lease shall automatically expire as to all lands not then included in a Production Unit and as to all depths below 150' below the true vertical depth of the deepest producing perforation in each unit. At the same time, this lease shall be segregated into separate and distinct oil and gas leases, each of which shall be deemed to cover a single production unit. Each such segregated lease shall, with respect to all matters relating to times after the primary term, be deemed to contain terms and provisions identical to those set forth herein, except that leased premises embraced by the segregated lease shall consist solely of the lands within the production unit covered thereby. Operations on and/or production from one segregated lease shall have no application to or bearing upon the status of any other segregated lease. If at the end of the Continuous Development Program, or the end of the primary term if there is no Continuous Development Program, there are no Production Units, then, notwithstanding any other provision of this lease to the contrary, this lease shall automatically expire and all of the Lessee's rights, titles and interests hereunder shall immediately revert to the party or parties granting same.

46. Within 60 days of the completion or recompletion of any well drilled pursuant to this lease, but in no event later than thirty (30) days following request, Lessee shall furnish the owner of the soil with a plat and legal description of the Production Unit assigned to such well.



If at any time the size, location or configuration of a Production Unit is revised for any reason, Lessee shall promptly, but not later than seven (7) days following request, furnish the owner of the soil with a plat and legal description of the revised Production Unit.

47. Lessee's right to pay shut-in royalties under Paragraph 14 shall be limited to shut-in gas wells only. Although Lessee's right to pay shut-in royalties may be exercised at any time, and from time to time, following the expiration of the primary term, this lease may be maintained by shut-in royalty payments only if Lessee has shut in the well (or wells) in good faith and is at all pertinent times exercising due diligence in an attempt to produce, market, transport and sell the gas producible from such well or wells. Notwithstanding Paragraph 14 or anything herein to the contrary, shut-in royalty payments shall only serve to maintain this lease for the acreage within the unit assigned to the shut-in well as allowed under this lease and this lease may not be maintained by the payment of shut-in gas royalties for a cumulative period in excess of two (2) years.
48. Notwithstanding the segregation of this lease into multiple separate leases at the expiration of the primary term or the partial termination of this lease as to any of the lands covered hereby, Lessee shall continue to have the same rights of ingress to and egress from the lands remaining subject to this lease granted in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across of the lands originally covered hereof, for access to and from the Retained Lands and for the gathering and transportation of oil and gas (and other substances) produced or used thereon.
49. Lessee agrees that before abandoning any well (whether a well being drilled or a well which has ceased to produce) on said lands, it will notify the owner of the soil in person or by telephone of its intention to do so, and will allow the owner of the soil a reasonable time (not exceeding forty-eight (48) hours if a well is being drilled or thirty (30) days if a well has ceased to produce) after such notice within which to elect to take over the well for such purposes as the owner of the soil may desire. If the owner of the soil elects within the specified time to take over the well and attempt to complete the well as a water well, then, after the owner of the soil's complying with all the rules and regulations of the Railroad Commission of Texas, the General Land Office and applicable statutes, Lessee shall, at its expense, set all plugs as may be required by the Railroad Commission at the base of the water bearing sand designated by the owner of the soil and thereafter deliver the well to the owner of the soil, leaving in such well all surface casing and such production casing as may be necessary to extend 100 feet below the predominant water bearing sand; and thereafter the owner of the soil shall own the well and shall be responsible for all subsequent liabilities relating thereto, including plugging.
50. No water may be used from the premises without the written consent of the owner of the soil, which may be denied for any reason.
51. Unless otherwise agreed by the owner of the soil, in writing and in advance, Lessee shall be prohibited from disposing of salt water on the leased premises. Disposal of any such salt water or the removal of salt water from the leased premises shall be accomplished in strict compliance with the rules and regulations of the RRC and any other governmental agency having jurisdiction thereof.
52. Lessee agrees that at such time as any drill site pad, tank battery site or other facilities site ceases to be used as such, Lessee shall remove any surface materials (such as caliche) placed thereon, reseed with native grasses during the appropriate planting season, and restore the site to the maximum extent practicable to its original condition. Upon the expiration of five (5) months following the date a well is completed (or plugged), or such later time as the owner of the soil may authorize in writing, Lessee shall have completed all repair and clean-up work hereinabove required.
53. The owner of the soil or his designated representative at their sole risk and expense, shall have access to the derrick floor and all other areas at all times during any operations conducted by Lessee on said lands. Written notice of operations under this lease shall be submitted to the owner of the soil by Lessee five (5) days before spud date, re-entry, temporary abandonment or abandonment of any well, and shall include copies of Railroad Commission forms for application to drill, well tests, completion reports and plugging records. Lessee shall supply the owner of the soil with any records, memoranda, accounts, reports, or other information relative to the operation of the above described premises, which may be requested by the owner of the soil, in addition to those herein expressly provided for, at the sole expense of Lessee. If Lessee has an electrical and/or radioactivity survey made on a well drilled on the above described premises, Lessee shall transmit a true copy of the log of each survey to the owner of the soil within fifteen (15) days after making of said survey.
54. Lessee and its officers, employees, contractors, subcontractors, agents and representatives are strictly prohibited from hunting, carrying or discharging firearms, trapping, fishing, smoking or starting fires which are unrelated to Lessee's normal operations on the leased premises.
55. The owner of the soil makes no warranty of title to the leased premises, either express or implied.
56. As an additional cash bonus due and payable as and when drilling operations, construction, pipeline installation and other surface operations are conducted, any operations conducted on the surface of the premises shall be subject to payment by Lessee for all of the types of operations and in the payment amounts and terms as set out in the then current University of Texas System Rate and Damage Schedule promulgated by University Lands Surface and Mineral Interests, and/or by the Board of Regents of the University of Texas System, applicable to oil and gas operations on lands owned by the State of Texas and subject to lease by the Board for Lease of University Lands. Such payments shall be made 1/2 directly to the owner of the soil and a like amount paid or tendered to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas.
57. If this lease is still in effect three (3) years following the expiration of the primary term, or three (3) years following the expiration of the Continuous Development Program, whichever is later, this lease shall terminate as to all depths from the surface down to 150 feet above



the shallowest producing perforation in each producing unit, unless Lessee commences a Subsequent Continuous Development Program for the shallower depths according to the following terms:

(1) Lessee shall begin the actual drilling of the first well in the Subsequent Continuous Development Program before the end of three (3) years following the primary term, or three (3) years following the Continuous Development Program, whichever is later, and shall thereafter drill additional wells with no cessation or interruption of more than one hundred twenty (120) consecutive days between the date when total depth is reached in one well and the date the next well is spudded, by a rig capable of reaching total permitted depth to a formation reasonably believed to contain hydrocarbons in paying quantities ("Subsequent Continuous Development Program").

(2) At the end of the Subsequent Continuous Development Program this lease will terminate as to all depths from the surface down to the top of the shallowest producing formation in each producing unit.

58. Lessee, at its own expense, shall maintain throughout the duration of this lease a general liability insurance policy (covering both bodily injury and property damage and covering its indemnity obligations of this lease, for which Owner of the soil and the State of Texas shall be carried as additional insured) in an amount of at least \$5,000,000 combined single limit. Lessee shall also, at its own expense, carry worker's compensation insurance as required by law. Said policies shall not be cancelled unless thirty (30) days prior written notice shall be given to Owner of the soil and the State of Texas. In addition, such insurance provided by Lessee shall be primary coverage for Owner of the soil and the State of Texas when any policy issued to Owner of the soil and the State of Texas is similar or duplicate in coverage, and Owner of the soil and the State of Texas's policies shall be excess over Lessee's policies.
59. Immediately following the termination or any partial termination of this lease, Lessee shall execute and record, and furnish the owner of the soil with a copy of, a release of this lease insofar as it covers any and all of the acreage and/or depths no longer subject hereto. If Lessee should fail to comply with the terms of this paragraph within forty-five (45) days of receiving a written request to do so by the Owner of the Soil, Lessee shall owe a penalty payment of ten dollars (\$10.00) per acre per day until the terms of this paragraph have been met. This payment shall in no way extend the term of this lease.
60. It shall not be necessary for Lessor to execute any division or transfer order in order to be entitled to payment of royalties due under this lease. Lessee and any purchaser of oil or gas produced from the Leased Premises hereby waive the provisions of Section 91.402(c)(1) of the Texas Natural Resources Code that entitle a payor of royalties to require a signed division order as a condition of payment. If Lessor agrees to accept payment of royalties from a purchaser of oil or gas produced from the Leased Premises, or from another party designated to distribute royalties other than Lessee, Lessor's acceptance of such payments shall not relieve Lessee of its obligation to pay royalty hereunder except to the extent or payments actually received by Lessor from such third party, and if such third party fails to pay any sums due as royalty under this lease, Lessee shall remain fully liable therefor, whether or not Lessee has received payment for production from such purchaser or third party.
61. To the extent permitted by law, the owner of the soil and its representatives shall have the explicit right to audit, inspect and examine Lessee's books, records, accounts, contracts, commitments and agreements as related to this lease in order to determine Lessee's compliance with this lease, including payment of royalties. The owner of the soil may give Lessee thirty (30) days written notice of owner of the soil's intent to perform such audit. Such audit shall be conducted at Lessee's offices where the information being audited normally resides, during normal working hours and at the owner of the soil's expense; however, if it is determined the amount of royalty owed to the owner of the soil has been underpaid by more than \$2,500.00, then Lessee shall reimburse owner of the soil for the actual costs of the audit. In the event the State of Texas gives notice to Lessee that the State intends to conduct an audit, then Lessee shall promptly give notice to owner of the soil and the owner of the soil, subject to any required consent of the State, may join in such audit.
62. Without limiting other terms and provisions of this lease which by their context or by law survive termination of this lease, the duties of Lessee under Paragraph 35 hereof shall survive termination of this lease regardless of the reason.
63. On non-recoupable proceeds or benefits received by Lessee, such as for take-or-pay, reserves dedication, or severance tax refunds, reductions or exemptions, or any other benefits received by the Lessee, Lessee agrees to pay Lessor ONE FOURTH (1/4) of the proceeds and/or benefits received by the Lessee, its successors and assigns. If the products subject to this lease are enhanced, by any method, and the Lessee, a subsidiary, parent or affiliate of Lessee receive additional benefits, due to the enhancement, Lessor shall receive ONE FOURTH (1/4) thereof. Payment of all non-recoupable proceeds or benefits shall be made one-half (1/2) to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) to the owner of the soil. Lessee is obligated to treat Lessor with utmost good faith and keep the Lessor whole.
64. No assignment shall be made by Lessee of this Lease or any rights accruing to Lessee under the terms hereof unless the Owner of the Soil and the State of Texas shall evidence its consent thereto in writing, which shall not be unreasonably withheld. Such assignment shall not be binding upon or recognized by Owner of the soil and the State of Texas in any way unless and until a true copy thereof has been furnished to Owner of the soil and the State of Texas. The consent to an assignment shall not be construed as waiving the right to refuse consent to any subsequent assignment.
65. Division Order Title Opinions. If a well is a producer, upon written request, Lessee shall deliver to Lessor a copy of any Division Order title opinions and any revisions or supplements thereto within thirty (30) days of receipt of same by Lessee.
66. The creation of "Allocation Wells" as defined by the Railroad Commission of Texas shall not be permitted on the Leased Premises without the prior written consent of the Commissioner of the General Land Office of the State of Texas AND the Owner of the Soil, which may be



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

withheld for any reason.

67. It is the intent of the parties that the provisions of Paragraph 7 are to be fully enforceable and effective and are not to be construed as "surplusage" under the opinion in Heritage Resources, Inc. v. NationsBank, 939 S.W.2d 118 (Tex. 1997).
68. The provisions of this lease shall inure to the benefit of and be binding upon the owner of the soil, the State of Texas, and Lessee, and their respective heirs, successors, assigns, representatives, directors, principals, agents, employees, contractors and subcontractors.

SIGNED FOR IDENTIFICATION:

LESSEE

THE BELLOMY GROUP, LLC

By:  _____
By: Ryan Bellomy, Managing Partner

Date: 2/25/2015

LESSOR

THE STATE OF TEXAS

By:  _____
M. Brad Bennett, as agent for the State of Texas

Date: 2/19/15

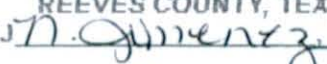
Inst No. 15-03607

DIANNE O. FLOREZ

COUNTY CLERK

2015 Apr 27 at 10:13 AM

REEVES COUNTY, TEXAS

By:  DEPUTY



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

File No. MF 117683 3
Leake County

Date Filed: 7-2-15
George P. Bush, Commissioner
GP

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
Oil & Gas Lease dated 10-24-14
filed for record in my office this 27th day of April
2015, under Clerk's File No. 15-03602, to be recorded in the
Oil Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 27th day of April, 2015.

By Dianne O. Florez, Deputy, DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 31, 2015

Sean Bellomy
The Bellomy Group, LLC
P.O. Box 192281
Dallas, Texas 75219

Re: **State Lease MF 117683**

RAL Lease dated October 24, 2014, recorded in Doc # 03607,
Reeves Co, covering 40 ac., Sec. 8, Blk. 55, T&P RR Co.
Survey, M. Brad Bennett, agent for State of TX, Lessor

Dear Mr. Bellomy:

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-117683**. **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 **\$70,000.00** 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

4.
File No. MF 117683
Final letter County

Date Filed: 7-31-15
George P. Bush, Commissioner
By JK



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 6, 2016

Daniel Lopez, Landman
The Bellomy Group, LLC
1700 Pacific Ave., Ste 2220
Dallas, Texas 75201

Dear Mr. Lopez:

RE: GLO Assignment ID #9506-MF117683 Reeves County

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

Assignment Oil and Gas Lease is effective September 30, 2015, from The Bellomy Group, LLC, as assignor, to Pivotal Delaware Basin, LP, as assignee. As filed for record in Reeves County, Doc # 15-09205

The filing fee of \$25.00 was received in connection with the above assignment. Give me a call if you have any questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing
Energy Resources
512 463 5407

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

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

512.463.5001 • 800.998.4GLO

glo.texas.gov

From: Daniel Lopez <daniel@thebellomygroup.com>
To: <carl.bonn@glo.texas.gov>
Date: 11/10/2015 2:05 PM
Subject: Assignment Regarding MF 117683

Mr. Bonn,

The Bellomy Group, LLC recently (mailed around 10/13/2015) sent the GLO office a certified copy of an Assignment of Oil and Gas Leases from The Bellomy Group, LLC to Pivotal Delaware Basin, LP, in connection with the below described lease:

- * MF Number 117683
- * Lessor - M. Brad Bennett
- * Section 8, Block 55, Township 4, Reeves County, Texas
- * Volume 1160, Page 288

Would it be possible for you to scan and email me a copy of that Assignment? We are needing to provide the information contained in that Assignment to an Operator, but the original has not come back from Reeves County and their phone lines are currently down so they are unable to fax us a copy.

