

PSA#00595

#7735

iNut14090

iNut14091

Lease Type
Free RoyaltyControl
08-029787Basefile
152162County
REEVES

Survey

Public School Land

Block

56

Block Name

Township

Section/Tract

28

Land Part

SW/4 NE/4

Acres

Net: 40.000000 Gross: 40.000000

Depth Below

Depth Above Depth Other

Leasing: mmMaps: stGIS: mc

Scanlab: _____

Name

PETROHAWK PROPERTIES LP

Lease Date

2/9/2011

Primary Term

3 years

Bonus

\$0.00

Lease Royalty

0.06250000

Paid Up

NA

**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.

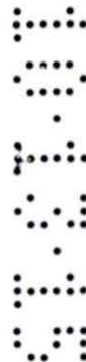
Archives and Records Staff

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ENDURANCE
RESOURCES



October 12, 2015

Texas General Land Office
ATTN: Joy McCauley
1700 North Congress Avenue
Austin, Texas 78701

Free Roy.

Denny Pooled
see Joy

RE: Application for Pooling State Leases
X Section 28, Block 56, Public School Land Survey
Reeves County, Texas

Dear Ms. McCauley,

Please find enclosed the Oil & Gas leases pertaining to the Application for Pooling State Leases.

If you have any questions or need any additional information, please do not hesitate to contact the undersigned at (432) 242-4688 or by email at meredith@enduranceresourcesllc.com.

Very truly yours,

Tritex Energy A, LP

Meredith McBee, J.D.
Landman

21-01-01

1

File No. M-117754

Ltr. From Endurance County

Date Filed: 10/13/15

George P. Bush, Commissioner

By [Signature]

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.

OIL, GAS, AND MINERAL LEASE

THIS AGREEMENT made on this 9th day of February, 2011, between NEAL LEE BINGHAM, husband of Jetina Bingham, dealing herein with his separate property, as Lessor, whose address is 700 FM 1331, Taylor, Texas 76574, and Petrohawk Properties, LP, a Texas Limited Partnership, as Lessee, whose address is 6100 South Yale Avenue, Suite 500, Tulsa, Oklahoma 74136, WITNESSETH:

1. Lessor in consideration of Ten Dollars (\$10.00) and other valuable consideration, in hand paid, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purposes of investigating, exploring, prospecting, drilling and mining for and producing oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, frac ponds, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land ("Leased Premises") in REEVES County, Texas, to-wit:

FR The SW/4 of the NE/4 of Section 28, Block 56, PSL Survey

This lease also covers accretions and any small strips or parcels of land now or hereafter acquired or claimed by Lessor which are contiguous or adjacent to the Leased Premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any bonus or other payment hereunder, the Leased Premises shall be deemed to be comprised of 40.00 acres, whether it actually comprises more or less.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other minerals are produced or operations as provided herein are being conducted on the Leased Premises or land with which the Leased Premises is pooled hereunder.

3. As royalty, Lessee covenants and agrees: (a) to deliver to the credit of Lessor, in the pipelines to which Lessee may connect its wells, the equal 1/4th part of all oil produced and saved by Lessee from the Leased Premises, or from time to time, at the option of Lessee, to pay Lessor the average posted price of such 1/4th part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 1/4th of the cost of treating oil to render it marketable pipe line oil and any applicable transportation charges or deductions; (b) to pay Lessor for gas and casinghead gas produced from the Leased Premises (1) when sold by Lessee, 1/4th of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off the Leased Premises or in the manufacture of gasoline or other products, 1/4th of the amount realized from the sale of gasoline or other products extracted therefrom and 1/4th of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) to pay Lessor on all other minerals mined and marketed or utilized by Lessee from the Leased Premises, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well(s) on the Leased Premises or on lands with which the Leased Premises or any portion thereof has been pooled, capable of producing oil or gas, and such well(s) are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on the Leased Premises for so long as said well(s) are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said well(s), but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, such well(s) are shut-in for a period of ninety consecutive days, and during such time there are no operations on the Leased Premises, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. For purposes of shut-in royalty, a well that has been drilled and cased shall be considered to be a shut-in well capable of producing in paying quantities, regardless of whether the well has been perforated, fractured, or has otherwise undergone any other completion work. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be paid direct to Lessor at the above address or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownership thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Lessee's failure to pay or tender or to properly or timely pay or tender such sum as royalty shall render Lessee liable for the amount due, but it shall not operate to terminate this lease. Nothing herein shall impair Lessee's right to release as provided in paragraph 17 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee shall have the continuing and recurring right, but not the obligation, to pool all or any part of the Leased Premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the Leased Premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for a vertical oil well shall not exceed 160 acres plus a maximum acreage tolerance of 10%, and for an oil or gas well, which is a horizontal well or for a vertical gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that Lessee has the right, but not the obligation, to form larger units for an oil well or gas well, whether or not a horizontal well, as permitted by the well spacing, density or allowable regulations of the governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority, which has jurisdiction over such matters. The term "horizontal well" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval equals or exceeds 100 feet in length. Lessee may pool all or any part of the Leased Premises or interest therein as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit, and the effective date of pooling shall be the date specified in such declaration which may be any date selected by Lessee and if no effective date is specified, the effective date shall be the date of filing. Lessee in its sole discretion may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the Leased Premises, regardless of whether such production was obtained or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if there were production, drilling or reworking operations on the Leased Premises and references herein to production from or operations on the Leased Premises shall be deemed to include production from or operations on any portion of such pooled unit. If after creation of a pooled unit a well is drilled on land within the unit area (other than the Leased Premises), which is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be),

such well shall be considered a dry hole drilled on the Leased Premises for purposes of the Lessee being authorized to conduct additional drilling and reworking operations on the Leased Premises or Pooled Unit. If a gas well on a Pooled Unit, which includes all or a portion of the Leased Premises, is reclassified as an oil well, with respect to all lands which are included within the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of the Lessee being authorized to conduct additional drilling and reworking operations on the Leased Premises or Pooled Unit. The production on which Lessor's royalty is calculated shall be that proportion of the total Pooled Unit production, which the net mineral acreage covered by this lease and included in the unit bears to the total surface acreage in the unit, but only to the extent that such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise by expansion or contraction or both any existing unit formed hereunder, either before or after commencement of production, in order to establish a unit that is permitted by the well spacing or density, or allowable regulations of the governmental authority having jurisdiction, or court order, or when to do so would, in the judgment of the Lessee, promote the conservation or development of oil, gas, and other minerals that may be produced from the Leased Premises. When revising an existing Pooled Unit, Lessee shall file of record a written declaration describing the revised unit with the effective date of the revision the date specified in the declaration by Lessee, or, if no date is specified, the date of filing of the written declaration. To the extent any portion of the Leased Premises is included in or excluded from the revised unit, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, with the effective date of dissolution the date specified in the declaration, or, if no date is specified, the date of filing of the written declaration. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result from the inclusion of such separate tracts within the lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of the production as herein provided. Lessee shall not be obligated to protect against drainage, if any, between separate tracts covered by this lease. Furthermore, the inclusion of two or more separate tracts within the description of this lease shall not be construed as an offer by Lessor or Lessee to pool the royalty interests among the royalty owners of the separate tracts. As used herein the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the Leased Premises. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. At the expiration of the primary term of this lease or at the end of the extended period for continuous development provided in Paragraph 6 below, whichever is later, this lease shall terminate SAVE and EXCEPT for (i) one hundred sixty (160) acres of land plus a tolerance of ten percent (10%) surrounding each vertical oil well; (ii) six hundred forty (640) acres of land plus a tolerance of ten percent (10%) surrounding each vertical gas well and surrounding each horizontal oil or gas well; and (iii) any part of the Leased Premises included in a pooled unit created under authority granted in Paragraph 4 above. In the event the governmental authority having jurisdiction permits, pursuant to its regulations, the assignment of more acreage than that specified herein in this paragraph to a well for purposes of well spacing, or density, or allowable determination then this lease shall continue in force and effect as to the additional amount of acreage surrounding each well as permitted by such regulations. Lessee shall designate the acreage to be retained by each well under this provision ("Retained Tract(s)") by filing a written description or plat of each Retained Tract in the real property records of the county in which the lands are located, at any time up to or within six (6) months after the expiration of the primary term or the cessation of the continuous drilling program, whichever is later. In the case of a Pooled Unit, the Retained Tract shall be that portion of the Leased Premises included in the unit for which the description of the unit in the Unit Declaration shall suffice for compliance herein.