I would greatly appreciate your help in this matter. Please feel free to let me know if you have any questions.

Best Regards,

Daniel Lopez
The Bellomy Group, LLC
1700 Pacific Ave., Suite 2220
Dallas, TX 75201
Office: 214.953.0188
thebellomygroup.com
daniel@thebellomygroup.com

THE BELLAMY GROUP LLC

10/12/2015

Texas General Land Office

Texas GLO Processing & Filing Fees

2532

25.00

16702091

129

Checking

Texas GLO Processing & Filing Fees

25.00

Oct 06, 2015 at 09:42:00 AM

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

ASSIGNMENT OF OIL AND GAS LEASES

ID# 9506
MF 117683
eff 9-30-15
90%

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF REEVES

§

§

FOR A VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, **The Bellomy Group, LLC a Texas Limited Liability Company**, ("Assignor") with a notice address of 1700 Pacific Avenue, Suite 2220, Dallas, TX 75201, has SOLD, ASSIGNED AND CONVEYED, and by these presents does hereby SELL, ASSIGN, AND CONVEY unto **Pivotal Delaware Basin, LP**, ("Assignee") with a notice address of 300 Crescent Court, Suite 200, Dallas, Texas 75201, subject to the terms and reservations hereof, the undivided percentage of Assignor's right, title, and interest in and to the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof, as extended or amended and the lands conveyed thereby, together with all rights incident thereto and appurtenances thereon (the "Leases"). For the avoidance of doubt, the percentage of each of the Leases being assigned by Assignor to Assignee is shown on Exhibit "A" attached hereto, in the column labeled "Percentage Assigned".

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

- (1) All easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations;
- (2) The terms and conditions of the Leases;
- (3) All rights reserved to or vested in any municipality or governmental, tribal, statutory or public authority to control or regulate any of the Leases in any manner, and all applicable laws, rules and orders of governmental and tribal authority; and
- (4) Assignor shall retain and reserve unto itself, on a lease-by-lease basis, an overriding royalty interest equal to eight eighths (8/8th) of the positive difference between 25% and all lease burdens existing on the Effective Date (including, but not limited to, landowners' royalty, existing overriding royalties, production payments and net profits interest). Said overriding royalty interest is subject to proportionate reduction on a tract-by-tract basis to the extent that a lease assigned hereunder covers less than the entire oil and gas mineral estate. Said reserved overriding royalty interest is also subject to its proportionate share of severance taxes. However, the reserved overriding royalty shall not be subject to any costs or expenses associated with exploring, producing, completing, compressing, treating, developing, processing, marketing, transporting, drilling or operations on the Assigned Properties.

Assignor does hereby bind itself, its heirs, successors and assigns, to warrant and forever defend all and singular title to the Leases unto Assignee, Assignee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by through or under Assignor, but not otherwise. Assignor conveys the Leases free and clear of any outstanding mortgage, deed of trust, or lien created by Assignor, but not otherwise.

Assignor also hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable, the benefit of, and the right to enforce, the covenants and warranties, if any, which Assignor is entitled to enforce with respect to Assignor's predecessors in title to the Leases.

Assignor retains liability and shall be responsible for, and shall defend, indemnify and hold Assignee harmless from, any and all claims arising, asserted or due prior to the Effective Time and attributable to Assignor's



ownership, operation or use of the Leases. Assignee hereby assumes and shall be responsible for and comply with all duties and obligations, express or implied, arising on or after the Effective Time with respect to the Lease, and furthermore, Assignee agrees to indemnify and hold harmless Assignor from and against any and all claims, damages and causes of action related to the Assigned Properties and arising after the Effective Date hereof.

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

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

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of September 30, 2015.

ASSIGNOR:

The Bellomy Group, LLC
A Texas Limited Liability Company

By:


Ryan Bellomy, Manager

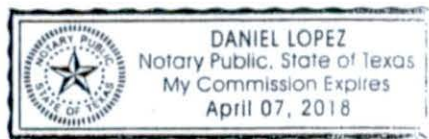
ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF DALLAS

§
§
§

This instrument was acknowledged before me on this 30 day of September 2015, by Ryan Bellomy as Manager on behalf of The Bellomy Group, LLC, a Texas Limited Liability Company.




Notary Public, State of Texas



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

EXHIBIT "A" - LEASES

COUNTY	BLOCK	SURVEY	SECTION	TOWNSHIP	LEGAL DESCRIPTION	VOL / PAGE	DATE OF LEASE	LESSEE	LESSOR	Percentage Assigned
Reeves	55	T&P RR Co.	8	4	The Southeast Quarter (SE/4) of the Southeast Quarter (SE/4), known as tracts 45, 46, 59, and 60 recorded in Plat Book Volume 1, Page 146 of the Plat Records, located in Section 8, Block 55, Township 4, T&P RR Co. Survey, Reeves County, Texas	1160 / 288	10/24/2014	The Bellomy Group, LLC	M. Brad Bennett	90%
Reeves	C-20	PSL	7		Tract No. 30, Section 7, Block C-20, PSL Survey, Reeves County, Texas	1141 / 183	12/15/2014	The Bellomy Group, LLC	Desert Partners IV, L.P.	90%
Reeves	C-20	PSL	7		Tract No. 30, Section 7, Block C-20, PSL Survey, Reeves County, Texas	1141 / 188	12/15/2014	The Bellomy Group, LLC	Lambert Land Company LLC	90%
Reeves	2	H&GN Ry Co.	25		West 480 acres of Section 25, Block 2, H&GN Survey, Reeves County, Texas	1160 / 338	2/16/2015	The Bellomy Group, LLC	Fairway Oil & Gas Company	90%
Reeves	2	H&GN Ry Co.	27		All of Section 27, save and except the Southeast Quarter of the Southeast Quarter (SE/4 SE/4), Block 2, H&GN Survey, Reeves County, Texas	1160 / 349	2/16/2015	The Bellomy Group, LLC	Fairway Oil & Gas Company	90%
Reeves	2	H&GN Ry Co.	13		N/2 and SE/4, NW/4 of SW/4, S/2 of SW/4, NE/4 of SW/4 of Section 13, Block 2, H&GN Survey, Reeves County, Texas	1160 / 307	2/16/2015	The Bellomy Group, LLC	Fairway Oil & Gas Company	90%

MF117683



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

Inst No. 15-09205
DIANNE O. FLOREZ
COUNTY CLERK
2015 Oct 06 at 09:42 AM
REEVES COUNTY, TEXAS
By: BA *Boutany* DEPUTY

NI=117683

File No.

Assign ID# 9506

Bellevue to Pivotal

Date Filed:

1-6-16

George P. Bush, Commissioner

By

[Signature]

10.30.15

TRUE & CORRECT
FILED
Y
2015

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Assign of Oil and Gas Leases dated Sep. 30, 2015, filed for record in my office this 6th day of October at 9:42 AM, under Clerk's File No. 15-09205, to be recorded in the OPR

Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 6th day of October, 2015.

By Brittany Adick, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 29, 2016

Susan Murray, Landman
Rocket Industries LLC
1804 Sylvan Dr.
Abilene, TX 79605

RE: GLO Assignment ID #9416 MF088349- Loving County and
MF117672^A, MF117673, MF117680 & MF 117683^B Reeves County^C

Dear Ms. Murray:

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

Assignment and Bill of Sale effective July 1, 2015 from Double Eagle Development, LLC and Double Eagle Lone Star LLC, assignor's, to Panther Energy Company II, LLC, d/b/a Panther Exploration, LLC, as assignee's. Filed for record in Loving County Doc # 2015-2663 and Reeves County Doc # 15-06696..

Filing fees of \$125.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

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

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

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

512.463.5001 • 800.998.4GLO

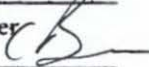
glo.texas.gov

(6)

File No. MF 117683

Correction Cover Ltr.
to Amend MF 117683

Date Filed: 3-30-16

George P. Bush, Commissioner
By 



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

October 10, 2016

Laura E. Day, Land Administration Manager
Pivotal Petroleum Partners LP
300 Crescent Court, Suite 200
Dallas, TX 75201

*Re: Consent to Assign, Reeves County
MF 117683
Volume 1141, Page 0179*

Dear Ms. Smith:

We hereby acknowledge receipt of your letter dated September 21, 2016, regarding the above referenced lease(s). You requested the General Land Office ("GLO") consent to assign an interest in the referenced lease to Pivotal Petroleum Partners LP.

The GLO interprets the assignment language in each of the leases to limit the transfer of obligations only when there are actual liabilities under the lease, such as plugging abandoned wells, removing pipelines, remediating drill sites and remitting unpaid royalties, interest or penalties due. If there are no existing liabilities, the lease(s) may be transferred at any time without written consent of the Commissioner.

Accordingly, we will accept for filing a certified copy of the Assignment as described in the correspondence. The filing fee for each assignment will be \$25.00 (\$50 after 90 days) per state lease. Absent an existing liability owed to the state, the assignee shall succeed to the rights and obligations under the lease.

Best regards,

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



MF 117683

September 30, 2016

Commissioner of the General Land Office
Of the State of Texas
1700 Congress Avenue
Austin, TX 78701-1495

CERTIFIED MAIL 7012 2210 0001 7402 0289

Re: Request for Consent to Assign
Oil and Gas Lease Dated October 24, 2014
Section 8, Block 55, T4, T&P RR Survey, A-1678
Reeves Co., TX

Dear Sirs:

Pivotal Delaware Basin, LP and Atlantic Resources Holding Co., LLC, whose address is 300 North Marienfeld Street, Suite 600, Midland, Texas have entered into an Agreement to purchase the referenced Oil and Gas Lease from Pivotal Delaware Basin, LP, a current leasehold owner. We request your consent to the Assignment of all interest in this Lease to Atlantic Resources Holding Co., LLC, as well as your consent to the following previous Assignment:

Partial Assignment of Oil and Gas Lease from The Bellomy Group, LLC to Pivotal Delaware Basin, L.P., dated January 28, 2015, effective as of January 21, 2015, recorded in Volume 1141, Page 0179, Reeves County, Texas, assigning 90% of Assignor's interest

yes OK

If this Agreement is acceptable, please signify your consent to all such Assignments by executing in the space provided below, and returning initially by email to lday@pivotalpetro.com or faxing to 214-239-4939 or eFax 214-292-8562, and thereafter mailing a fully executed original to the undersigned.

Thank you for your prompt attention to this matter. If you should have any questions or desire further information, please contact me directly at 214-489-7238 or lday@pivotalpetro.com.

Sincerely,

Laura E. Day

Laura E. Day
Land Administration Manager
(214) 489-7238
lday@pivotalpetro.com

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 2016
Commissioner of the General Land Office State of Texas

By: _____

Title: _____

⑦

File No. MF 117683

Reeves County

Consent Ltr

Date Filed: 10/12/16

George P. Bush, Commissioner AT

By _____

10. 1.10



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 14, 2016

Atlantic Resources Company, LLC
Attn: Mary Quintana, Sr. Lease/Division Order Analyst
P.O. Box 3759
Midland, TX 79702

Re: *GLO Assignment ID #9892, Reeves County
MF-117683*

Dear Ms. Quintana:

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

Assignment of Oil, Gas, and Mineral Leases and Bill of Sale, effective 10/01/16
from Bellomy Exploration, LLC, Assignor to Arkoma Drilling, LP, Assignee. Filed
for record under Doc. 16-14094.

Filing fees in the amount of \$25.00 were received in connection with the above assignment.

Please feel free to contact me at (512) 463-5407 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

November 1, 2016

ID 9892

VIA CERTIFIED MAIL – 7016-0340-0000-8441-4606

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

RE: Assignments of Oil and Gas Lease
Bellomy Exploration, LLC
Arkoma Drilling, LP
Pivotal Delaware Basin, LP
SE/4 SE/4 Section 8, Block 55, T-4, T&P RR Co. Survey
Reeves County, Texas

MF 117683 ✓

Dear Mr. Reid:

Pursuant to the requirements set forth by Status and in the State Surveyed School Land Lease Form Revised September 1997 please find enclosed a certified copy of that certain:

- 1). Assignment of Oil, Gas and Mineral Leases and Bill of Sale, between Bellomy Exploration, LLC, as Assignor, to Arkoma Drilling, LP, as Assignee effective October 1, 2016, recorded as Instrument Number 16-14094 of the Official Public Records of Reeves County, Texas, filed of record on October 25, 2016, covering that certain Oil and gas Lease dated October 24, 2014, between State of Texas, acting by and through its agent M. Brad Bennett, as Lessor and the Bellomy Group, LLC as Lessee, recorded as Instrument number 15-03607, Volume 1160, Page 0288, of the Official Public Records of Reeves County, Texas;
- 2). Assignment, Bill of Sale and Conveyance, between Arkoma Drilling, LP, as Assignor to Atlantic Resources Holding Co., LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14095 of the Official Public Records of Reeves County, Texas, filed of record on October 25, 2016, covering that certain Oil and gas Lease dated October 24, 2014, between State of Texas, acting by and through its agent M. Brad Bennett, as Lessor and the Bellomy Group, LLC as Lessee, recorded as Instrument number 15-03607, Volume 1160, Page 0288, of the Official Public Records of Reeves County, Texas; and
- 3). Assignment, Bill of Sale and Conveyance, between Pivotal Delaware Basin, LP, as Assignor to Atlantic Resources Holding Co., LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14096 of the Official Public Records of Reeves County, Texas, filed of record on October 25, 2016, covering that certain Oil and gas Lease dated October 24, 2014, between State of Texas, acting by and through its agent M. Brad Bennett, as Lessor and the Bellomy Group, LLC as Lessee, recorded as

Instrument number 15-03607, Volume 1160, Page 0288, of the Official Public Records of Reeves County, Texas.

Covering the Southeast Quarter (SE/4) of the Southeast Quarter (SE/4) known as tracts 45, 46, 59 and 60 recorded in Plat Book Volume 1, Page 146 of the Plat Records, located in Section 8, Block 55, Township 4, T&P RR Co. Survey, Reeves County, Texas.

A copy of that Lease is included for your convenience.

Also enclosed is check No. 2071 in amount of \$75.00 for filing fee for certified copies. Please let me know if you require further information by contacting me at 432-683-3272 or email at mquintana@arcoperating.com.

Sincerely,

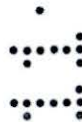
Atlantic Resources Company, LLC


Mary Quintana
Sr. Lease/Division Order Analyst



/mq

Enclosure



Atlantic Resources Holding Company, LLC - P.O. Box 3759 - Midland, TX 79702

To: Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701

Vendor Code
TEX160

Check Date
11/01/2016

Check Amount
+ \$75.00

002071
Check Number
1075-2071

Invoice #	Invoice Amt
10/31/2016	75.00
Assignment Filing Fees	
Navigator-Welch	
Bellamy Exp., LLC, Aroma Drilling, LP and	
Pivotal Delaware Basin, LP	
Reeves County, TX	

129 17703362

Mail to: Texas General Land Office

Attn: Energy Resources
P.O. 12873
Austin, Texas 78711-2873

Texas General Land Office
ASSIGNMENT SUMMARY

For General Land Office Use Only

9892 3, & \$

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	File No.	Page	Execution Date/Effective Date
Reeves	16-14094		Oct. 19, 2016/Oct. 1, 2016
Reeves	16-14095		Oct. 5, 2016/Oct. 1, 2016
Reeves	16-14096		Oct. 18, 2016/Oct. 1, 2016

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)

INTEREST BEING CONVEYED: (mark one)

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1 Bellomy Exploration, LLC	Arkoma Drilling, LP	100%	100%	0
2. Arkoma Drilling, LP	Atlantic Resources Holding Co., LLC	10%	7.50%	0
3. Pivotal Delaware Basin, LP	Atlantic Resources Holding Co., LLC	90%	67.50%	0
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1.	Reeves	55	8	SESE	None
2.	Reeves	55	8	SESE	None
3.	Reeves	55	8	SESE	None
4.					

Mary Quintana
Preparer's Signature

Mary Quintana

Name (please print)

mquintana@alcooperating.com
E-Mail Address

432-683-3272

Telephone Number

Lease Analyst

Title

11-1-16

Date

I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Atlantic Resources Holding Co., LLC

Company Name

Mailing Address

P.O. Box 3759

Midland, Texas 79702

City/State/Zip

10 9892

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

MF 117683
all

ASSIGNMENT OF OIL, GAS, AND MINERAL LEASES AND BILL OF SALE

STATE OF TEXAS §
 §
COUNTY OF REEVES §

KNOW ALL MEN BY THESE PRESENTS:

16-14094
FILED FOR RECORD
REEVES COUNTY, TEX
Oct 25, 2016 at 02:04:00 P

THIS ASSIGNMENT OF OIL, GAS, AND MINERAL LEASES AND BILL OF SALE ("Assignment") is made and entered as of the date listed in the notary block below, but is effective as of 7:00 a.m. Central Standard Time on the 1st day of October 2016 ("Effective Date"), by and between Bellomy Exploration, LLC, whose address is 1700 Pacific Avenue, Suite 2220, Dallas, Texas 75201, hereinafter referred to as "Assignor," and Arkoma Drilling, LP whose address is 5950 Berkshire Ln., Suite 1400, Dallas, Texas, 75225, hereinafter called "Assignee."

off 10-1-16

NOW THEREFORE, for One Hundred Dollars (\$100.00) and other good and valuable consideration, including the covenants and obligations of Assignee described herein, the receipt and sufficiency of which are hereby acknowledged, Assignor does by these presents QUIT CLAIM, GRANT, RELEASE, AND CONVEY unto Assignee effective as of the Effective Date, one hundred percent (100%) of Assignor's rights, title and interest, if any, in and to the following:

(A) All of Assignor's right, title, and interest in and to the oil, gas, and mineral leases described and limited on Exhibit "A" attached hereto and made a part hereof (the "Leases");

(B) All of Assignor's right, title, and interest in and to all contracts, permits, licenses, easements, and other agreements relating to the Leases including, without limitation, the following: surface leases, operating agreements, oil, gas and condensate purchase and sale agreements, processing, exchange, gathering, compression and transportation agreements; partnership, joint venture, farmout, farmin, dry hole, bottom hole, acreage contribution, purchase and acquisition agreements; area of mutual interest agreements; settlement agreements; salt water disposal agreements, servicing contracts, easements, surface use and/or right-of-way agreements; and unitization, communitization or pooling agreements, declarations or government orders relating to pooling or unitization ("Contracts"); and

(C) All of Assignor's interest, if any, in any oil and gas wells located on the Leases, fixtures, equipment, personal property, gas gathering or processing systems or pipelines, and all other fixtures and improvements appurtenant to the Leases as of the Effective Date ("Wells").

Notwithstanding any limitation in the foregoing or in Exhibit "A", this Assignment is intended to convey and does hereby convey unto Assignee one hundred percent (100%) of Assignor's right, title and interest, if any, in and to the Leases, Contracts, and Wells (collectively "Properties").

TO HAVE AND TO HOLD the interests assigned unto Assignee, its successors and assigns, subject to the following terms and conditions:

THIS CONVEYANCE IS MADE WITHOUT ANY WARRANTY OR COVENANT OF TITLE WHATSOEVER, EXPRESS OR IMPLIED, EVEN TO THE RETURN OF ANY FUNDS PAID UNDER THE TERMS OF THIS ASSIGNMENT.

ASSIGNEE HAS INSPECTED, OR WAIVED ITS RIGHT TO INSPECT, THE PROPERTIES

FOR ALL PURPOSES AND SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, INCLUDING BUT NOT LIMITED TO CONDITIONS SPECIFICALLY RELATED TO THE PRESENCE, RELEASE, OR DISPOSAL OF HAZARDOUS SUBSTANCES, SOLID WASTES, ASBESTOS, AND OTHER MAN MADE MATERIAL FIBERS (COLLECTIVELY, "MMMF"), OR NATURALLY OCCURRING RADIOACTIVE MATERIALS ("NORM"). ASSIGNEE IS RELYING UPON ITS OWN INSPECTION OF THE PROPERTIES, AND ASSIGNEE HEREBY ACCEPTS ALL OF THE SAME IN THEIR "AS IS, WHERE IS" CONDITION WITH ALL FAULTS. ASSIGNOR DISCLAIMS ALL LIABILITY ARISING IN CONNECTION WITH THE PRESENCE OF NORM OR MMMF ON THE PROPERTIES AND, IF TESTS HAVE BEEN CONDUCTED BY ASSIGNOR FOR THE PRESENCE OF NORM OR MMMF, ASSIGNOR DISCLAIMS ANY WARRANTY RESPECTING THE ACCURACY OF SUCH TESTS OR RESULTS. IN ADDITION, ASSIGNOR AND ITS REPRESENTATIVES MAKE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY DATA, INFORMATION, OR MATERIALS HERETOFORE OR HEREFTER FURNISHED ASSIGNEE IN CONNECTION WITH THE PROPERTIES OR AS TO THE QUALITY OR QUANTITY OF OIL, GAS, AND OTHER HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE PROPERTIES OR THE ABILITY OF THE PROPERTIES TO PRODUCE OIL, GAS, AND OTHER HYDROCARBONS. ANY AND ALL SUCH DATA, INFORMATION, AND OTHER MATERIALS FURNISHED BY ASSIGNOR AND ITS REPRESENTATIVES WAS PROVIDED TO ASSIGNEE AS A CONVENIENCE AND ANY RELIANCE ON OR USE OF THE SAME HAS BEEN AND SHALL BE AT ASSIGNEE'S SOLE RISK. ASSIGNOR SHALL HAVE NO LIABILITY TO ASSIGNEE FOR ANY CLAIMS, LOSS, OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY, INCIDENTALLY OR CONSEQUENTIALLY, BY THE PROPERTIES, BY ANY INADEQUACY THEREOF OR THEREWITH, ARISING IN STRICT LIABILITY OR OTHERWISE, OR IN ANY WAY RELATED TO OR ARISING OUT OF THIS ASSIGNMENT. ASSIGNOR MAKES NO EXPRESS, AND DISCLAIMS ALL IMPLIED, WARRANTIES OF ANY KIND, INCLUDING THOSE OF TITLE, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PROPERTIES AND EXPRESSLY DISCLAIMS ANY WARRANTIES WITH RESPECT THERETO. ASSIGNEE ACKNOWLEDGES THAT THIS EXPRESS DISCLAIMER AND WAIVER SHALL BE CONSIDERED A MATERIAL AND INTEGRAL PART OF THIS TRANSACTION AND THE CONSIDERATION THEREOF; AND ACKNOWLEDGES THAT THIS DISCLAIMER AND WAIVER HAS BEEN BROUGHT TO THE ATTENTION OF ASSIGNEE AND EXPLAINED IN DETAIL AND THAT ASSIGNEE HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO THIS DISCLAIMER AND WAIVER.

THE PARTIES AGREE THAT, TO THE EXTENT REQUIRED TO BE OPERATIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE, OR ORDER.

Assignor retains and reserves unto itself, on a lease-by-lease basis, an overriding royalty interest equal to the positive difference between 25% and all lease burdens existing on the Effective Date (including, but not limited to, landowners' royalty, existing overriding royalties, production payments and net profits interest). Said overriding royalty interest is subject to proportionate reduction on a tract-by-tract basis to the extent that a lease assigned hereunder covers less than the entire oil and gas mineral estate. Said reserved overriding royalty interest is also subject to its proportionate share of severance taxes. However, the reserved overriding royalty shall not be subject to any costs or expenses associated with exploring, producing, completing, compressing, treating, developing, processing, marketing, transporting, drilling or operations on the Properties.

Assignee agrees to comply with all applicable laws, rules, regulations and orders with respect to the ownership of the Properties and operations connected therewith including, where applicable, laws, rules, and regulations governing the plugging of wells.

Assignee hereby agrees (a) to assume, and to timely pay and perform, all duties, obligations, and liabilities relating to the ownership and/or operation of the Properties after the Effective Date, and (b) to **INDEMNIFY AND HOLD ASSIGNOR (AND THE AFFILIATES OF ASSIGNOR, AND THE RESPECTIVE PARTNERS, DIRECTORS, MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, ATTORNEYS, CONTRACTORS, SUBCONTRACTORS AND AGENTS OF SUCH AFFILIATES AND ASSIGNOR) HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, LIABILITIES, DAMAGES, LOSSES, COSTS, OR EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS AND ATTORNEYS' FEES) OF ANY KIND OR CHARACTER ARISING OUT OF OR OTHERWISE RELATING TO THE OWNERSHIP AND/OR OPERATION OF THE PROPERTIES AFTER THE EFFECTIVE DATE.** In connection with (but not in limitation of) the foregoing, it is specifically understood and agreed that such duties, obligations, and liabilities arising out of or otherwise relating to the ownership and/or operation of the Properties after the Effective Date shall (notwithstanding anything herein appearing to be to the contrary) be deemed to include all matters arising out of the condition of the Properties on the Effective Date (including, without limitation, within such matters all obligations to properly plug and abandon, or replug and re-abandon, wells located on the Properties, to restore the surface of the Properties, and to comply with, or to bring the Properties into compliance with, applicable environmental laws, rules, regulations, and orders, including conducting any remediation activities which may be required on or otherwise in connection with activities on the Properties), regardless of whether such condition or the events giving rise to such condition arose or occurred before or after the Effective Date, and the assumptions and indemnifications by Assignee provided for in the first sentence of this paragraph shall expressly cover and include such matters. **THE FOREGOING ASSUMPTIONS AND INDEMNIFICATIONS SHALL APPLY WHETHER OR NOT SUCH DUTIES, OBLIGATIONS, OR LIABILITIES, OR SUCH CLAIMS, ACTIONS, CAUSES OF ACTION, LIABILITIES, DAMAGES, LOSSES, COSTS, OR EXPENSES ARISE OUT OF (i) NEGLIGENCE (INCLUDING SOLE NEGLIGENCE, SINGLE NEGLIGENCE, CONCURRENT NEGLIGENCE, ACTIVE OR PASSIVE NEGLIGENCE, BUT EXPRESSLY NOT INCLUDING GROSS NEGLIGENCE) OF ANY INDEMNIFIED PARTY, OR (ii) STRICT LIABILITY.**

To the extent permitted by law, Assignee shall be subrogated to Assignor's rights in and to representations, warranties, and covenants given with respect to the Properties. Assignor hereby grants and transfers to Assignee, its successors, and assigns, to the extent so transferable and permitted by law, the benefit of and the right to enforce the covenants, representations, and warranties, if any, which Assignor is entitled to enforce with respect to the Properties, but only to the extent not enforced by Assignor.

TO HAVE AND TO HOLD the Properties unto Assignee, its successors and assigns, forever.

This Assignment may be executed in any number of counterparts, each of which shall be binding upon the party or parties so signing. The signature pages and the notarial acknowledgments of the counterparts may be combined with the original hereof and recorded as one instrument.

This Assignment shall bind and inure to the benefit of the parties and their successors and assigns.

(Signature and acknowledgement pages follow)

IN WITNESS WHEREOF, the parties have executed this Assignment effective as of the Effective
Date written above.

ASSIGNOR:

BELLOMY EXPLORATION, LLC

By: 
Name: Ryan Bellomy
Title: Manager

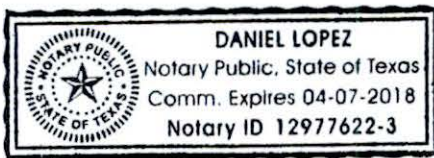
ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME on this the 19 day of October 2016, the undersigned, a Notary Public in and for the county and state aforesaid, came Ryan Bellomy, as Manager of Bellomy Exploration, LLC, who executed the above and foregoing document in said capacity, and acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereto set my hand and affixed my notarial seal the day and year last above written.