6. Notwithstanding any other provision herein to the contrary, the lease as to the Leased Premises shall remain in full force and effect for so long as Lessee is conducting continuous drilling operations as provided herein. Upon the expiration of the primary term or upon cessation of continuous drilling operations, whichever date is later (such later date being the "partial termination date"), this lease shall terminate as to the Leased Premises save and except those lands designated by Lessee as Retained Tracts as provided in paragraph 5 herein. Lessee shall be considered to be engaged in continuous drilling operations at the expiration of the primary term if Lessee is engaged in drilling operations on the Leased Premises, or lands pooled therewith, at the expiration of the primary term, or if Lessee has completed a well as a producer or completed a well as a dry hole within 180 days prior to the expiration of the primary term. In such event(s), Lessee shall be considered to be engaged in continuous drilling operations for so long thereafter as Lessee conducts drilling operations on the Leased Premises, or lands pooled therewith, with due diligence and with intervals of no more than 180 days between the date of completion of a well and the date of commencement of drilling operations on an additional well. All operations conducted off the Leased Premises that are intended to result in the completion of a producing well on the Leased Premises shall be considered operations on the Leased Premises. Continuous drilling operations shall be deemed to have ceased upon the failure of Lessee to commence drilling operations on an additional well within such 180 day period. If on the partial termination date, there is a well located on the Leased Premises which is not capable of producing in paying quantities, but Lessee is conducting reworking operations on such well in an effort to return the well to production, the partial termination date shall be extended for so long as reworking operations are conducted on such well with no cessation of more than 180 consecutive days. In that event, the partial termination date shall be the date on which the 180 consecutive day period expires without such reworking operations being conducted on such well. As used in this paragraph: i) the terms "commenced" and "commencement" mean the date the actual drilling or preparation for drilling operations have commenced which ultimately culminate in the drilling of a well, and ii) the terms "completed" and "completion" of a well shall mean the earliest of the following dates: (i) the date on which the initial potential test is run; (ii) the date on which a dry hole is plugged; (iii) the date ninety (90) days after the date on which the total depth has been reached in drilling operations; (iv) the date certified to the Railroad Commission of Texas as the date a well has been completed as a producing well. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the Leased Premises described herein to and from each Retained Tract created pursuant to this lease, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the Leased Premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above. In conducting such continuous drilling operations, Lessee shall be entitled to accumulate and bank any part of each 180 day period not used, between the completion and commencement of any and all wells drilled in the continuous drilling operations hereunder. Such accumulated and banked time in the Lessee's discretion may be allocated to any one or more of the given 180 day periods to extend such periods for the commencement of new wells until such bank is exhausted.

7. Lessee shall have the right at any time during or after the expiration of this lease to remove any and all property and fixtures placed by Lessee on Leased Premises, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on the Leased Premises without Lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the Leased Premises, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of the recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner or owners of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

9. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or a reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the Leased Premises shall arise during the primary term. Should oil, gas or other minerals be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one vertical oil well per one hundred sixty (160) acres plus a maximum acreage tolerance of 10% or more than one vertical gas well or one horizontal oil or gas well per six hundred forty (640) acres plus a maximum acreage tolerance of 10% or the amount of acreage permitted to be assigned to a Retained Tract as provided herein, whichever is greater. If after the expiration of the primary term, Lessor considers that the operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

10. Lessor hereby warrants and agrees to defend the title to the Leased Premises and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon Leased Premises, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with

right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of the Leased Premises than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, or by Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the Leased Premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding, but said time shall be added to any remaining primary term pursuant to paragraphs 2 and 13 hereof or banked time pursuant to paragraph 6 hereof, as applicable.

12. Lessor hereby grants Lessee the option to extend the primary term of this lease as to all or any portion of the Leased Premises for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee or its successors or assigns, at any time prior to the expiration of the original primary term by paying to Lessor at the same place and in the same manner as provided for the payment of shut-in royalties under Paragraph 3 above an amount equal to 100% of the original bonus payment per net mineral acre for each acre so extended. Such payment shall be based upon the number of net mineral acres neither previously released under Paragraph 16 hereof nor being maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor during the original primary term hereof.

13. Each of the parties hereto expressly warrants and represents, and does hereby affirm and stipulate, that no representation, promise or agreement, or statement of a past or existing fact, not expressed in the written agreement, was made to induce the execution of same. Furthermore, the parties hereto do each expressly warrant and represent, and hereby affirm and stipulate, that they have not relied upon any representation, promise or agreement, or statement of a past or existing fact, which is not expressed in this written agreement. Each of the parties hereto recognize that this paragraph is binding, as a matter of law and fact, and shall preclude them from asserting that they were wrongfully induced to enter into this Agreement by any representation, promise or agreement, or statement of a past or existing fact, which is not found within the four (4) corners of this Agreement.

14. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the Leased Premises, with the lease becoming effective upon expiration of this lease or any part thereof, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

15. Lessee shall have the right to use, free from royalty, water, oil and gas, produced on the Leased Premises necessary for operations under this lease except water from Lessor's water wells or tanks shall not be used without Lessor's consent; provided, however Lessee is hereby granted the right to test any of Lessor's water wells or tanks to determine if such wells or tanks may meet the Lessee's requirements for water usage on the lease, including tests for flow rate and chemical composition. If any such well or tank of Lessor is deemed suitable by Lessee for its operations on the Leased Premises, and Lessor elects to allow Lessee to use such water, Lessor and Lessee shall agree upon a reasonable price per barrel for Lessee's use of such water from Lessor's wells or tanks. Notwithstanding the foregoing Lessee shall have the right at any time to drill a water well or wells as Lessee deems necessary for its operations on the lease or acreage pooled therewith, at Lessee's sole cost, and in that event, Lessee shall not owe compensation to Lessor for any such water from wells drilled by Lessee. In the event Lessee drills one or more water wells on the Leased Premises, Lessor shall have the concurrent use of such well or wells with Lessee, with Lessor bearing any incidental costs, provided such use does not interfere with Lessee's water requirements for lease operations. Lessee shall have the right to transport water from locations off the Leased Premises for use on the Leased Premises, and to lay temporary water lines from offsite locations onto the Leased Premises, provided that Lessee agrees to promptly remove such temporary water lines when they are no longer needed for operations on the Leased Premises or acreage pooled therewith.

16. Lessee shall have the right to release all or any portion of the Leased Premises at any time without further obligation as to that portion of the Leased Premises released. Such release shall not relieve the Lessee of any obligations that have accrued up to the date such release is filed of record.

17. Lessee may record a Memorandum of Lease in the County where the Leased Premises are located to evidence and place of Public Record the existence of this lease.

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


NEAL LEE BINGHAM

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Williamson ss.

This instrument was acknowledged before me on the 9th day of March, 2011, by NEAL LEE BINGHAM.

My Commission expires 12-28-2013


Notary Public, State of TEXAS



21.01.01

(2)

File No. M-117754

D. L. Lewis & Minerva Leal County

Date Filed: 10/13/15

George P. Bush, Commissioner
By [Signature]

**Basefile Number - 152162**

Information for this County -

REEVES COUNTY[Related ALAMO Record](#)[Download GIS Data](#)[Energy Lease Information](#)**IDENTIFICATION NUMBERS**

LAND CLASS NUMBER - 08

CONTROL NUMBER 08-029787

SURVEY INFORMATION

SURVEY NAME - PSL

GRANTEE NAME - Bingham, Bob

ABSTRACT - 5858

BLOCK - TOWNSHIP - Southwest 1/4 of Northeast 1/4 28 Public School 56

SECTION NUMBER - 28

SECTION/PART -

CURRENT ACRES - 40.000000

ORIGINAL ACRES - 40

PATENT INFORMATION:

PATENTEE NAME -

DISTRICT - Bexar

CLASSIFICATION - School

FILE NUMBER - 152162

PATENT DATE -

CERTIFICATE -

PATENT NUMBER -

PATENT VOLUME -

PAGE - 96

1/16

LEASE INFORMATION

③

File No. M-117754

Base File in Fo. p Plat County

Date Filed: 10/21/15

George P. Bush, Commissioner

By [Signature]

DECLARATION OF POOLED UNIT
Orbison 28 UNIT
638.92 ACRE POOLED UNIT

STATE OF TEXAS
COUNTY OF REEVES

V
O
L

This Declaration of Pooled Unit is executed by the undersigned, the present Lessee and owner of all or a part of the oil and gas leasehold estate created under those oil, gas and mineral leases referred to or described in Exhibit "A", which exhibit is attached to and incorporated by reference (collectively referred to as the "Leases"). Each of the Leases authorizes the Lessee to pool, unitize, or combine all or a portion of the lands covered by the Leases with other lands, or leases to form a Pooled Unit for the exploration, development, and production of oil, gas, and other hydrocarbons from the lands covered by the Leases or pooled therewith. The pooling, unitization, and combination of the Leases to form a Pooled Unit as described below, is necessary and proper to prudently develop and/or operate the Leases.

1
2
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IN CONSIDERATION OF THE PREMISES, and pursuant to and in accordance with the terms and provisions of the Leases and the authority granted thereby, the undersigned Lessee pools, unitizes, and combines (a) the Leases, including all renewals, extensions, ratifications, and amendments of the Leases, (b) the lands covered by the Leases, (c) the mineral and/or royalty estates in the lands subject to the Leases, and (d) the overriding royalty interests in the Leases and lands described on Exhibits "A" and "B" which the undersigned Lessee has the authority to pool, into a unit for the exploration, development, and production of oil, gas, and other hydrocarbons, INsofar ONLY as the foregoing cover and include the land described on Exhibit "B" and depicted on Exhibit "C" (hereafter referred to as the "Pooled Unit"), which is named the Orbison 28 Unit and shall be deemed to contain 638.92 acres.

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Production from the Pooled Unit shall be allocated proportionately among all of the tracts within the Pooled Unit in the proportion which the number of surface acres in each tract bears to the total number of surface acres in the Pooled Unit. From and after the Effective Date of this Declaration of Pooled Unit, production from or operations on any part of the Pooled Unit shall be deemed to be production from or operations on each of the Leases sufficient to maintain the Leases in force and effect in accordance with the terms thereof. If at any time any tract of land or interest within the Pooled Unit is not properly pooled or unitized by this Declaration, or is not committed to the Pooled Unit or any reason, such fact shall not affect, terminate, impair, or otherwise invalidate the Pooled Unit as to any other interest which would otherwise be properly pooled or unitized by this Declaration.

In the event the undersigned, as of the effective date of this Declaration, owns any leasehold interest or mineral and/or royalty interest other than those specifically described or referred to in this Declaration which cover lands within the lands described on Exhibit "B", or any interest for which ratification of the Pooled Unit created by this Declaration is necessary, those interests are hereby pooled and combined into the pooled Unit, without the necessity of specifically enumerating such interest or interests or the specific land which they cover or in which they are held.

The undersigned Lessee expressly reserves the right, from time to time, to amend this Declaration of Pooled unit, and its terms and provisions, and to change the size and area of and interests covered by the Pooled Unit, including, without limitation, the power: (i) to change, reduce, enlarge, or extend the size or configuration of the unit area; (ii) to include any other formation or formations and any other mineral or minerals in, under, or produced from the Pooled Unit, all in accordance with the terms and provisions of the Leases; (iii) to include in the Pooled Unit or in any amendments thereto, oil, gas, and mineral leases, or interests in the lands described, covering interests in the Pooled Unit area, which are secured or obtained subsequent to the Effective date of this Declaration, or prior to the Effective date of this Declaration and not included or described in this Declaration; and, (iv) to include in the Pooled Unit or in any amendments thereto, any interests in the Pooled Unit which are not otherwise included. The Pooled Unit may be dissolved or terminated by the undersigned Lessee at any time or for any reason by an instrument filed in the official real property records of the county in which the Pooled Unit is located.

This Declaration of Pooled Unit shall be binding on the heirs, representatives, successors and assigns, as applicable, of the undersigned Lessee and of the Lessors in the Leases identified in Exhibit "A"; and of each mineral and/or royalty owner whose interests is pooled hereby.

The Pooled Unit created by this Declaration shall be effective as of November 25, 2015 (the "Effective Date") and shall remain in force as long as oil, gas or other hydrocarbons are being produced from the Pooled Unit, or so long as the Pooled Unit Leases are maintained in force and effect by payment

or tender of shut-in royalties or by any other means in the manner provided for under the terms of the Leases.

This Declaration of Pooled Unit may be executed in multiple counterparts, no one of which need be executed by all the Parties hereto. Each party hereby authorizes the removal of the signature pages and reassembly of the same into a single document composed of one copy of the substantive portion of the Declaration attached to the multiple, separately executed pages of the signatures. This Declaration of Pooled Unit is executed as of the dates of the acknowledgment below.

LESSEE: ENDURANCE RESOURCES HOLDINGS II, LLC

By: 

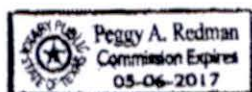
Donald G. Ritter, CEO

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 4th day of December, 2015, by Donald G. Ritter, CEO of Endurance Resources Holdings II, LLC, a Texas limited liability company, on behalf of said limited liability company.



Peggy A. Redman
Notary Public in and for the State of Texas

EXHIBIT "A"

Attached to and made a part of that certain Declaration of Pooled Unit Orbison 28 Unit dated November 25, 2015.

Lessee:	Petrohawk Properties, LP	V
Lessor:	Bank of America, Trustee of Charles R. Meeker Trust	O
Date:	April 28, 2011	L
Recorded:	Notice of OGL, Volume 882, Page 181, Official Public Records, Reeves County, Texas	1
		2
Lessee:	Petrohawk Properties, LP	2
Lessor:	Bell, Jill Holt	1
Date:	August 30, 2011	
Recorded:	OGL, Volume 907, Page 217, Official Public Records, Reeves County, Texas	
Lessee:	Petrohawk Properties, LP	P
Lessor:	Bingham, Neal Lee	G
Date:	February 9, 2011	
Recorded:	Notice OGL, Volume 878, Page 803, Official Public Records, Reeves County, Texas	
Lessee:	Petrohawk Properties, LP	0
Lessor:	Blake Oil & Gas Corporation	7
Date:	October 5, 2011	1
Recorded:	OGL, Volume 910, Page 163, Official Public Records, Reeves County, Texas	5
Lessee:	Petrohawk Properties, LP	
Lessor:	Coleman, Jonathon Carter	
Date:	August 30, 2011	
Recorded:	OGL, Volume 907, Page 211, Official Public Records, Reeves County, Texas	
Lessee:	Petrohawk Properties, LP	
Lessor:	Coleman, William Perry	
Date:	August 30, 2011	
Recorded:	OGL, Volume 907, Page 214, Official Public Records, Reeves County, Texas	
Lessee:	Endurance Resources Holdings II, LLC	
Lessor:	Harrison Trust	
Date:	August 31, 2015	
Recorded:	Memorandum of OGL, Volume 1197, Page 156, Official Public Records, Reeves County, Texas	
Lessee:	Petrohawk Properties, LP	
Lessor:	H.L. Hawkins, III, President of H.L. Hawkins, Jr., Inc.	
Date:	March 3, 2011	
Recorded:	Notice of OGL, Volume 880, Page 621, Official Public Records, Reeves County, Texas	
Lessee:	Petrohawk Properties, LP	
Lessor:	Robert J. Hook and Kathleen Hook, husband and wife	
Date:	February 9, 2011	
Recorded:	Notice of OGL, Volume 878, Page 808, Official Public Records, Reeves County, Texas	
Lessee:	Petrohawk Properties, LP	
Lessor:	Huston, Virginia L.	
Date:	April 11, 2011	
Recorded:	Notice of OGL, Volume 886, Page 504, Official Public Records, Reeves County, Texas	