Notary Public



My appointment expires: 4-7-18

Signature Page of
Assignment of Oil, Gas and Mineral Leases and Bill of Sale

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 4 of 6

ASSIGNEE:

ARKOMA DRILLING, LP

By: _____

Name: Robert Roth

Title: Assistant Secretary

ACKNOWLEDGEMENT

STATE OF TEXAS §

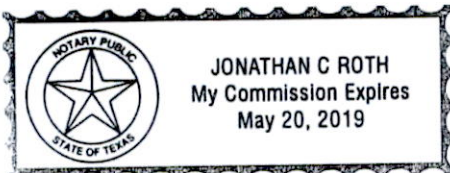
§

COUNTY OF DALLAS §

§

BEFORE ME on this the 20th day of October 2016, the undersigned, a Notary Public in and for the county and state aforesaid, came Robert Roth, as Assistant Secretary of Arkoma Drilling, LP, who executed the above and foregoing document, and acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereto set my hand and affixed my notarial seal the day and year last above written.



Notary Public

My appointment expires: ~~10-2~~ 05-20-19

Signature Page of
Assignment of Oil, Gas and Mineral Leases and Bill of Sale

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 5 of 6

11. 0.16

Exhibit "A"

Attached to and made part of that certain
Assignment of Oil, Gas and Mineral Leases and Bill of Sale,
Effective as of October 1, 2016
by and between
Bellomy Exploration, LLC, as Assignor
and
Arkoma Drilling, LP, as Assignee

Description of Leases

Lessor	Lessee	Effective Date	County	Instrument No.	Volume	Page	Legal
State of Texas, acting by and through its agent, M. Brad Bennett MT-117683	The Bellomy Group, LLC	October 24, 2014	Reeves	15-03607	1160	0288	Southeast Quarter (SE/4) of Southeast Quarter (SE/4), known as tracts 45, 46, 59 and 60 recorded in Plat Book Volume 1, Page 146 of the Plat Records, located in Section 8, Block 55, Township 4, T&P RR Co. Survey

End of Exhibit "A"

Exhibit "A"
of Assignment of Oil, Gas and Mineral Leases and Bill of Sale

Inst No. 16-14094
DIANNE O. FLOREZ
COUNTY CLERK
2016 Oct 25 at 02:04 PM
REEVES COUNTY, TEXAS
By: RL *[Signature]* DEPUTY

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 16 of 16

8

File No.

MF 117683

Assign FD# 9892

Bellamy To Arkana

Date Filed:

11-14-16

George P. Bush, Commissioner

By

AG

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of

Memo of 046 leave Bill of Sale dated 10/01/2016

filed for record in my office this 25th day of October at

2:04 P.M. under Clerk's File No. 16-14094, to be recorded in the

Official Public Record

Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 25th day of Oct, 2016.

By Rosemary Lyles, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 14, 2016

Atlantic Resources Company, LLC
Attn: Mary Quintana, Sr. Lease/Division Order Analyst
P.O. Box 3759
Midland, TX 79702

Re: *GLO Assignment ID #9893, Reeves County
MF-117683*

Dear Ms. Quintana:

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

Assignment, Bill of Sale and Conveyance, effective 10/01/16 from Arkoma Drilling, LP, Assignor to Atlantic Resources Holding Co., LLC, Assignee. Filed for record under Doc. 16-14095.

Filing fees in the amount of \$25.00 were received in connection with the above assignment.

Please feel free to contact me at (512) 463-5407 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

November 1, 2016

ID 9892
9893
4

VIA CERTIFIED MAIL – 7016-0340-0000-8441-4606

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

RE: Assignments of Oil and Gas Lease
Bellomy Exploration, LLC
Arkoma Drilling, LP
Pivotal Delaware Basin, LP
SE/4 SE/4 Section 8, Block 55, T-4, T&P RR Co. Survey
Reeves County, Texas

MF 117683 ✓

Dear Mr. Reid:

Pursuant to the requirements set forth by Status and in the State Surveyed School Land Lease Form Revised September 1997 please find enclosed a certified copy of that certain:

- 1). Assignment of Oil, Gas and Mineral Leases and Bill of Sale, between Bellomy Exploration, LLC, as Assignor, to Arkoma Drilling, LP, as Assignee effective October 1, 2016, recorded as Instrument Number 16-14094 of the Official Public Records of Reeves County, Texas, filed of record on October 25, 2016, covering that certain Oil and gas Lease dated October 24, 2014, between State of Texas, acting by and through its agent M. Brad Bennett, as Lessor and the Bellomy Group, LLC as Lessee, recorded as Instrument number 15-03607, Volume 1160, Page 0288, of the Official Public Records of Reeves County, Texas;
- 2). Assignment, Bill of Sale and Conveyance, between Arkoma Drilling, LP, as Assignor to Atlantic Resources Holding Co., LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14095 of the Official Public Records of Reeves County, Texas, filed of record on October 25, 2016, covering that certain Oil and gas Lease dated October 24, 2014, between State of Texas, acting by and through its agent M. Brad Bennett, as Lessor and the Bellomy Group, LLC as Lessee, recorded as Instrument number 15-03607, Volume 1160, Page 0288, of the Official Public Records of Reeves County, Texas; and
- 3). Assignment, Bill of Sale and Conveyance, between Pivotal Delaware Basin, LP, as Assignor to Atlantic Resources Holding Co., LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14096 of the Official Public Records of Reeves County, Texas, filed of record on October 25, 2016, covering that certain Oil and gas Lease dated October 24, 2014, between State of Texas, acting by and through its agent M. Brad Bennett, as Lessor and the Bellomy Group, LLC as Lessee, recorded as

Instrument number 15-03607, Volume 1160, Page 0288, of the Official Public Records of Reeves County, Texas.

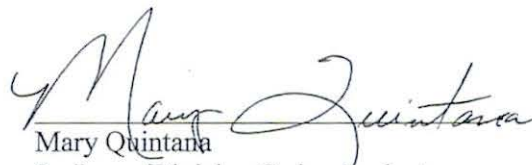
Covering the Southeast Quarter (SE/4) of the Southeast Quarter (SE/4) known as tracts 45, 46, 59 and 60 recorded in Plat Book Volume 1, Page 146 of the Plat Records, located in Section 8, Block 55, Township 4, T&P RR Co. Survey, Reeves County, Texas.

A copy of that Lease is included for your convenience.

Also enclosed is check No. 2071 in amount of \$75.00 for filing fee for certified copies. Please let me know if you require further information by contacting me at 432-683-3272 or email at mquintana@arcoperating.com.

Sincerely,

Atlantic Resources Company, LLC


Mary Quintana
Sr. Lease/Division Order Analyst

/mq

Enclosure

Atlantic Resources Holding Company, LLC - P.O. Box 3759 - Midland, TX 79702

To: Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701

Vendor Code
TEX160

Check Date
11/01/2016

Check Amount
+ \$75.00

002071
Check Number
1075-2071

Invoice #	Invoice Amt
10/31/2016	75.00
Assignment Filing Fees	
Navigator-Welch	
Bellamy Exp., LLC, Aroma Drilling, LP and	
Pivotal Delaware Basin, LP	
Reeves County, TX	

129 17703362

Mail to: Texas General Land Office

Attn: Energy Resources

P.O. 12873

Austin, Texas 78711-2873

Texas General Land Office

ASSIGNMENT SUMMARY

For General Land Office Use Only

9892, 3, 88

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	File No.	Page	Execution Date/Effective Date
Reeves	16-14094		Oct. 19, 2016/Oct. 1, 2016
Reeves	16-14095		Oct. 5, 2016/Oct. 1, 2016
Reeves	16-14096		Oct. 18, 2016/Oct. 1, 2016

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)

INTEREST BEING CONVEYED: (mark one)

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1 Bellomy Exploration, LLC	Arkoma Drilling, LP	100%	100%	0
2. Arkoma Drilling, LP	Atlantic Resources Holding Co., LLC	10%	7.50%	0
3. Pivotal Delaware Basin, LP	Atlantic Resources Holding Co., LLC	90%	67.50%	0
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1.	Reeves	55	8	SESE	None
2.	Reeves	55	8	SESE	None
3.	Reeves	55	8	SESE	None
4.					

Mary Quintana
Preparer's Signature

Mary Quintana

Name (please print)

mquintana@arcoperating.com
E-Mail Address

432-683-3272

Telephone Number

Lease Analyst

Title

11-1-16

Date

I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Atlantic Resources Holding Co., LLC

Company Name

Mailing Address

P.O. Box 3759

Midland, Texas 79702

City/State/Zip

M/ = 117683

all

§

 $\mathcal{S}$

§

eff 10-1-16

eff 10-1-16

1

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 1 of 6

This Assignment is subject to the following terms, covenants and conditions:

- (1) Assignor does hereby bind itself, its successors and assigns to warrant and forever defend title to the Leases and the Lands herein assigned to Assignee, to the extent of the interests set forth on Exhibit "A", against all persons claiming the same or any portions thereof, by, through and under Assignor, but not otherwise, subject, however, to the Permitted Encumbrances. The specific working and net revenue interests set forth on Exhibit "A" are included for warranty purposes and shall not expand or limit the interests hereby conveyed, it being the intent of Assignor to convey to Assignee all of its undivided interest in the Leases and Lands. For purposes of this Assignment, "Permitted Encumbrances" shall mean: (i) the terms and provisions of the Leases; (ii) any and all federal, state, and local regulatory laws, orders and rules to which any of the Leases or Lands are presently subject; (iii) encumbrances relating to the Leases that secure payments to mechanics and materialmen, or that secure payment of taxes or assessments that are, in either case, not yet delinquent; (iv) all rights to consent by, required notices to, filings with, or other actions by governmental entities in connection with the sale or conveyance of the Leases if they are customarily obtained subsequent to the sale or conveyance; (v) easements, rights-of-way, servitudes, permits, conditions existing on or below the surface, regulatory restrictions on drilling or operations, surface leases, surface use restrictions and other surface uses and impediments on, over, or in respect of the Leases; (vi) defects or irregularities of title as to which the relevant statute of limitation or prescription would bar any attack or claim against Assignor's title; (vii) conventional rights of reassignment obligating Assignor to reassign their interests in any portion of the Leases to a third party, if such right is only triggered when Assignee expressly indicates its intention to release or abandon such interest prior to the expiration of the primary term or other termination of such interest; and (viii) all other liens, charges, encumbrances, contracts, agreements, subordination, instruments, obligations, defects and irregularities affecting the Leases or Lands that do not (or would not upon foreclosure or other enforcement) materially interfere with or detract from the ownership, operation, or performance of the Leases.

THIS ASSIGNMENT, AS IT PERTAINS TO THE PERSONAL PROPERTY AND EQUIPMENT HEREIN CONVEYED, IF ANY, IS MADE "AS IS", "WHERE IS" WITHOUT WARRANTY EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN ADDITION, ASSIGNOR DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH RESPECT TO (a) THE PHYSICAL CONDITION OF THE PROPERTY HEREIN CONVEYED, INCLUDING, WITHOUT

LIMITATION, THE WATER, SOIL AND GEOLOGY, OR THE PRESENCE OR ABSENCE OF ANY POLLUTANT, HAZARDOUS WASTE OR HAZARDOUS SUBSTANCE ON OR ABOUT SAID PROPERTY, (b) THE INCOME TO BE DERIVED FROM THE PROPERTY HEREIN CONVEYED, OR (c) THE SUITABILITY OF THE PROPERTY HEREIN CONVEYED FOR ANY AND ALL ACTIVITIES AND USES WHICH ASSIGNEE MAY INTEND TO CONDUCT THEREON. ASSIGNEE HAS BEEN GIVEN AN OPPORTUNITY TO INSPECT THE PROPERTY AND IS RELYING SOLELY ON ITS OWN INSPECTIONS AND INVESTIGATIONS OF SAID PROPERTY AND NOT ON ANY INFORMATION PROVIDED BY ASSIGNOR.

- (2) All ad valorem, property, production, severance and similar taxes based upon or measured by ownership of the Leases or production from the Lands shall be prorated between Assignor and Assignee as of the Effective Time.
- (3) This Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties of title by others heretofore given or made with respect to the Leases and Lands or any part thereof.
- (4) Assignor and Assignee agree to execute and deliver all such other additional instruments, notices, transfer orders and other documents and do all such other and further acts and things as may be necessary to more fully and effectively grant, convey and assign to Assignee the Leases and Lands.
- (5) This Assignment binds and inures to the benefit of Assignor and Assignee and their respective successors and assigns.
- (6) This Assignment may be executed in any number of original counterparts and each such counterpart shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same instrument of conveyance. Assignee may assemble the counterparts into one document for recording purposes.
- (7) Assignee hereby assumes and agrees to fulfill, perform, be bound by, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all obligations, liabilities, losses, damages, expenses, fines, penalties, costs, claims, causes of action and judgments of any kind whatsoever, whether arising from claims for personal injury, illness, death, loss of or damage to property, or other theories, including, without limitation, reasonable attorneys fees, court costs, and other reasonable costs of investigation and litigation (collectively, "Claims") of any kind, with respect to the Leases and Lands (and the use, ownership or operation of the same), to the extent

arising from and after the Effective Time (collectively, "Assumed Obligations"). Assignee shall DEFEND, RELEASE, INDEMNIFY and HOLD HARMLESS Assignor from and against any and all Claims arising from or related to the Assumed Obligations, **REGARDLESS OF WHETHER ARISING FROM OR ARE ATTRIBUTABLE TO THE SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OR RESPONSIBILITY OF ASSIGNOR, ASSIGNEE, OR ANY OTHER PERSON.**

TO HAVE AND TO HOLD the Leases and Lands unto the Assignee, its respective successors and assigns, subject to the terms, covenants and conditions hereinabove set forth.

EXECUTED as of the dates of the acknowledgments shown below, but EFFECTIVE as of October 1, 2016 (the "Effective Time").

ASSIGNOR:

ARKOMA DRILLING, LP

By: _____

Name: Jerral W. Jones

Title: President

ASSIGNEE:

ATLANTIC RESOURCES HOLDING CO., LLC

By: _____

Name: R. A. Jennings

Title: Chief Executive Officer

ACKNOWLEDGMENTS:

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

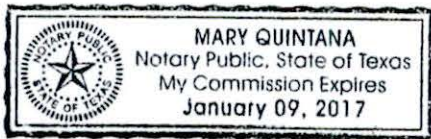
This instrument was acknowledged before me this 5th day of October, 2016, by Jerral W. Jones, as President of Arkoma Drilling, LP, a Texas limited partnership, on behalf of said limited partnership.