Lessee:	Petrohawk Properties, LP	
Lessor:	Windi Grimes, Sole Trustee of the AWP 1983 Trust	
Date:	February 9, 2011	
Recorded:	Notice of OGL, Volume 886, Page 506, Official Public Records, Reeves County, Texas	V O L
Lessee:	Petrohawk Properties, LP	
Lessor:	L.H. Meeker and Julian Wade Meeker as Trustees for the Lifetime Benefit of L.H. Meeker	
Date:	February 9, 2011	
Recorded:	Notice of OGL, Volume 878, Page 807, Official Public Records, Reeves County, Texas	1 2 2 1
Lessee:	Petrohawk Properties, LP	
Lessor:	Meeker Investments, Inc.	
Date:	February 9, 2011	
Recorded:	Notice of OGL, Volume 886, Page 508, Official Public Records, Reeves County, Texas	
Lessee:	Petrohawk Properties, LP	
Lessor:	Pollard, Frances, A.	
Date:	August 30, 2011	
Recorded:	OGL, Volume 907, Page 220, Official Public Records, Reeves County, Texas	P G
Lessee:	Petrohawk Properties, LP	
Lessor:	Scyoc, David R.	
Date:	November 1, 2011	
Recorded:	OGL, Volume 913, Page 373, Official Public Records, Reeves County, Texas	0 7 1 6
Lessee:	Petrohawk Properties, LP	
Lessor:	Joyce Thomas, Individually and as Successor Trustee of the E.L. Garrison Trust	
Date:	February 8, 2011	
Recorded:	Notice of OGL, Volume 878, Page 804, Official Public Records, Reeves County, Texas	
Lessee:	Petrohawk Properties, LP	
Lessor:	Wilson, Ronald I. and Marjorie A.	
Date:	February 9, 2011	
Recorded:	Notice of OGL, Volume 878, Page 805, Official Public Records, Reeves County, Texas	

EXHIBIT "B"

The following lands containing 638.92 acres located in Section 28, Block 56, PSL Survey,
Reeves County, Texas:

Tract 1: W/2

Tract 2: N/2 of the NE/4 and the SE/4 of the NE/4

Tract 3: SW/4 of the NE/4

Tract 4: E/2 of the SE/4 and the SW/4 of the SE/4

Tract 5: N/2 of the NW/4 of the SE/4

Tract 6: S/2 of the NW/4 of the SE/4

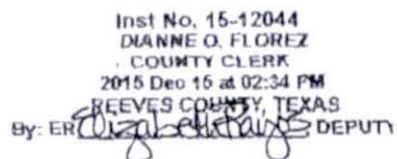
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2	1
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File No. M-117754

(4)

Declaration of F.O.B. 28 Unit County

Date Filed: 2/25/16

George P. Bush, Commissioner
By [Signature]



February 22, 2016

Texas General Land Office, Energy Resources
Attn: Mr. J. Daryl Morgan, CPL
1700 N. Congress Ave., Suite 840
Austin, Texas 78701

Re: Executed Ratification of Declaration of Pooled Unit
Orbison 28 Unit
All of Section 28, Block 56, PSL,
Reeves County, Texas

Dear Mr. Morgan,

Please find enclosed two original Ratification of Declaration of Pooled Units, executed on behalf of Endurance Resources Holdings II, LLC ("Endurance"), pertaining to the Orbison 28 Unit, covering all of Section 28, Block 56, PSL, Reeves County, Texas.

If you have any questions or need any additional information, please do not hesitate to contact the undersigned at (432) 242-4683 or by email at jason@enduranceresourcesllc.com

Very truly yours,

Jason South, CPL
Landman
Endurance Resources Holdings II, LLC

File No. M-117754 (5)
Ltr. From Eugene County
Date Filed: 2/25/16
George P. Bush, Commissioner
By _____

5.54.70

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA159009

Unit Number 7735
Operator Name Endurance Resources, LLC
Customer ID C000088611
Unit Name Orbison 28 Unit
County 1 Reeves *RRC District 1* 08
County 2 *RRC District 2*
County 3 *RRC District 3*
County 4 *RRC District 4*
Unit type Permanent
State Net Revenue Interest Oil 0.04687500
State Part in Unit 0.75000000
Unit Depth Allow All Depths
From Depth Well
To Depth Formation
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 11/25/2015
Unitized For Oil And Gas
Unit Term
Old Unit Number *Inactive Status Date*

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
1F117756	1	40.000000	640.000000	0.06250000	O/G	0.06250000	0.00390625	No
1F117757	2	438.920000	640.000000	0.68581250	O/G	0.06250000	0.04286328	No
1F117758	3	119.780000	640.000000	0.18715625	O/G	0.06250000	0.01169727	No
1F117755	4	319.140000	640.000000	0.49865625	O/G	0.06250000	0.03116602	No

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
1F117754	5	119.780000	640.000000	0.18715625	O/G	0.06250000	0.01169727	No

PI Number

4238934995

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

01/05/2016

01/05/2016

01/27/2016

3-8-16

01/05/2016

Pooling Committee Report

To: School Land Board

UPA159009

Date of Board Meeting: 01/05/2016

Unit Number: 7735

Effective Date: 11/25/2015

Unit Expiration Date:

Applicant: Endurance Resources Holdings II, LLC

Attorney Rep:

Operator: Endurance Resources LLC,

Unit Name: Orbison 28 Unit

Field Name: FORD, WEST (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF117754	0.06250000	02/09/2014	3 years	40.000000	119.780000	0.01169727
FR	MF117755	0.06250000	08/30/2014	3 years	438.920000	319.140000	0.03116602
FR	MF117756	0.06250000	02/09/2014	3 years	119.780000	40.000000	0.00390625
FR	MF117757	0.06250000	03/03/2014	3 years	319.140000	438.920000	0.04286328
FR	MF117758	0.06250000	04/28/2014	3 years	119.780000	119.780000	0.01169727

Private Acres:	160.000000
State Acres:	480.000000
Total Unit Acres:	640.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	75.00%
<u>State Net Revenue Interest:</u>	4.69%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,048 acres for a 4,859 foot lateral (FTP to LTP).

Working File Number: UPA159009

REMARKS:

- Endurance Resources is requesting School Land Board ratification of the 640 acre Orbison 28 Unit which includes a 480 acre Free Royalty tract.
- The applicant spud the unit well on November 20, 2015 with a proposed TD of 11,750 feet TVD. A 4, 859 foot lateral is expected to be drilled.
- With Board ratification of the unit the State's unit royalty participation will be 4.69%.
- The State will participate on a unitized basis from the date of first production.

POOLING COMMITTEE RECOMMENDATION:

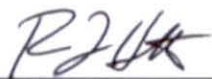
The Pooling Committee recommends Board ratification for the Orbison 28 Unit under the above-stated provisions.



Mary Smith - Office of the Attorney General

12-15-15

Date



Robert Hatter - General Land Office

12/15/15

Date



Diane Morris - Office of the Governor

12-15-2015

Date



Unit #7735
 Endurance Resources, LLC.
 Orbinson 28 Unit
 Ford, West (Wolfcamp) Field
 Reeves County, Texas

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



Map Generated by:
 Mark Conway
 IS/BAS/GIS
 December 2015

RATIFICATION OF DECLARATION OF POOLED UNIT
ORBISON 28 UNIT
GLO UNIT NO. 7735
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Declaration of Pooled Unit, Orbison 28 Unit" ("Designation"), has been executed effective as of November 25, 2015, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation recorded in Volume 1221, Page 713 the Official Public Records of Reeves County, Texas; and,

WHEREAS, the Designation describes the leases included within the Unit by Exhibit "A", describes the Unit Area by Exhibit "B" and shows a plat of the unit as Exhibit "C", and,

WHEREAS, a person may become a party to said Designation by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the Orbison 28 Unit ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Designation, does hereby commit to said Unit the Free Royalty Interest of the State of Texas in all Tracts within the Unit Area as described in the Designation and does hereby agree that the State of Texas shall be bound by all of the provisions of said Designation, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Designation.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Free Royalty Interests to said Designation:

PURPOSES:

1.