Marylyn Sue Love
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 18th day of October, 2016, by R.A. Jennings as Chief Executive officer of Atlantic Resources Holding Co., LLC, a Delaware limited liability company, on behalf of said limited liability company.



Mary Quintana
Notary Public, State of Texas

Exhibit "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance, dated effective October 1, 2016, by and between Arkoma Drilling, LP, as Assignor, and Atlantic Resources Holding Co., LLC, as Assignee.

Leases:

Oil, Gas and Mineral Lease dated October 24, 2014, between The State of Texas, acting by and through its agent, M. Brad Bennett, Lessor, and The Bellomy Group, Lessee, recorded in Volume 1160, Page 288 of the Official Public Records of Reeves County, Texas.

Lands:

The following described lands located in Reeves County, Texas:

MF 117668

Southeast Quarter (SE/4) of Southeast Quarter (SE/4), known as tracts 45, 46, 59 and 60 recorded in Plat Book Volume 1, Page 146 of the Plat Records, located in Section 8, Block 55, Township 4, T&P RR Co. Survey;

Containing 40 acres, more or less.

Depths:

As to all depths.

Wells:

None

Assignor's Net Mineral Acres:

4 net mineral acres

Assignor's Interest:

Gross Working Interest: 10.00%
Net Revenue Interest: 7.50%

Inst No. 16-14095
DIANNE O. FLOREZ
COUNTY CLERK
2016 Oct 25 at 02:04 PM
REEVES COUNTY, TEXAS
By: RL Bowena Siles, DEPUTY

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 7 of 6

9

File No. MF 117683
Assign ID # 9893
Arkoma to Atlantic
Date Filed: 11-14-16
George P. Bush, Commissioner
By: *AT*

2016
10-31-2016

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Assign Bill of Sale Conveyance dated 10-31-2016, filed for record in my office this 25th day of Oct at 2:44 P M, under Clerk's File No. 16-14095, to be recorded in the Official Public Record of Reeves County, Texas.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 25th day of Oct, 20 16.
By Romana Reyes Deputy. DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 14, 2016

Atlantic Resources Company, LLC
Attn: Mary Quintana, Sr. Lease/Division Order Analyst
P.O. Box 3759
Midland, TX 79702

Re: *GLO Assignment ID #9894, Reeves County
MF-117683*

Dear Ms. Quintana:

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

Assignment, Bill of Sale and Conveyance, effective 10/01/16 from Pivotal Delaware Basin, LP, Assignor to Atlantic Resources Holding Co., LLC, Assignee.
Filed for record under Doc. 16-14096.

Filing fees in the amount of \$25.00 were received in connection with the above assignment.

Please feel free to contact me at (512) 463-5407 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

November 1, 2016

ID 9894

VIA CERTIFIED MAIL – 7016-0340-0000-8441-4606

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

RE: Assignments of Oil and Gas Lease
Bellomy Exploration, LLC
Arkoma Drilling, LP
Pivotal Delaware Basin, LP
SE/4 SE/4 Section 8, Block 55, T-4, T&P RR Co. Survey
Reeves County, Texas

MF 117683 ✓

Dear Mr. Reid:

Pursuant to the requirements set forth by Status and in the State Surveyed School Land Lease Form Revised September 1997 please find enclosed a certified copy of that certain:

- 1). Assignment of Oil, Gas and Mineral Leases and Bill of Sale, between Bellomy Exploration, LLC, as Assignor, to Arkoma Drilling, LP, as Assignee effective October 1, 2016, recorded as Instrument Number 16-14094 of the Official Public Records of Reeves County, Texas, filed of record on October 25, 2016, covering that certain Oil and gas Lease dated October 24, 2014, between State of Texas, acting by and through its agent M. Brad Bennett, as Lessor and the Bellomy Group, LLC as Lessee, recorded as Instrument number 15-03607, Volume 1160, Page 0288, of the Official Public Records of Reeves County, Texas;
- 2). Assignment, Bill of Sale and Conveyance, between Arkoma Drilling, LP, as Assignor to Atlantic Resources Holding Co., LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14095 of the Official Public Records of Reeves County, Texas, filed of record on October 25, 2016, covering that certain Oil and gas Lease dated October 24, 2014, between State of Texas, acting by and through its agent M. Brad Bennett, as Lessor and the Bellomy Group, LLC as Lessee, recorded as Instrument number 15-03607, Volume 1160, Page 0288, of the Official Public Records of Reeves County, Texas; and
- 3). Assignment, Bill of Sale and Conveyance, between Pivotal Delaware Basin, LP, as Assignor to Atlantic Resources Holding Co., LLC, as Assignee effective October 1, 2016, recorded as Instrument No. 16-14096 of the Official Public Records of Reeves County, Texas, filed of record on October 25, 2016, covering that certain Oil and gas Lease dated October 24, 2014, between State of Texas, acting by and through its agent M. Brad Bennett, as Lessor and the Bellomy Group, LLC as Lessee, recorded as

Instrument number 15-03607, Volume 1160, Page 0288, of the Official Public Records of Reeves County, Texas.

Covering the Southeast Quarter (SE/4) of the Southeast Quarter (SE/4) known as tracts 45, 46, 59 and 60 recorded in Plat Book Volume 1, Page 146 of the Plat Records, located in Section 8, Block 55, Township 4, T&P RR Co. Survey, Reeves County, Texas.

A copy of that Lease is included for your convenience.

Also enclosed is check No. 2071 in amount of \$75.00 for filing fee for certified copies. Please let me know if you require further information by contacting me at 432-683-3272 or email at mquintana@arcoperating.com.

Sincerely,

Atlantic Resources Company, LLC


Mary Quintana
Sr. Lease/Division Order Analyst

/mq

Enclosure

Atlantic Resources Holding Company, LLC - P.O. Box 3759 - Midland, TX 79702

To: Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701

Vendor Code
TEX160

Check Date
11/01/2016

Check Amount
+ \$75.00

002071
Check Number
1075-2071

Invoice #	Invoice Amt
10/31/2016	75.00
Assignment Filing Fees	
Navigator-Welch	
Bellamy Exp., LLC, Aroma Drilling, LP and	
Pivotal Delaware Basin, LP	
Reeves County, TX	

129 17703362

Mail to: Texas General Land Office

Attn: Energy Resources

P.O. 12873

Austin, Texas 78711-2873

Texas General Land Office

ASSIGNMENT SUMMARY

For General Land Office Use Only

9892 3, 8/8

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	File No.	Page	Execution Date/Effective Date
Reeves	16-14094		Oct. 19, 2016/Oct. 1, 2016
Reeves	16-14095		Oct. 5, 2016/Oct. 1, 2016
Reeves	16-14096		Oct. 18, 2016/Oct. 1, 2016

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)

INTEREST BEING CONVEYED: (mark one)

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1 Bellomy Exploration, LLC	Arkoma Drilling, LP	100%	100%	0
2. Arkoma Drilling, LP	Atlantic Resources Holding Co., LLC	10%	7.50%	0
3. Pivotal Delaware Basin, LP	Atlantic Resources Holding Co., LLC	90%	67.50%	0
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1.	Reeves	55	8	SESE	None
2.	Reeves	55	8	SESE	None
3.	Reeves	55	8	SESE	None
4.					

Mary Quintana
Preparer's Signature

Mary Quintana

Name (please print)

mguintana@alcooperating.com
E-Mail Address

432-683-3272

Telephone Number

Lease Analyst

Title

11-1-16

Date

I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Atlantic Resources Holding Co., LLC

Company Name

Mailing Address

P.O. Box 3759

Midland, Texas 79702

City/State/Zip

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

ID 9894

MF117683

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF TEXAS
COUNTY OF REEVES

§
§
§

KNOW ALL MEN BY THESE PRESENTS

all

This Assignment, Bill of Sale and Conveyance ("Assignment") is from **Pivotal Delaware Basin, LP**, a Delaware limited partnership, with offices at 300 Crescent Court, Suite 200, Dallas, Texas 75201 ("Assignor"), to **Atlantic Resources Holding Co., LLC**, a Delaware limited liability company, whose address is P.O. Box 3759, Midland, Texas 79702 ("Assignee").

eff 10-1-16

For and in consideration of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor, subject to the terms and conditions contained herein or referred to herein, does hereby transfer, grant, bargain, sell, convey and assign to Assignee all of Assignor's right, title, interest and estate in and to those certain oil and gas leases (the "Leases") and the lands covered by such Leases (the "Lands") described in Exhibit "A" attached hereto and made part hereof.

This Assignment covers and includes a like interest in all personal property, equipment, facilities, pipelines, and fixtures located on the Leases or Lands, or used or obtained in connection therewith. It is the intent of this assignment to convey, and it does hereby convey, all contractual rights to which the Leases or Lands are subject, but only to the extent applicable to the Leases, including any operating agreements and pooling and unitization agreements or declarations, all surface leases, surface use agreements, rights-of-way, easements, servitudes, permits, licenses, immunities, privileges and other rights that benefit or burden or are appurtenant to the Leases, all the oil, gas, and other hydrocarbons and other products produced in association therewith, and the oil and gas wells and injection or disposal wells located on the Leases or Lands or on lands pooled or unitized therewith, and all files, records, and data related to any of the above.

It is the intent of this Assignment to convey, and it does hereby convey, all right, title, and interest of Assignor of every kind or character in the Leases and Lands, whether present, vested, future, contingent, reversionary, recorded, unrecorded, before payout, after payout, contractual, beneficial or otherwise absolutely and in fee simple forever with no reservation. Assignor agrees to execute such further assurances as may be necessary for the full and complete enjoyment of the rights herein granted.

This Assignment is subject to the following terms, covenants and conditions:

- (1) Assignor does hereby bind itself, its successors and assigns to warrant and forever defend title to the Leases and the Lands herein assigned to Assignee, to the extent of the interests set forth on Exhibit "A", against all persons claiming the same or any portions thereof, by, through and under Assignor, but not otherwise, subject, however, to the Permitted Encumbrances. The specific working and net revenue interests set forth on Exhibit "A" are included for warranty purposes and shall not expand or limit the interests hereby conveyed, it being the intent of Assignor to convey to Assignee all of its undivided interest in the Leases and Lands. For purposes of this Assignment, "Permitted Encumbrances" shall mean: (i) the terms and provisions of the Leases; (ii) any and all federal, state, and local regulatory laws, orders and rules to which any of the Leases or Lands are presently subject; (iii) encumbrances relating to the Leases that secure payments to mechanics and materialmen, or that secure payment of

taxes or assessments that are, in either case, not yet delinquent; (iv) all rights to consent by, required notices to, filings with, or other actions by governmental entities in connection with the sale or conveyance of the Leases if they are customarily obtained subsequent to the sale or conveyance; (v) easements, rights-of-way, servitudes, permits, conditions existing on or below the surface, regulatory restrictions on drilling or operations, surface leases, surface use restrictions and other surface uses and impediments on, over, or in respect of the Leases; (vi) defects or irregularities of title as to which the relevant statute of limitation or prescription would bar any attack or claim against Assignor's title; (vii) conventional rights of reassignment obligating Assignor to reassign their interests in any portion of the Leases to a third party, if such right is only triggered when Assignee expressly indicates its intention to release or abandon such interest prior to the expiration of the primary term or other termination of such interest; and (viii) all other liens, charges, encumbrances, contracts, agreements, subordination, instruments, obligations, defects and irregularities affecting the Leases or Lands that do not (or would not upon foreclosure or other enforcement) materially interfere with or detract from the ownership, operation, or performance of the Leases.

THIS ASSIGNMENT, AS IT PERTAINS TO THE PERSONAL PROPERTY AND EQUIPMENT HEREIN CONVEYED, IF ANY, IS MADE "AS IS", "WHERE IS" WITHOUT WARRANTY EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN ADDITION, ASSIGNOR DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH RESPECT TO (a) THE PHYSICAL CONDITION OF THE PROPERTY HEREIN CONVEYED, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, OR THE PRESENCE OR ABSENCE OF ANY POLLUTANT, HAZARDOUS WASTE OR HAZARDOUS SUBSTANCE ON OR ABOUT SAID PROPERTY, (b) THE INCOME TO BE DERIVED FROM THE PROPERTY HEREIN CONVEYED, OR (c) THE SUITABILITY OF THE PROPERTY HEREIN CONVEYED FOR ANY AND ALL ACTIVITIES AND USES WHICH ASSIGNEE MAY INTEND TO CONDUCT THEREON. ASSIGNEE HAS BEEN GIVEN AN OPPORTUNITY TO INSPECT THE PROPERTY AND IS RELYING SOLELY ON ITS OWN INSPECTIONS AND INVESTIGATIONS OF SAID PROPERTY AND NOT ON ANY INFORMATION PROVIDED BY ASSIGNOR.

- (2) All ad valorem, property, production, severance and similar taxes based upon or measured by ownership of the Leases or production from the Lands shall be prorated between Assignor and Assignee as of the Effective Time.
- (3) This Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties of title by others heretofore given or made with respect to the Leases and Lands or any part thereof.
- (4) Assignor and Assignee agree to execute and deliver all such other additional instruments, notices, transfer orders and other documents and do all such other and further acts and things as may be necessary to more fully and effectively grant, convey and assign to Assignee the Leases and Lands.
- (5) This Assignment binds and inures to the benefit of Assignor and Assignee and their respective successors and assigns.
- (6) This Assignment may be executed in any number of original counterparts

and each such counterpart shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same instrument of conveyance. Assignee may assemble the counterparts into one document for recording purposes.

- (7) Assignee hereby assumes and agrees to fulfill, perform, be bound by, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all obligations, liabilities, losses, damages, expenses, fines, penalties, costs, claims, causes of action and judgments of any kind whatsoever, whether arising from claims for personal injury, illness, death, loss of or damage to property, or other theories, including, without limitation, reasonable attorneys fees, court costs, and other reasonable costs of investigation and litigation (collectively, "Claims") of any kind, with respect to the Leases and Lands (and the use, ownership or operation of the same), to the extent arising from and after the Effective Time (collectively, "Assumed Obligations"). Assignee shall DEFEND, RELEASE, INDEMNIFY and HOLD HARMLESS Assignor from and against any and all Claims arising from or related to the Assumed Obligations, **REGARDLESS OF WHETHER ARISING FROM OR ARE ATTRIBUTABLE TO THE SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OR RESPONSIBILITY OF ASSIGNOR, ASSIGNEE, OR ANY OTHER PERSON.**

TO HAVE AND TO HOLD the Leases and Lands unto the Assignee, its respective successors and assigns, subject to the terms, covenants and conditions hereinabove set forth.

EXECUTED as of the dates of the acknowledgments shown below, but EFFECTIVE as of October 1, 2016 (the "Effective Time").

ASSIGNOR:

PIVOTAL DELAWARE BASIN, LP

**By: Pivotal Delaware GP, LLC, its
general partner**

By: Wm B. DeArman
William B. DeArman, Vice President

ASSIGNEE:

ATLANTIC RESOURCES HOLDING CO., LLC

By: R. A. Jennings
Name: R. A. Jennings
Title: Chief Executive Officer

ACKNOWLEDGMENTS:

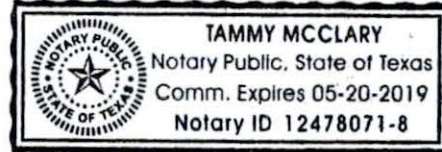
STATE OF TEXAS

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COUNTY OF DALLAS

This instrument was acknowledged before me this 18th day of October, 2016, by William B. DeArman, as Vice-President of Pivotal Delaware GP, LLC, a Delaware limited liability company, general partner of Pivotal Delaware Basin, LP, a Delaware limited partnership, on behalf of said limited liability company and said limited partnership.

Tammy McClary
Notary Public, State of Texas



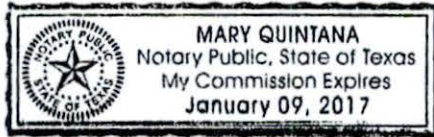
STATE OF TEXAS

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COUNTY OF MIDLAND

This instrument was acknowledged before me this 18th day of October, 2016, by R.A. Jennings As Chief Executive Officer of Atlantic Resources Holding Co., LLC, a Delaware limited liability company, on behalf of said limited liability company.

Mary Quintana
Notary Public, State of Texas



True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 4 of 5

Exhibit "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance, dated effective October 1, 2016, by and between Pivotal Delaware Basin, LP, as Assignor, and Atlantic Resources Holding Co., LLC, as Assignee.

Leases:

MF 117683

Oil, Gas and Mineral Lease dated October 24, 2014, between The State of Texas, acting by and through its agent, M. Brad Bennett, Lessor, and The Bellomy Group, Lessee, recorded in Volume 1160, Page 288 of the Official Public Records of Reeves County, Texas.

Lands:

The following described lands located in Reeves County, Texas:

Southeast Quarter (SE/4) of Southeast Quarter (SE/4), knowns as tracts 45, 46, 59 and 60 recorded in Plat Book Volume 1, Page 146 of the Plat Records, located in Section 8, Block 55, Township 4, T&P RR Co. Survey;

Containing 40 acres, more or less.

Depths:

As to all depths.

Wells:

None

Assignor's Net Mineral Acres:

36 net mineral acres

Assignor's Interest:

Gross Working Interest: 90.00%
Net Revenue Interest: 67.50%

Inst No. 16-14096
DIANNE O. FLOREZ
COUNTY CLERK
2016 Oct 25 at 02:04 PM
REEVES COUNTY, TEXAS
By: RL Douma Lyles, DEPUTY

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

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File No. MF-117683
Assign ID # 9894
Pivotal to Atlantic
Date Filed: 11-14-16
George P. Bush, Commissioner
By: [Signature]

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Assign + bill of Sale - Conveyance dated 10-01-2016
filed for record in my office this 25th day of Oct at 2:04 PM, under Clerk's File No. 16-140916, to be recorded in the Official Public Records
Recorded in Reeves County, Texas.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 25th day of October, 2016.
By [Signature] Deputy.
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 16, 2017

Jeremiah Penley, Land Tech
Energen Corporation
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707

RE: Assignment ID 10233 – MF117683, MF117742 ABC, MF118136, MF118137 and
MF118249 A thru HH
Reeves County, Texas

Dear Mr. Penley:

The General Land Office received the following instrument covering the referenced lands and filed it in the appropriate files.

Assignment and Bill of Sale, effective March 20, 2017, from Atlantic Resources Holding Co., LLC, Assignor to Energen Resources Corporation Assignee. Filed of record in Document 17-05692.

Filing fees in the amount of \$1,000.00 were received on the above assignment.

Please feel free to contact me at (512) 463-5407 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources

Carl Bonn

From: Carl Bonn
Sent: Monday, May 15, 2017 10:50 AM
To: kyle.reynolds@energen.com
Subject: Assignment to Atlantic Resources - Reeves County
Attachments: TAC Rules ASSIGNMENTS.pdf

Good morning Kyle,

Thanks for taking my call. Please see attached copy of the TAC rules. If you would be kind enough and furnish the Mineral File (MF) numbers and place them on a copy of the exhibit it would be greatly appreciated.

You may visit our website to view the GIS map and/or scanned copy of the files themselves.

Check out - <http://www.glo.texas.gov/energy-business/>

Sincerely,

Carl Bonn, CPL
Energy Resources/Mineral Leasing
Texas General Land Office
1700 North Congress, Rm 847B
Austin, Texas 78701
(512) 463-5407 - carl.bonn@glo.texas.gov

**ENERGEN CORPORATION**

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

May 9, 2017

Carl Bonn
Stephen F. Austin Building
1700 N. Congress
Austin, Texas 78701

Re: Assignment & Bill of Sale *Reeves Co*

Dear Mr. Bonn

Enclosed please find a Certified copy of Assignment & Bill of Sale by & between Atlantic Resources Holding Co., LLC and Energen Resources Corporation along with a check (#637111) for filling fees pertaining to the Assignment.

Sincerely,

Jeremiah Penley
Jeremiah Penley
Land Tech

40 Leases

5-15-17 Lay for Kyle Reynolds (on Assign) ^{Contact}
(205) 326-2594

Kyle.reynolds@energen.com

ENERGEN RESOURCES CORPORATION

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

17712594

Page 1 of 1

VENDOR NAME	VENDOR NO.	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS	9710	May-09-2017	637111	\$1,000.00

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
05-AP-858	050517	05/05/17	1,000.00	0.00	1,000.00
FILLING FEE FOR ATLANTIC ASSIGNMENT 40 LEASES					
DELIVER TO JEREMIAH PENLEY					
TOTAL INVOICES PAID					

1,000.00

X

129

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

DETACH BEFORE DEPOSITING

ASSIGNMENT AND BILL OF SALE

When recorded please return to:

Energen Resources Corporation
605 Richard Arrington Jr. Blvd. North
Birmingham, Alabama
Attention: Kyle Reynolds
Telephone: (205) 326- 2594
Fax: (205) 326- 1797

MF 11 7683
MF 11 7742 A, B, C
MF 11 8249 A thru H
eff 3-20-17
all

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

ASSIGNMENT AND BILL OF SALE

This Assignment and Bill of Sale (this "Assignment") from Atlantic Resources Holding Co., LLC, a Delaware limited liability company with an address at 300 N. Marienfeld Street, Suite # 600, Midland, Texas 79701 (the "Assignor"), to Energen Resources Corporation, an Alabama corporation with an address at 605 Richard Arrington Jr. Blvd. North, Birmingham, Alabama 35203-2707 (the "Assignee") is executed on the dates set forth in the respective notary certifications below, but effective for all purposes as of 12:01 a.m. in Houston, Texas on March 20, 2017 (the "Effective Date").

RECITALS

WHEREAS, Assignor owns interests in and to certain oil and gas leases, units, lands, and other assets as more specifically set forth herein; and

WHEREAS, pursuant to that certain Purchase and Sale Agreement by and among Assignor and Assignee dated as of February 3, 2017 (the "Purchase Agreement"), Assignor has agreed to assign to Assignee the Assets (as hereinafter defined).

ASSIGNMENT

Section 1. Assignment. NOW THEREFORE, Assignor, for and in consideration of the sum of Ten Dollars (\$10) cash in hand paid and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby GRANTS, BARGAINS, SELLS, AND CONVEYS, and by these presents has GRANTED, BARGAINED, SOLD, AND

CONVEYED unto Assignee all of Assignor's right, title, and interest, whether legal, equitable, present, contingent or reversionary, in and to the following (collectively the "Assets"):

(a) the oil and gas leases, oil, gas, and mineral leases and subleases, carried interests, overriding royalty interests, fee mineral interests and record title interests described on Exhibit A attached hereto, and, without limiting the foregoing, all other rights (of whatever character, whether legal or equitable, vested or contingent) in and to the Hydrocarbons in, on, under, and that may be produced from, the lands described on Exhibit A or described in the instruments set forth on Exhibit A (collectively, the "Leases");

(b) all pooled, communitized, or unitized acreage which includes all or part of any Leases, and all tenements, hereditaments, and appurtenances belonging thereto (the "Units," and, together with the Leases, the "Properties");

(c) all contracts and agreements set forth on Exhibit F attached hereto to the extent pertaining to the Properties (the "Contracts"); provided, however, that the term "Contracts" shall not include the Leases and other instruments constituting Assignor's chain of title to the applicable Leases;

(d) all easements, surface permits, surface licenses, servitudes, rights-of-way, surface leases, and other rights to use the surface or subsurface appurtenant to, and used or held for use in connection with, the Properties, including those set forth on Exhibit G attached hereto (the "Rights of Way");

(e) all Hydrocarbons produced from, or attributable to, the Properties from and after the Effective Date;

(f) all declarations, orders, permits, licenses, water rights, registrations, consents, variances, exemptions, waivers, franchises, allowances, authorizations and approvals issued by any Governmental Authority used or held for use in connection with the Properties or Rights of Way, including those set forth on Exhibit H attached hereto (the "Permits"); and

(g) all originals (or if originals are not available, photocopies) of all records, data and files pertaining to the Properties in Assignor's possession or control, including all such lease files, land files, division order files, abstracts, title opinions, Contract files, well and production records, G & G Data, and environmental reports and assessments, but excluding, in each case:

(i) all corporate, financial, Tax, and legal data and records of Assignor that relate to Assignor's business generally (whether or not relating to the Assets) or to Assignor's business, operations, assets, and properties not expressly included in this Assignment;

(ii) any data and records (including G & G Data) to the extent disclosure or transfer is prohibited or subjected to payment of a fee or other consideration by any license agreement or other agreement with a Person not Affiliated with Assignor, or by applicable Law, and for which no consent to transfer (which Assignor shall use commercially reasonable efforts, but without the obligation to make any payments or undertake any material obligations for the

benefit of the holders of such consent rights, to obtain) has been received and/or for which Assignee has not agreed in writing to pay the fee or other consideration, as applicable;

(iii) all legal records and legal files of Assignor for which attorney-client privilege has not been waived and which do not pertain to matters for which Assignee is obligated to indemnify Assignor under the Purchase Agreement or otherwise responsible for pursuant to the Purchase Agreement, including all work product of, and attorney-client communications with, Assignor's legal counsel (other than Leases, title opinions, and Contracts);

(iv) data and records relating to the sale of the Assets, including communications with the advisors or representatives of Assignor or its Affiliates;

(v) any data and records relating to the Excluded Assets or assets and properties not expressly included in the Purchase Agreement; and

(vi) those original data and records retained by Assignor pursuant to Section 12.5 of the Purchase Agreement.

(Clauses (i) through (vi) shall hereinafter be referred to as the "Excluded Records" and subject to such exclusions, the data and records described in this Section 1(g) are referred to herein as the "Records").

EXCEPTING AND RESERVING to Assignor, however, the Excluded Assets (as defined below).

Section 2. Excluded Assets. Notwithstanding anything to the contrary in Section 1 or anywhere else in this Assignment, the following rights and interests (collectively, the "Excluded Assets") are not included in the definition of Assets, and Assignor hereby expressly reserves, excepts and retains unto Assignor all of Assignor's right, title and interest in and to the following:

(a) the Excluded Records;

(b) all originals and copies of the Records retained by Assignor pursuant to Section 12.5 of the Purchase Agreement;

(c) Assets excluded from this Assignment pursuant to Section 3.10 or 3.11 of the Purchase Agreement;

(d) subject to Section 11.5 of the Purchase Agreement, all contracts of insurance and all claims, rights and interests of Assignor or any Affiliate of Assignor (A) under any policy or agreement of insurance or indemnity agreement, (B) under any bond or security instrument, or (C) to any insurance or condemnation proceeds or awards arising, in each case, from acts, omissions or events, or damage to or destruction of an Asset prior to the Effective Date;

(e) all of Assignor's proprietary computer software, patents, trade secrets, copyrights, logos, trademarks, trade names, and other intellectual property;

(f) Assignor's interests in offices, office leases and buildings;

(g) all indemnity rights, rights under any Contracts and all other claims of Assignor or any Affiliate of Assignor against any third Person to the extent related or attributable to, periods on or prior to the Effective Date (including claims for adjustments or refunds) or for which Assignor is liable for payment or required to indemnify Assignee under Article 11 of the Purchase Agreement (whether or not such claims are pending or threatened as of the Execution Date or the Closing Date), except, in each case, to the extent pertaining to matters for which Assignee indemnifies any member of the Seller Group under the Purchase Agreement or is otherwise responsible for pursuant to the Purchase Agreement;

(h) all audit rights, and rights to reimbursement, with respect to all costs and revenues associated with joint interest audits and other audits of Property Costs to the extent attributable to periods on or prior to the Effective Date, except, in each case, to the extent pertaining to matters for which Assignee indemnifies any member of the Seller Group under the Purchase Agreement or is otherwise responsible for pursuant to the Purchase Agreement;

(i) any refunds, claims for refunds or rights to receive refunds from any Governmental Authority with respect to Taxes that are Seller Taxes;

(j) all wells located on the lands covered by the Properties, whether producing, being drilled or plugged and abandoned; all equipment, machinery, fixtures, and other tangible personal property and improvements (including junk, waste and debris) located on the lands covered by the Properties;

(k) trade credits, accounts, accounts receivable, and other proceeds, income or revenue accruing before the Effective Date and attributable to the Assets prior to the Effective Date;

(l) whether or not relating to the Assets, any master service agreements, drilling contracts, or similar service contracts;

(m) all swaps, hedges, derivatives, or other agreements or instruments evidencing or providing for (i) indebtedness of Assignor or its Affiliates for borrowed money, (ii) obligations evidenced by promissory notes, or debentures, or any guarantee, commitment or obligation by which Assignor secures or guarantees any indebtedness of Assignor or its Affiliates for borrowed money, (iii) any mortgages, deeds of trust, security agreements, financing statements, or guarantees securing any indebtedness of Assignor or its Affiliates for borrowed money;

(n) Assignor's vehicles; and

(o) any other assets, contracts or rights which are (i) not specifically described in Section 1 of this Assignment, or (ii) described on Schedule 2 of this Assignment (whether or not specifically described in Section 1 of this Assignment).