This Ratification ("Ratification") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Ratification to effect equitable participation within the Unit. This Ratification is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction over the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit ("unitized interval").

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation for and during the term hereof, so that such pooling or unitization shall have the following effect:

(a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.

(b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.

(c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.

(d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease.

(f) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 638 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.

(g) There shall not be brought into the Unit Area any tract lying outside its boundaries until approval of such enlargement has been obtained from the School Land Board of the State of Texas.

(h) This Ratification shall not relieve Lessee from the duty of protecting the State Leases within the Unit Area from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.

(i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the Unit Area, nor to develop the tracts separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

4.

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

TAKING ROYALTY IN KIND:

5.

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

FULL MARKET VALUE:

6.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

(a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greatest;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when

run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Ratification "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of November 25, 2015.

TERM:

8.

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

STATE LAND:

9.

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

DISSOLUTION:

10.

The Unit Area covered by this Ratification may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Reeves County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production.

RATIFICATION/WAIVER:

11.

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

COUNTERPARTS:

12.

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

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

Date Executed

2/25/16

STATE OF TEXAS

Content
Legal
Geology
Executive

[Signature]
by: Brian Carter

By:

[Signature]
George P. Bush, Commissioner
General Land Office

Date Executed

2-4-2016

ENDURANCE RESOURCES HOLDINGS II, LLC

By:

Donald G Ritter

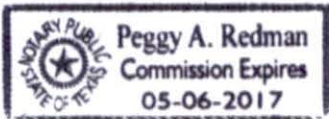
Its:

CEO

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 4th day of February, 2016, by Donald G Ritter as CEO of Endurance Resources Holdings II, LLC, a Texas limited liability company on behalf of said company.



Peggy A. Redman
Notary Public in and for the State of Texas

CERTIFICATE

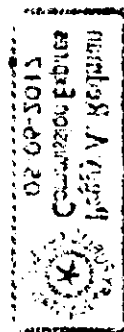
I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of said Board duly held on the 5th day of January, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 24th day of February, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

6

File No. M-117754
Refutation Packet # 7735
Orbison 28 Unit
County _____
Date Filed: 2/26/16
George P. Bush, Commissioner
By _____



5.54.30



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 26, 2016

Mr. Jason South, CPL
Endurance Resources Holdings II, LLC
203 West Wall, Suite 1000
Midland, Texas 79701

Re: Ratification of Declaration of Pooled Unit
Orbison 28 Unit
GLO Unit No. 7735
Reeves County, Texas

Dear Mr. South:

Enclosed is a duplicate original of the above referenced Ratification of Declaration of Pooled Unit that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained the other original of the Ratification Agreement for our files. Please refer to the referenced GLO Unit No. when filing royalty reports with the GLO.

Thank you for your assistance with this matter, if you have any questions please do not hesitate to call.

Sincerely,

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

Enclosure

(7)

File No. M-117754

Ltr. to Endurance County

Date Filed: 2/26/16

George P. Bush, Commissioner

By [Signature]

MF 117754
 MF 117755
 MF 117756
 MF 117757
 MF 117758

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA169009

Unit Number 7735
Operator Name Endurance Resources, LLC
Customer ID C000088611
Unit Name Orbison 28 Unit
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Permanent
State Net Revenue Interest Oil 0.04684859
State Part in Unit 0.74957741
Unit Depth Allow All Depths **Well**
From Depth **Formation**
To Depth **Participation Basis** Surface Acreage
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117756	1	119.780000	638.920000	0.12498176	O/G	0.06250000	0.00781136	No
MF117757	2	319.140000	638.920000	0.49030592	O/G	0.06250000	0.03064412	No
MF117758	3	119.780000	638.920000	0.06249088	O/G	0.06250000	0.00390568	No
MF117755	4	319.140000	638.920000	0.00919328	O/G	0.06250000	0.00057458	No

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF117754	5	40.000000	638.920000	0.06260560	O/G	0.06250000	0.00391285	No

API Number

4238934995

Remarks:

Prepared By:



Prepared Date:

7/15/2016

GLO Base Updated By:



GLO Base Date:

7/15/2016

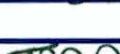
RAM Approval By:



RAM Approval Date:

7.15.16

GIS By:



GIS Date:

7/15/2016

Well Inventory By:



WI Date:

7/15/2016

Pooling Committee Report

To: School Land Board

UPA169009

Date of Board Meeting: 01/05/2016

Unit Number: 7735

Effective Date: 11/25/2015

Unit Expiration Date:

Applicant: Endurance Resources Holdings II, LLC

Attorney Rep:

Operator: Endurance Resources LLC,

Unit Name: Orbison 28 Unit

Field Name: FORD, WEST (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF117754	0.06250000	02/09/2014	3 years	40.000000	40.000000	0.00391285
FR	MF117755	0.06250000	08/30/2014	3 years	438.920000	319.140000	0.00057458
FR	MF117756	0.06250000	02/09/2014	3 years	119.780000	119.780000	0.00781136
FR	MF117757	0.06250000	03/03/2014	3 years	319.140000	319.140000	0.03064412
FR	MF117758	0.06250000	04/28/2014	3 years	119.780000	119.780000	0.00390568

Private Acres:	160.000000
State Acres:	478.920000
Total Unit Acres:	638.920000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	74.96%
<u>State Net Revenue Interest:</u>	4.68%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,048 acres for a 4,859 foot lateral (FTP to LTP).

Working File Number: UPA159009

REMARKS:

- Endurance Resources is requesting School Land Board ratification of the 640 acre Orbison 28 Unit which includes a 480 acre Free Royalty tract.
- The applicant spud the unit well on November 20, 2015 with a proposed TD of 11,750 feet TVD. A 4, 859 foot lateral is expected to be drilled.
- With Board ratification of the unit the State's unit royalty participation will be 4.69%.
- The State will participate on a unitized basis from the date of first production.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board ratification for the Orbison 28 Unit under the above-stated provisions.



Mary Smith - Office of the Attorney General

12-15-15

Date



Robert Hatter - General Land Office

12/15/15

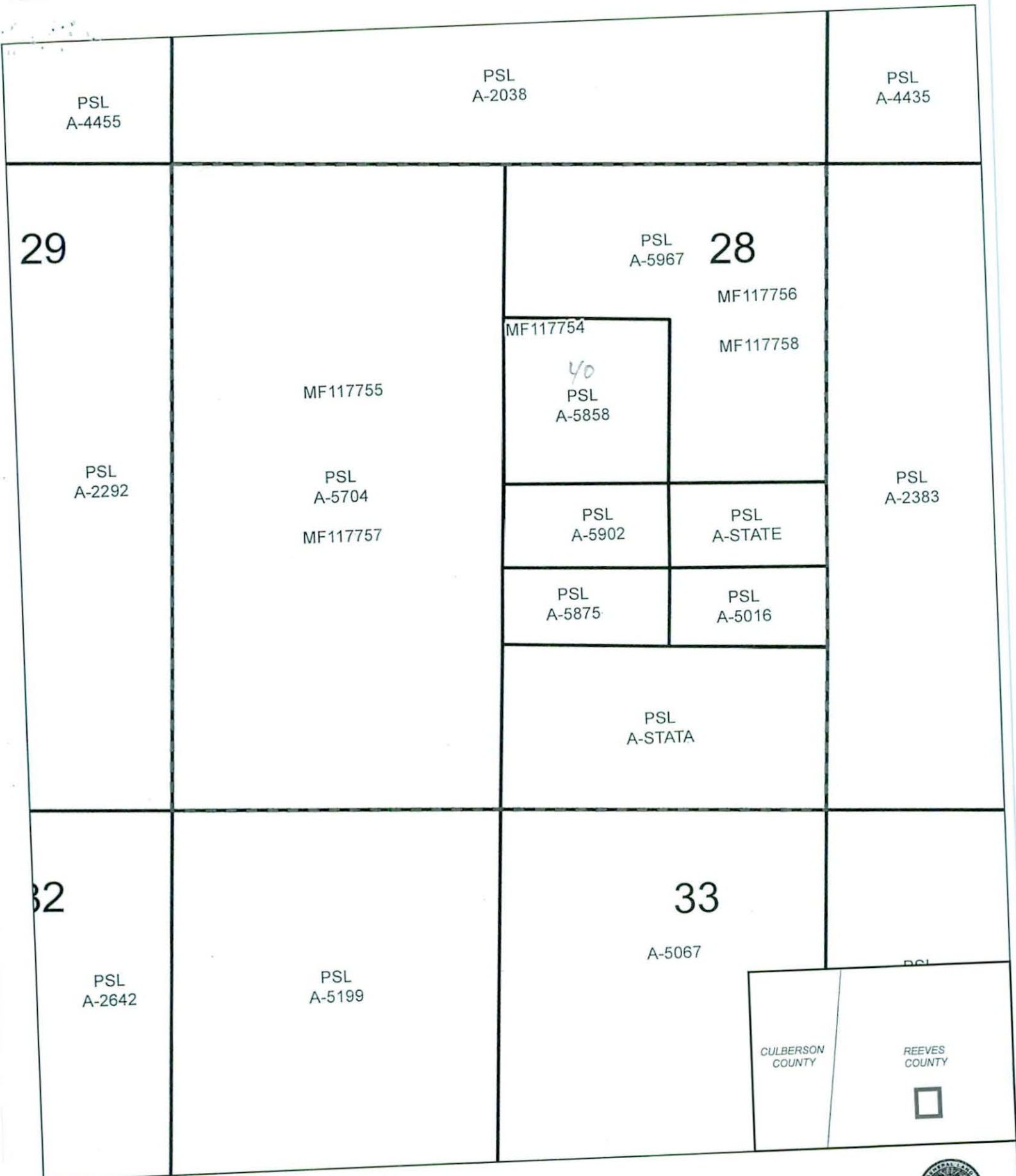
Date



Diane Morris - Office of the Governor

12-15-2015

Date



Unit #7735
Endurance Resources, LLC.
Orbinson 28 Unit
Ford, West (Wolfcamp) Field
Reeves County, Texas



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



Map Generated by:
Mark Conway
IS/BAS/GIS
December 2015

RATIFICATION OF DECLARATION OF POOLED UNIT
ORBISON 28 UNIT
GLO UNIT NO. 7735
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled, "Declaration of Pooled Unit, Orbison 28 Unit" ("Designation"), has been executed effective as of November 25, 2015, for conducting Unit Operations in Reeves County, Texas as more particularly described in said Designation recorded in Volume 1221, Page 713 the Official Public Records of Reeves County, Texas; and,

WHEREAS, the Designation describes the leases included within the Unit by Exhibit "A", describes the Unit Area by Exhibit "B" and shows a plat of the unit as Exhibit "C", and,

WHEREAS, a person may become a party to said Designation by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the Orbison 28 Unit ("Unit"), and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Designation, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to the Unit and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Designation, does hereby commit to said Unit the Free Royalty Interest of the State of Texas in all Tracts within the Unit Area as described in the Designation and does hereby agree that the State of Texas shall be bound by all of the provisions of said Designation, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Designation.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Free Royalty Interests to said Designation:

PURPOSES:

1.

This Ratification ("Ratification") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Ratification to effect equitable participation within the Unit. This Ratification is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto. No provision of this Ratification nor any provision of the Designation shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction over the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit ("unitized interval").

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts described in the Designation for and during the term hereof, so that such pooling or unitization shall have the following effect:

(a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.

(b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.

(c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.

(d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease.

(f) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 638 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.

(g) There shall not be brought into the Unit Area any tract lying outside its boundaries until approval of such enlargement has been obtained from the School Land Board of the State of Texas.

(h) This Ratification shall not relieve Lessee from the duty of protecting the State Leases within the Unit Area from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.

(i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the Unit Area, nor to develop the tracts separately, as to the pooled mineral.

ALLOCATION OF PRODUCTION:

4.

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

TAKING ROYALTY IN KIND:

5.

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

FULL MARKET VALUE:

6.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

(a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greatest;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when

run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Ratification "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of November 25, 2015.

TERM:

8.

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

STATE LAND:

9.

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

DISSOLUTION:

10.

The Unit Area covered by this Ratification may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Reeves County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production.

RATIFICATION/WAIVER:

11.

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

COUNTERPARTS:

12.

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

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

Date Executed 2/25/16

STATE OF TEXAS

Content
Legal
Geology
Executive

DM
DM
OACI
by Brian Carter

By:

George F. Bush, Commissioner
General Land Office

Date Executed

2-4-2016

ENDURANCE RESOURCES HOLDINGS II, LLC

By: 

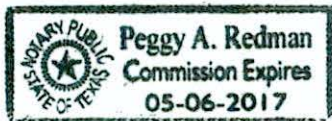
Donald G Ritter

Its: CEO

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 4th day of February, 2016,
by Donald G Ritter as CEO of Endurance Resources
Holdings II, LLC, a Texas limited liability company on behalf of said company.



Peggy A. Redman
Notary Public in and for the State of Texas

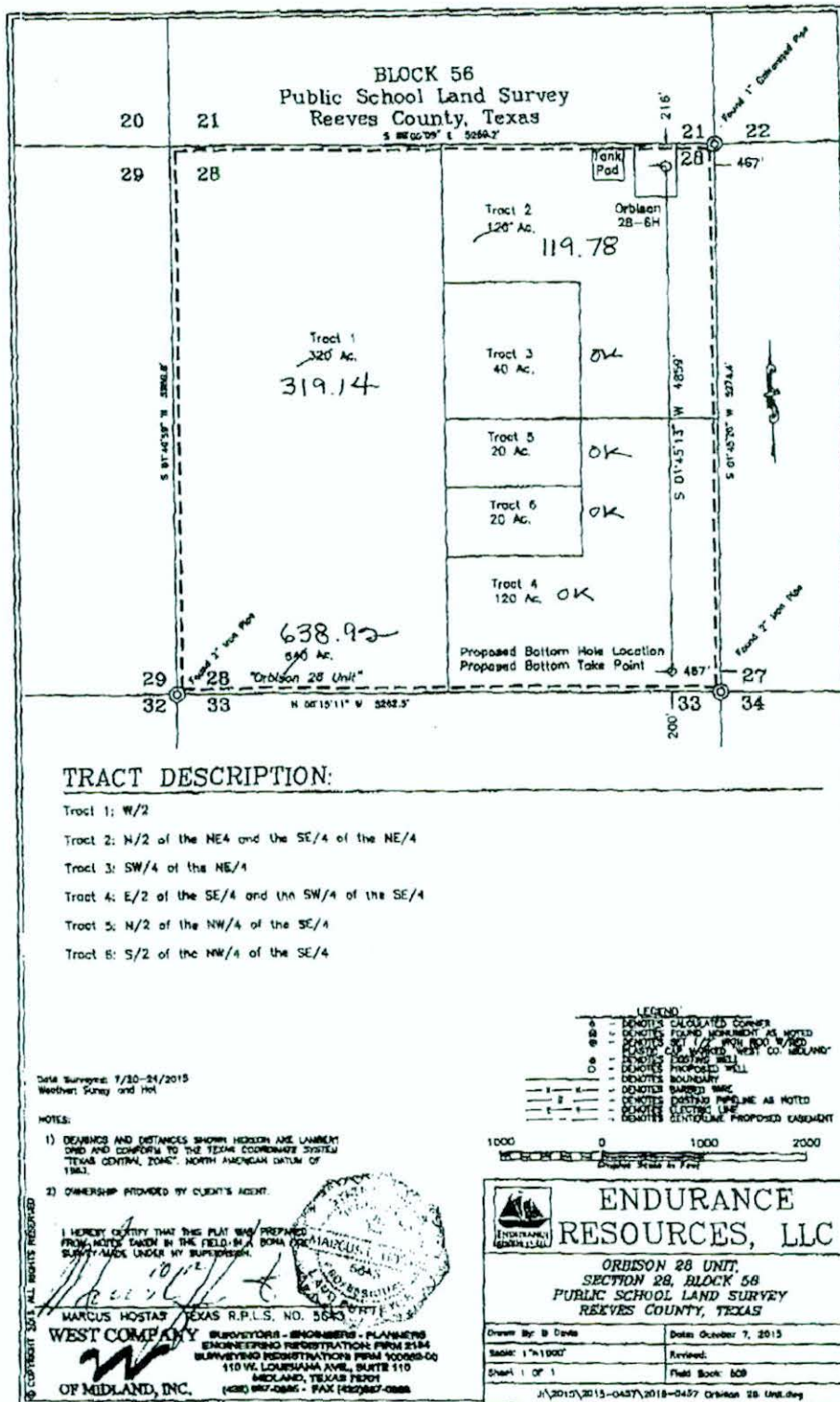
CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of said Board duly held on the 5th day of January, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 24th day of February, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