TO HAVE AND TO HOLD the Assets unto Assignee, its successors and assigns, forever.

Section 3. Special Warranty; Disclaimer. Assignor, for itself and its successor, warrants Defensible Title (as such term is defined in the Purchase Agreement) to the Properties, subject to the terms and conditions of the Purchase Agreement, unto Assignee, its successors and assigns, against all persons claiming or to claim the same or any part thereof by, through, or under Assignor, but not otherwise. **EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE OR THE PURCHASE AGREEMENT, ASSIGNOR MAKES NO, AND EXPRESSLY DISCLAIMS AND NEGATES ANY, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE TO ANY OF THE PROPERTIES.** Assignor hereby assigns to Assignee all rights, claims, and causes of action on title warranties or warranties of title given or made by Assignor's predecessors, and Assignee is specifically subrogated to all rights which Assignor may have against its predecessors, to the extent that Assignor may legally transfer such rights and grant such subrogation.

Section 4. Disclaimer of other warranties. Except as specifically represented otherwise in Article 4 the Purchase Agreement, in the certificate of Assignor to be delivered pursuant to Section 8.2(d) of the Purchase Agreement, or Section 3 of this Assignment, the Properties are assigned **AS IS, WHERE IS, AND WITH ALL FAULTS, AND ASSIGNOR MAKES NO, AND HEREBY EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, OR STATUTORY AS TO (I) TITLE TO ANY OF THE ASSETS, (II) THE CONTENTS, CHARACTER, OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, OR ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT OF ASSIGNOR, OR ANY GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (III) THE QUANTITY, QUALITY, OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE ASSETS, (IV) THE EXISTENCE OF ANY PROSPECT, RECOMPLETION, INFILL, OR STEP-OUT DRILLING OPPORTUNITIES, (V) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (VI) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, OR WHETHER PRODUCTION HAS BEEN CONTINUOUS, OR IN PAYING QUANTITIES, OR ANY PRODUCTION OR DECLINE RATES, (VII) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VIII) INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT, (IX) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO ASSIGNEE OR ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES, OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS ASSIGNMENT OR THE PURCHASE AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO AND (X) COMPLIANCE WITH ANY ENVIRONMENTAL LAW OR THE ENVIRONMENTAL CONDITION OF ANY OF THE ASSETS, AND FURTHER DISCLAIMS, EXCEPT AS EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE 4 OF THE PURCHASE AGREEMENT OR IN THE CERTIFICATE OF ASSIGNOR TO BE DELIVERED AT CLOSING PURSUANT TO SECTION 8.2(D) OF THE PURCHASE AGREEMENT, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, OR STATUTORY, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY EQUIPMENT, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT THE ASSETS ARE BEING**

TRANSFERRED "AS IS, WHERE IS," WITH ALL FAULTS AND DEFECTS, AND THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS ASSIGNEE DEEMS APPROPRIATE TO ENTER INTO THE PURCHASE AGREEMENT AND THIS ASSIGNMENT. ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" DISCLAIMERS FOR PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

Section 5. Further Assurances. After Closing, Assignor and Assignee each agree to take such further actions and to execute, acknowledge, and deliver all such further documents as are reasonably requested by the other for carrying out the purposes of this Assignment or the Purchase Agreement or of any document delivered pursuant to the Purchase Agreement (including the execution, delivery, and filing of assignments of record title and operating rights in any federal or state lease) without further consideration. Without limiting the foregoing, with respect to interests in federal or state real property interests that are included among the Properties and that require filings with governmental agencies before they may be assigned, each Party shall, without further consideration file the appropriate documents and take any other steps necessary to obtain official approval of the assignments.

Section 6. Assignment Subject to Purchase Agreement. This Assignment is expressly subject to the terms and conditions of the Purchase Agreement, which terms are hereby incorporated into this Assignment by reference for all purposes. Capitalized terms used herein but not defined shall have the meanings assigned to such terms in the Purchase Agreement. The Purchase Agreement contains certain representations, warranties, obligations and covenants between Assignors and Assignee which survive the delivery of this Assignment and which shall not be merged into this Assignment, or otherwise negated by the execution and delivery of this Assignment. In the event of a conflict between the terms of this Assignment and the Purchase Agreement the terms of the Purchase Agreement shall control for all purposes.

Section 7. Successors and Assigns. This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 8. Headings. The headings of the articles and sections of this Assignment and any listing of its contents are for guidance and convenience of reference only, and shall not limit or otherwise affect any of the terms or provisions of this Assignment.

Section 9. Governing Law. This Assignment, and all Claims arising in connection with or related hereto, or the negotiation, execution or performance hereof (whether in contract or tort), shall be governed by and construed in accordance with the Law of the State of Texas, without regard to principles of conflicts of Laws that would direct the application of the Laws of another jurisdiction.

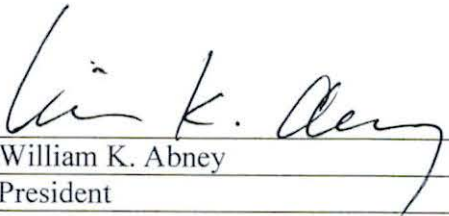
Section 10. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXECUTED as of the dates set forth in the notary certifications below, but effective for all purposes as of the Effective Date.

ASSIGNOR:

ATLANTIC RESOURCES HOLDING CO.,
LLC

By: 
Name: William K. Abney
Title: President

Assignor Signature Page to Assignment and Bill of Sale

STATE OF TEXAS

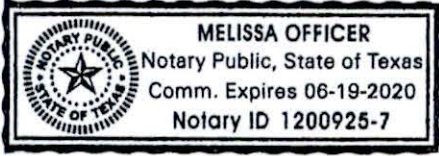
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COUNTY OF HARRIS

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The foregoing instrument was acknowledged before me this 20th day of March, 2017, by William K. Abney, as President of Atlantic Resources Holding Co., LLC, a Delaware limited liability company, on behalf of the limited liability company.



(Notary Seal)

Melissa Officer
Notary Public
My Commission Expires: 06-19-2020

Assignor Notary Page to Assignment and Bill of Sale

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 9 of 23

EXECUTED as of the dates set forth in the notary certifications below, but effective for all purposes as of the Effective Date.

ASSIGNEE:

ENERGEN RESOURCES CORPORATION

By: 
Name: John S. Richardson
Title: President and Chief Operating Officer

MH

Assignee Signature Page to Assignment and Bill of Sale

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 10 of 23

STATE OF Alabama

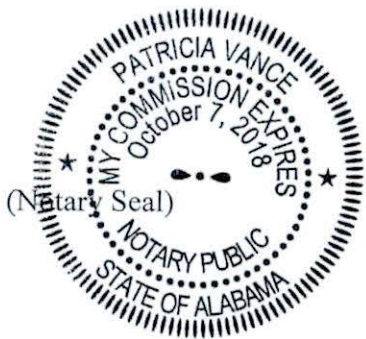
§

§

COUNTY OF Jefferson

§

The foregoing instrument was acknowledged before me this 16th day of March, 2017, by John S. Richardson, as President and Chief Operating Officer of Energen Resources Corporation, an Alabama corporation, on behalf of said corporation.



Patricia Vance

Notary Public

My Commission Expires: 10.7.18

Notary Page to Assignment and Bill of Sale

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 11 of 23

EXHIBIT A

LEASES

[SEE ATTACHED]

Exhibit A

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 12 of 23

MF

Exhibit A								
Lessor Name	Lessee	Lease Date	Recording Date	Volume	Page	Instrument Number	State	County
State of Texas/Jacqueline Aylesworth Huntington, as Agent	Atlantic Resources Holding Co., LLC	8/13/2015	9/11/2015	1194	629	15-08225	Texas	Reeves
State of Texas/Louise Welch, as Agent	Atlantic Resources Holding Co., LLC	8/18/2015	9/11/2015	1194	620	15-08224	Texas	Reeves
State of Texas/Jacqueline Sue Aylesworth, as Agent	Atlantic Resources Holding Co., LLC	8/13/2015	9/11/2015	1194	638	15-08226	Texas	Reeves
State of Texas/Ted W. Beauchamp, as Agent	Atlantic Resources Holding Co., LLC	8/17/2016	10/25/2016	1330	121	16-14098	Texas	Reeves
State of Texas/Molliye Bennett Taylor, as Agent	Atlantic Resources Holding Co., LLC	8/17/2016	10/25/2016	1330	134	16-14099	Texas	Reeves
State of Texas/Thomas H. Beauchamp, Sr., as Agent	Atlantic Resources Holding Co., LLC	8/17/2016	10/25/2016	1330	160	16-14101	Texas	Reeves

117742C

117742A

117742B

118249E

118249B

118249C

Exhibit A								
Lessor Name	Lessee	Lease Date	Recording Date	Volume	Page	Instrument Number	State	County
State of Texas/Thomas H. Beauchamp, Jr., as Agent	Atlantic Resources Holding Co., LLC	8/17/2016	10/25/2016	1330	147	16-14100	Texas	Reeves
State of Texas/Deenie Beauchamp Revocable Living Trust, as Agent	Atlantic Resources Holding Co., LLC	8/17/2016	10/25/2016	1330	186	16-14103	Texas	Reeves
State of Texas/Teri Beauchamp Lerma, as Agent	Atlantic Resources Holding Co., LLC	8/17/2016	10/25/2016	1330	173	16-14102	Texas	Reeves
State of Texas/M. Brad Bennett, as Agent	The Bellomy Group, LLC	10/24/2014	4/27/2015	1160	288	15-03607	Texas	Reeves
State of Texas/Blake Oil & Gas Corporation, as Agent	Atlantic Resources Holding Co., LLC	11/9/2016	12/12/2016	1348	267	16-16715	Texas	Reeves
State of Texas/Joanne Rogers Lannom, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	12/12/2016	1348	321	16-16720	Texas	Reeves

MF

118249.D

118249.A

118249.F

117683

117249-G

117249-I

TNF

Exhibit A								
Lessor Name	Lessee	Lease Date	Recording Date	Volume	Page	Instrument Number	State	County
State of Texas/Nancy Dennis, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	12/12/2016	1348	281	16-16716	Texas	Reeves
State of Texas/Mary Wanda Rogers Black, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	12/12/2016	1348	301	16-16718	Texas	Reeves
State of Texas/Caddo Minerals, Inc., as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	12/12/2016	1348	311	16-16719	Texas	Reeves
State of Texas/Estate of Paul H. Rogers, Deceased, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01486	Texas	Reeves
State of Texas/Ann V. Farwell, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01487	Texas	Reeves
State of Texas/Susan M. Myers, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2016			17-01488	Texas	Reeves

118249-J

118249-K

118249-H

118249-X

118249-BB

118249-V

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 15 of 23

Exhibit A								
Lessor Name	Lessee	Lease Date	Recording Date	Volume	Page	Instrument Number	State	County
State of Texas/Melvin L. Cowan II, Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01485	Texas	Reeves
State of Texas/Paula F. Rogers Stafford, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/17/2017	1361	224	17-00763	Texas	Reeves
State of Texas/Nancy Rogers Stout, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/17/2017	1361	214	17-00762	Texas	Reeves
State of Texas/Susan Mirike, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/17/2017	1361	204	17-00761	Texas	Reeves
State of Texas/Robert A. Horne, Jr., as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/17/2017	1361	194	17-00760	Texas	Reeves
State of Texas/Charles E. Elrod, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/17/2017	1361	184	17-00759	Texas	Reeves

MF

118249-U

118249-P

118249-L

118249-O

118249-R

118249-M

Exhibit A								
Lessor Name	Lessee	Lease Date	Recording Date	Volume	Page	Instrument Number	State	County
State of Texas/Georgia Congleton, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/17/2017	1361	174	17-00758	Texas	Reeves
State of Texas/Sheila Chunn, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/17/2017	1361	164	17-00757	Texas	Reeves
State of Texas/Cynthia Barthelme, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/17/2017	1361	154	17-00756	Texas	Reeves
Texas General Land Office M-118136	Atlantic Resources Holding Co., LLC	7/19/2016	8/29/2016	1308	357	16-10963	Texas	Reeves
Texas General Land Office M-118137	Atlantic Resources Holding Co., LLC	7/19/2016	8/29/2016	1308	368	16-10964	Texas	Reeves
State of Texas/Bobbie E. Glidewell, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01490	Texas	Reeves

MF

118249 N

118249 S

118249 Q

118136

118137

118249 GG

Exhibit A								
Lessor Name	Lessee	Lease Date	Recording Date	Volume	Page	Instrument Number	State	County
State of Texas/Sam White, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01489	Texas	Reeves
State of Texas/Virgie Nell Rogers Carter, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01483	Texas	Reeves
State of Texas/Lucille Showers Living Trust, as Agent	Atlantic Resources Holding Co., LLC	12/20/2016	1/27/2017			17-01484	Texas	Reeves
State of Texas/John Day Stevens, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01482	Texas	Reeves
State of Texas/Betty Jane Rogers Crawford, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01495	Texas	Reeves
State of Texas/Kathy Hearn, as Agent	Atlantic Resources Holding Co., LLC	12/20/2016	1/27/2017			17-01492	Texas	Reeves

M/F

118249 Y

118249 Z

118249 EE

118249 AA

118249 CC

118249 DD

Exhibit A								
Lessor Name	Lessee	Lease Date	Recording Date	Volume	Page	Instrument Number	State	County
State of Texas/Woody Kent Cowan, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01493	Texas	Reeves
State of Texas/Paula E. Sullivan, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	1/27/2017			17-01494	Texas	Reeves
State of Texas/Lois Ruth Heffington, Individually and as Exec. Of Estate of Tom Heffington, Deceased, as Agent	Atlantic Resources Holding Co., LLC	12/15/2016	1/27/2017			17-01491	Texas	Reeves
State of Texas/Angela Horne Lorz, as Agent	Atlantic Resources Holding Co., LLC	12/7/2016	2/1/2017			17-01676	Texas	Reeves

MF

118249W

118249FF

118249T

118249H/H

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 19 of 23

EXHIBIT F
CONTRACTS

NONE.