EXHIBIT "C"



Inst No. 15-12044
DIANNE O. FLOREZ
COUNTY CLERK
2015 Dec 16 at 02:34 PM
KEEVES COUNTY, TEXAS
By: ERIC [Signature] DEPI

Mineral Owners	Acres	Lease Royalty	LESSOR'S INTEREST	Well Decimal	Tract Participation
CHARLES R MEEKER TRUST U/A 7/6/1992 6/5/98 – ST TX MF 117758	119.780	0.062500000	0.138888900	0.003905680	0.08336814
MEEKER INVESTMENTS INC– ST TX MF 117756	119.780	0.062500000	0.277777780	0.007811360	0.16673626
NEAL LEE BINGHAM– ST TX MF 117754	40.000	0.062500000	1.000000000	0.003912850	0.08352126
H L HAWKINS JR INC– ST TX MF 117757	319.140	0.062500000	0.833333330	0.030644120	0.65410978
WILLIAM PERRY COLEMAN– ST TX MF 117755	319.140	0.062500000	0.015625000	0.000574580	0.01226462
	<u>478.92</u>			<u>0.046848590</u>	<u>1.00000006</u>
				<u>0.046848590</u>	
	638.92			<u>0.000000000</u>	OFF

NON-PARTICIPATING ROYALTY INTERESTS ("NPRI")	Tract	Lease(s)	Address	Mineral Interest Covered by Lease(s)	Tract Acres	Unit Acres	NPRI Burden	UNIT NPRI	Type of Interest
State of Texas	1	SL 1, 13 - 16		1.000000000	319.1400	638.9200	0.06250000	0.04684859	NPRI
	2	SL 11, 13 - 16		0.305555557	119.7800	638.9200	0.01909722		
	2	SL 3, 12, and 17		0.694444443	119.7800	352.0000	0.04340278		
	4	SL 2		1.000000000	40.0000	638.9200	0.06250000		
Total Landowner Royalty Interests:								0.04684859	NPRI

File No. MF 117754

Reeves County

Amended unit 7735 packet

Date Filed: 7/15/16

George P. Bush, Commissioner
By MB Barnstone

OIL & GAS DIVISION ORDER

Property Number: 710004
 Property Name: State Orbison 28 6H
 Operator: Endurance Resources LLC

Date Prepared: 06/28/2016
 Effective Date: 03/29/2016

County/State: Reeves Co., TX

Property Description: All Section 28, Block 56, PSL Survey

Production: Oil ☒ Gas ☒ Other ☐

Owner Name:	Texas General Land Office	Owner Number:	
Address:	ATTN: MF117754, MF117755, MF117756, MF117757, MF11758	Type of Interest:	RI
	1700 N Congress Avenue		
	Austin TX 78701-1495	Interest:	0.04684859

The undersigned certifies the ownership of their decimal in production or proceeds as described above payable by

Endurance Resources LLC (Payor).

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned.

The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$ 100.00, or pay December 31st, whichever occurs first, or as required by applicable state statutes.

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

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

Special Clauses:

Witness:

n/a

Owner(s) Signature _____

Owner(s) Tax ID/SS No.: _____

Owner(s) Daytime Telephone No.: _____

Owner(s) Email Address.: _____

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN TAX WITHHOLDING IN ACCORDANCE WITH FEDERAL LAW, WHICH WILL NOT BE REFUNDABLE BY PAYOR.



ENDURANCE RESOURCES

DIVISION ORDER INSTRUCTIONS

Dear Interest Owner(s):

Enclosed please find copies of Endurance Resources LLC's form division order for your approval and execution.

- The purpose of this division order is to provide you information about your ownership and obtain certification from you that you are the correct person to whom payments for this interest should be made. **If there is a title requirement included with this letter, please provide the curative requested.**
- Please review your decimal interest in the property described. Also review the terms of the division order. Do not remove any of the attached pages to this division order, amended division order or transfer order. A complete set must be returned; both signature page and all exhibits.
- If signing for a corporation, print the name of the corporation and sign immediately below. All partners must sign unless signed by an authorized partner, in which case the supporting evidence of authority must be attached. If the instrument is signed by an agent, attorney-in-fact, guardian, estate representative, trustee or any party other than the named interest owner, attach the supporting evidence of the rights vested in the signatory party.
- Supply and/or verify your Social Security or Tax Identification Number. The interest and Dividend Compliance Act of 1983 (IDTCA, IRC 3406), requires that we withhold twenty-eight percent (28%) of all payments unless we are furnished with this number. The withheld monies are not refundable by Payor.
- Supply and/or verify the address to which checks should be mailed.
- The property number will be listed on your check detail identifying your payment for this interest. Please refer to this number when making inquiries about payments of your interest.

After your review of the enclosed division orders, please execute one copy and return to this office for further handling. The extra copy is for your files.

If you have any questions concerning the above, please do not hesitate to contact me. My direct number is (214) 996-0906.

Sincerely,

Mary VanPelt
Senior Land Coordinator

SEE REVERSE FOR INFORMATION THAT WILL BE REQUIRED FOR FUTURE OWNERSHIP CHANGES.

Sale of Your Interest

For a full or partial conveyance of a mineral, royalty, overriding royalty or working interest, furnish a copy of the conveyance document recorded in the county and state where the producing property is located.

When an Owner Dies

When an owner dies without a will, furnish as many of the following documents as you have:

- Death Certificate
- Letters of Administration
- Order determining heirship and distribution; and/or
- Affidavit of Heirship

Individual state laws on descent and distribution differ. We will inform you if additional information is needed.

When an owner dies with a will, which has been admitted to probate in the same state where the producing property is located, furnish copies of as many of the following documents as are appropriate in the state where the producing property is located:

- Death Certificate
- Application for probate
- Copy of the Will
- Order Admitting Will to Probate
- Letters Testamentary
- Final court decree distributing the assets and closing administration of the estate
- Copies of any appropriate recorded conveyances

When an owner dies with a will which has been admitted to probate in a state other than that where the producing property is located, record exemplified copies of the above documents in the appropriate county where the producing property is located and furnish to ENDURANCE copies of the recorded instruments.

In some states, in the place of the above, Ancillary Probate Proceedings in the state where the producing property is located are required. Our Division Order Department can help you in determining the information needed.

If the interest is not of great value and the probate proceedings were not conducted in the same state where the producing property is located, it may be acceptable to record an Affidavit of Heirship, with the Will attached as an Exhibit, in the county and state where the producing property is located.

In some situations, other documentation as determined by our Division Order Department may be needed.

Termination of Joint Tenancy upon Death

You will need to provide us with a copy of the death certificate. Please furnish the social security number or tax identification number of the surviving tenant.

Life Tenant Dies

When an owner of a life estate dies you will need to provide us a copy of the death certificate and the names, addresses and social security numbers of the persons who own the remainder and who succeed to the interest. In some situations, we may need further information including the documents which created the life tenancy and named the successors.

Name Changes

When an individual's name changes because of marriage, divorce, etc., you will need to provide us a copy of the marriage certificate, divorce decree or other document effecting the name change.