Exhibit F

NONE.

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 21 of 23

EXHIBIT H
PERMITS

NONE.

Exhibit H

SCHEDULE 2
CERTAIN EXCLUDED ASSETS

NONE.

Inst No. 17-05692
DIANNE O. FLOREZ
COUNTY CLERK
2017 Apr 05 at 01:50 PM
REEVES COUNTY, TEXAS
By: MS Maldana DEPUTY

Schedule 2

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 23 of 23

11

RECORDS

RECORDS

File No. MF-117683
Assign # 10233
Atlantic Energy
Date Filed: 5-16-17
By: George P. Bush, Commissioner

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Asmt & Bill of Sale dated March 20 2017, filed for record in my office this 5th day of April at 150 P M, under Clerk's File No. 17-05692, to be recorded in the Official Public Records Records of Reeves County, Texas.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 5th day of April, 20 17.
By Usaldana Deputy, DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

PAYMENT IS MADE UNDER INSTRUMENT DESCRIBED BELOW, PLEASE DEPOSIT AMOUNT OF CHECK TO THE CREDIT OF PARTY OR PARTIES NAMED.
DATE, SIGN AND RETURN THIS RECEIPT ON THE DAY YOU RECEIVE IT.
THIS PAYMENT IS MADE IN A MANNER TO CONFORM TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN YOU ARE NAMED DEPOSITORY.

WHEN SIGNED, PLEASE MAIL TO:

PIVOTAL PETROLEUM PARTNERS LP
OPERATING ACCOUNT
300 Crescent Court, Ste. 200
Dallas, TX 75201

**RENTAL RECEIPT/
SHUT IN RECEIPT**

PEGASUS BANK
www.pegasusbankdallas.com
Ph: (214)353-3000

Page 1 of 1

DATE: **Dec-02-2015** NO. **5388**

LEASE RECORDS ACCOUNT

RENTAL PERIOD

COUNTY	STATE	RECORDED-BOOK PAGE	DATE OF LEASE	MONTHS	FROM	TO
TX*389	TX	1160-0288	10/24/14	12	11/24/15	11/24/16

LEASE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER	PAY EXACTLY
TX-RV-107	BRAD BENNETT	***\$500.00*

PAY TO THE ORDER OF
**COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS
1700 CONGRESS AVE
AUSTIN, TX 78701-1495**

RECEIVED ON _____ 20 _____
THE AMOUNT SHOWN ABOVE

NAME OF BANK, CORPORATION OR INDIVIDUAL

BY _____

RECEIPT IS HEREBY ACKNOWLEDGED OF THE AMOUNT STATED
WHICH IS IN FULL SETTLEMENT OF RENTAL/SHUT-IN DUE PARTY
NAMED COVERING OUR INTEREST IN OIL AND GAS
LEASE DESCRIBED HEREIN.

PAYEE WILL PLEASE DATE, SIGN AND RETURN THIS RECEIPT
BY NEXT MAIL. OFFICERS SIGNING FOR CORPORATIONS WILL
PLEASE GIVE FULL NAME AND TITLE.

TO BE CREDITED TO

RENTAL AMOUNT

BANK CHARGE

PIVOTAL PETROLEUM PA** DR DELAY RENTAL **
COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS

\$500.00

TRACT
TX-RV-107.A
40.00 ACRES SEC 8: SE/4SE/4 (A/K/A
TRACTS 45, 46, 59 & 60) BLK 55. PLAT
BOOK 1, PAGE 146, T&PRR CO SURVEY

16704254

PIVOTAL PETROLEUM PARTNERS LP

OPERATING ACCOUNT
300 Crescent Court, Ste. 200
Dallas, TX 75201

PEGASUS BANK
www.pegasusbankdallas.com
Ph: (214)353-3000

16704254

32-2546
1110

5388

MF 117683

PAY EXACTLY \$500.00

Dec-02-2015

***\$500.00*

TWO SIGNATURES REQUIRED ABOVE \$5,000.00

COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS
1700 CONGRESS AVE
AUSTIN, TX 78701-1495

[Signature]
[Signature]

CHECK IS PRINTED ON SECURITY PAPER WHICH INCLUDES A MICROPRINT BORDER & FLUORESCENT FIBER.

⑈005388⑈

PAYMENT IS MADE UNDER INSTRUMENT DESCRIBED BELOW, PLEASE DEPOSIT AMOUNT OF CHECK TO THE CREDIT OF PARTY OR PARTIES NAMED.
DATE, SIGN AND RETURN THIS RECEIPT ON THE DAY YOU RECEIVE IT.
THIS PAYMENT IS MADE IN A MANNER TO CONFORM TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN YOU ARE NAMED DEPOSITORY.

WHEN SIGNED, PLEASE MAIL TO:

PIVOTAL PETROLEUM PARTNERS LP
OPERATING ACCOUNT
300 Crescent Court, Ste. 200
Dallas, TX 75201

RENTAL RECEIPT/
SHUT IN RECEIPT

PEGASUS BANK
www.pegasusbankdallas.com
Ph: (214)353-3000

Page 1 of 1

DATE: Dec-02-2015

NO. 5388

LEASE RECORDS ACCOUNT

RENTAL PERIOD

COUNTY	STATE	RECORDED-BOOK PAGE	DATE OF LEASE	MONTHS	FROM	TO
TX*389	TX	1160-0288	10/24/14	12	11/24/15	11/24/16
LEASE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER				PAY EXACTLY	
TX-RV-107	BRAD BENNETT				***\$500.00*	

PAY TO THE
ORDER OF

COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS
1700 CONGRESS AVE
AUSTIN, TX 78701-1495

RECEIVED ON _____ 20_____
THE AMOUNT SHOWN ABOVE

NAME OF BANK, CORPORATION OR INDIVIDUAL

BY _____

RECEIPT IS HEREBY ACKNOWLEDGED OF THE AMOUNT STATED
WHICH IS IN FULL SETTLEMENT OF RENTAL/SHUT-IN DUE PARTY
NAMED COVERING OUR INTEREST IN OIL AND GAS
LEASE DESCRIBED HEREIN.

PAYEE WILL PLEASE DATE, SIGN AND RETURN THIS RECEIPT
BY NEXT MAIL. OFFICERS SIGNING FOR CORPORATIONS WILL
PLEASE GIVE FULL NAME AND TITLE.

TO BE CREDITED TO

RENTAL AMOUNT

BANK CHARGE

PIVOTAL PETROLEUM PA** DR DELAY RENTAL **
COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS

\$500.00

TRACT
TX-RV-107.A
40.00 ACRES SEC 8: SE/4SE/4 (A/K/A
TRACTS 45, 46, 59 & 60) BLK 55. PLAT
BOOK 1, PAGE 146, T&PRR CO SURVEY

16704254
121



December 7, 2015

VIA CERTIFIED MAIL 7001 2510 0002 6394 9201

Commissioner of the General Land Office
State of Texas
1700 Congress Avenue
Austin, TX 78701-1495

Re: Pivotal Lease No. TX-RV-107
Lessor: Brad Bennett
Lessee: The Bellomy Group, LLC
Dated October 24, 2014
Section 8, Block 55, T-4 T&P RR Co Survey
Reeves County, Texas

Dear Ladies and Gentlemen:

Pursuant to paragraph 3 of the above mentioned oil and gas lease of the required Twenty-five dollars and 00/100 per net mineral acre annual payment, enclosed please find Pivotal Petroleum Partners LP Check number 5388 in the amount of Five Hundred dollars and 00/100 (**\$500.00**).

In addition, I have also enclosed a rental return receipt to be executed by you and returned to our office in the enclosed self-addressed envelope.

If you should have any questions, please feel free to contact me directly at 214-489-7238.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Laura E. Day', with a large, stylized flourish at the end.

Laura E. Day
Land Administration Manager
Pivotal Partners, LP
lday@pivotalpetro.com

PAYMENT IS MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK
PLEASE DEPOSIT AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PARTY OR PARTIES NAMED
THIS PAYMENT IS MADE IN A MANNER TO CONFORM TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN YOU ARE NAMED DEPOSITORY

LEASE NUMBER
260*TX-RV-107

ORIGINAL LESSOR/LEASE NAME
BRAD BENNETT

DATE 12/02/15

CHECK NO 5388

**** PAYMENT TYPE **** DR DELAY RENTAL ****

PAYMENT AMOUNT 500.00

BANK SERVICE CHG

TO BE CREDITED TO

ADDITIONAL TEXT

TOTAL AMOUNT 500.00

OWNER # 1355

COMMISSIONER OF THE GENERAL LA
STATE OF TEXAS

RECORDED BOOK 1160 PAGE 0288 ENTRY 15-03607

PROSPECT PIVOTAL DELAWARE BASIN

COUNTY/PARISH TX*389

STATE TX

TRACT NO TX-RV-107.A

LEGAL DESCRIPTION

40.00 ACRES SEC 8: SE/4SE/4 (A/K/A
TRACTS 45, 46, 59 & 60) BLK 55. PLAT
BOOK 1, PAGE 146, T&PRR CO SURVEY

12/02/15

5388

TX*389

TX

1160-0288

10/24/14

12

11/24/15

11/24/16

260*TX-RV-107

BRAD BENNETT

\$500.00

COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS
1700 CONGRESS AVE
AUSTIN, TX 78701-1495

RECEIPT

RECEIVED ON _____ 20_____
THE AMOUNT SHOWN ABOVE.

NAME OF BANK, CORPORATION OR INDIVIDUAL

BY _____

PAYEE WILL PLEASE DATE, SIGN AND RETURN THIS
RECEIPT BY NEXT MAIL. OFFICERS SIGNING FOR
CORPORATION WILL PLEASE GIVE FULL NAME AND TITLE.

PAYMENTS MADE UNDER INSTRUMENT DESCRIBED BELOW, PLEASE DEPOSIT AMOUNT OF CHECK TO THE CREDIT OF PARTY OR PARTIES NAMED.

DATE, SIGN AND RETURN THIS RECEIPT ON THE DAY YOU RECEIVE IT.

THIS PAYMENT IS MADE IN A MANNER TO CONFORM TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN YOU ARE NAMED DEPOSITORY.

WHEN SIGNED, PLEASE MAIL TO:

PIVOTAL PETROLEUM PARTNERS LP
OPERATING ACCOUNT
300 Crescent Court, Ste. 200
Dallas, TX 75201

RENTAL RECEIPT/
SHUT IN RECEIPT

PEGASUS BANK
www.pegasusbankdallas.com
Ph: (214)353-3000

Page 1 of 1

DATE: Sep-07-2016

NO. 5738

LEASE RECORDS ACCOUNT

RENTAL PERIOD

COUNTY	STATE	RECORDED-BOOK PAGE	DATE OF LEASE	MONTHS	FROM	TO
TX*389	TX	1160-0288	10/24/14	12	10/24/16	10/24/17

LEASE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER	PAY EXACTLY
TX-RV-107	BRAD BENNETT	***\$500.00*

PAY TO THE
ORDER OF

COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS
1700 CONGRESS AVE
AUSTIN, TX 78701-1495

MF 117683

RECEIVED ON _____ 20 _____
THE AMOUNT SHOWN ABOVE

NAME OF BANK, CORPORATION OR INDIVIDUAL

BY _____

RECEIPT IS HEREBY ACKNOWLEDGED OF THE AMOUNT STATED
WHICH IS IN FULL SETTLEMENT OF RENTAL/SHUT-IN DUE PARTY
NAMED COVERING OUR INTEREST IN OIL AND GAS
LEASE DESCRIBED HEREIN.

PAYEE WILL PLEASE DATE, SIGN AND RETURN THIS RECEIPT
BY NEXT MAIL. OFFICERS SIGNING FOR CORPORATIONS WILL
PLEASE GIVE FULL NAME AND TITLE.

TO BE CREDITED TO

RENTAL AMOUNT

BANK CHARGE

PIVOTAL PETROLEUM PA** DR DELAY RENTAL **
COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS
TRACT
TX-RV-107
T&PRR CO SURVEY BLOCK 55, TOWNSHIP 4,
SECTION 8: SE/4SE/4 (A/K/A TRACTS 45,
46, 59 & 60) RECORDED IN PLAT BOOK 1,
PAGE 146, REEVES CO., TX

\$500.00

121
17700586



September 8, 2016

VIA CERTIFIED MAIL 7001 2210 00012 7402 0241

Commissioner of the General Land Office
State of Texas
1700 Congress Avenue
Austin, TX 78701-1495

Re: Pivotal Lease No. TX-RV-107
Lessor: Brad Bennett
Lessee: The Bellomy Group, LLC
Dated October 24, 2014
Section 8, Block 55, T-4 T&P RR Co Survey
Reeves County, Texas

Dear Ladies and Gentlemen:

Pursuant to paragraph 3 of the above mentioned oil and gas lease of the required Twenty-five dollars and 00/100 per net mineral acre annual payment, enclosed please find Pivotal Petroleum Partners LP Check number 5738 in the amount of Five Hundred dollars and 00/100 (\$500.00).

In addition, I have also enclosed a rental return receipt to be executed by you and returned to our office in the enclosed self-addressed envelope.

If you should have any questions, please feel free to contact me directly at 214-489-7238.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Laura E. Day', with a large, stylized flourish at the end.

Laura E. Day
Land Administration Manager
Pivotal Partners, LP
lday@pivotalpetro.com

12

File No. MF 117683

Rentals 2nd & 3rd yr County

Date Filed: 11/14/17

George P. Bush, Commissioner

By BN

8.73.70