When a company or corporation changes its name; provide a copy of the Certificate of Name Change. If the change is due to a merger, please furnish a copy of the Certificate of Merger.

Change of Ownership due to Divorce

A copy of the divorce decree and copies of any recorded conveyance must be provided.

Trusts

When a trust is created, please provide us copies of the Trust Agreement and the recorded conveyance to the Trust.

When a trust is dissolved we will need a copy of the instrument of Dissolution and appropriate recorded conveyances.

Guardianships

When an owner is declared incompetent, please furnish Letters of Guardianship issued by the local court. When a minor reaches the legal age, all we need is a copy of the minor's birth certificate.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 31, 2016

Mary VanPelt
Division Order Analyst
Endurance Resources, LLC
15455 Dallas Parkway, Suite 1050
Addison, Texas 75001

Re: State Lease Nos. MF117754, MF117755, MF117756, MF117757 and MF117758
State Orbison 28 6H

Dear Mrs. VanPelt:

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

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

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

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

Thank you,

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

9

File No. MF 117754

Division Order

Date Filed: 9/1/16

George P. Bush, Commissioner

By AT



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 5, 2018

CERTIFIED MAIL: 7016 2070 0000 7391 9875

Mr. Douglas Prieto
Chief Commercial Officer
Atlantic Resources Company
300 North Marienfield, Suite 1000
Midland, TX 79701

RE: Request to Surface Commingle Oil and Gas Production from wells Armstrong State #1, GS State #1, Roberts State #1, Brackenridge State 57-44 #1, Harrison State 56-37 #1, and Harrison State 56-38 #3ST in Conjunction with Railroad Commission of Texas Commingling Permit (Unavailable) in Reeves County, Texas

Dear Mr. Prieto

The Texas General Land Office (GLO) has received notification by letter on November 28, 2017 of your intent to surface commingle oil and gas production from the above wells. GLO staff have performed an administrative and technical review of your request.

Based on your failure to file an application as of February 5, 2018, permission to surface commingle the above leases is hereby denied.

Mr. Douglas Prieto
February 5, 2018
Page #2

Please be advised that GLO is providing a copy of this letter to the Railroad Commission of Texas and that any commingling permit granted by them for Exception to Statewide Rules (SWR) 26 and/or 27 associated with the above leases may be subject to forfeiture. Furthermore, any surface commingling that occurs on the above leases in the absence of GLO permission represents a breach of your State leases, and may make the leases subject to forfeiture as well.

If you have further questions, please feel free to contact me at tom.ortiz@glo.texas.gov or 512-463-5296.

Sincerely

A handwritten signature in black ink, appearing to read "Thomas M. Ortiz". The signature is fluid and cursive, with the first name "Thomas" being the most prominent.

Thomas Manuel Ortiz, Ph.D., P.E.
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit
Darlene Williams, Railroad Commission of Texas



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 2, 2018

CERTIFIED MAIL: 7016 2070 0000 7391 9868

Mr. Douglas Prieto
Vice President
Atlantic Resources Company
300 North Marienfield, Suite 1000
Midland, TX 79701

RE: Request to Surface Commingle Oil and Gas Production from State Mineral Leases MF112682, MF112396, MF111869, MF117754, MF117755, MF117756, MF117757, MF117758, MF112451, MF112452, MF113664, MF115616, MF116656, MF118155, MF117612, MF114473, and MF116869 (Muddy Waters 30 2H, BB King 32H, Gateway 22 2H, Orbison 28 Unit, Johnny Cash 23 Unit, Gateway 38 2H, State Dagger 37-48 Unit, State Clark 38-47 Unit, State Gateway 37-48 Unit, State Pedro 9) in Conjunction with Railroad Commission of Texas Commingling Permit (Unavailable) in Reeves County, Texas

Dear Mr. Prieto

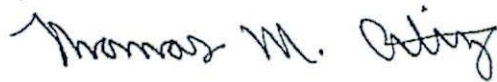
The Texas General Land Office (GLO) has received notification by letter on November 28, 2017 of your intent to surface commingle oil and gas production from State Mineral Leases MF112682, MF112396, MF111869, MF117754, MF117755, MF117756, MF117757, MF117758, MF112451, MF112452, MF113664, MF115616, MF116656, MF118155, MF117612, MF114473, and MF116869 (Muddy Waters 30 2H, BB King 32H, Gateway 22 2H, Orbison 28 Unit, Johnny Cash 23 Unit, Gateway 38 2H, State Dagger 37-48 Unit, State Clark 38-47 Unit, State Gateway 37-48 Unit, State Pedro 9), and to utilize gas lift with off-lease gas on the same State Mineral Leases. GLO staff have performed an administrative and technical review of your request.

Based on your failure to file an application as of February 2, 2018, permission to surface commingle the above leases is hereby denied.

Please be advised that GLO is providing a copy of this letter to the Railroad Commission of Texas and that any commingling permit granted by them for Exception to Statewide Rules (SWR) 26 and/or 27 associated with the above leases may be subject to forfeiture. Furthermore, any surface commingling that occurs on the above leases in the absence of GLO permission represents a breach of your State leases, and may make the leases subject to forfeiture as well.

If you have further questions, please feel free to contact me at tom.ortiz@glo.texas.gov or 512-463-5296.

Sincerely

A handwritten signature in black ink that reads "Thomas M. Ortiz". The signature is written in a cursive style with a large, stylized 'T' and 'O'.

Thomas Manuel Ortiz, Ph.D., P.E.
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit
Darlene Williams, Railroad Commission of Texas

File No. MF 117754

Reeves County

Commingling Denial

Date Filed: 2/6/2018

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



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 22, 2018

CERTIFIED MAIL: 7011 1150 0001 2420 5547

Mr. Douglas Prieto
Chief Commercial Officer
Atlantic Resources Company, LLC
300 North Marienfield, Suite 1000
Midland, TX 79701

RE: Application to Surface Commingle Oil and Gas Production from State Mineral Leases MF112451, MF112452, MF113664, MF112682, MF118838, MF117754, MF117755, MF117756, MF117757, MF117758, MF112396, MF111869, MF114473, MF116893, MF117612, MF115616, MF116656, and MF118155 (Orbison 28 Unit, BB King 32 2H, State Clark 38-47 Unit, State Dagger 37-48 Unit, State Gateway 22 2H, State Gateway 37-48 #3H Unit, State Gateway 38 #2H, Johnny Cash 23 Unit, State Muddy Waters 30 2H) in Conjunction with Railroad Commission of Texas Commingling Permit N/A in Reeves County, Texas

Dear Mr. Prieto

The Texas General Land Office (GLO) received your application, dated March 2, 2018 as revised on May 4, 2018, to surface commingle oil and gas production from and to utilize gas lift with off-lease gas on the above State Mineral Leases. GLO staff have performed an administrative and technical review of your application.

On the condition that Atlantic Resources Company, LLC first satisfies all of the requirements set out in #1 - #15 on p.1 - 3 of this letter, then, in that event, the application is approved.

1. Per 31 Texas Administrative Code (TAC) §9.35(a)(2), all fluids produced from the wells to be commingled must flow "through oil and gas separators of ample capacity and in good working order...before sale or surface commingling with production from any other lease and/or pooled unit". Gross production shall be measured by single-phase oil, gas, and water meters installed at the separator outlets prior to sale or surface commingling.

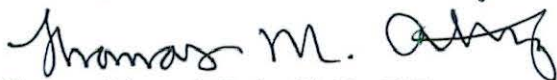
2. Per 31 TAC §9.35(a)(2), you are required to conduct all measurement “in accordance with the American Gas Association (AGA) standards and all applicable chapters of the American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS)”. Measurement shall be conducted, per those standards, for both the quantity and quality of all fluid streams.
3. Sampling frequency shall be equal to or greater than the recommendation in MPMS 20.1 §1.11.3, as required for accurate allocation. Samples shall be taken at the outlets of each first separator stage, at each gas lift supply and distribution meter, and at all points of custody transfer. Industry standard laboratory analysis shall be performed on each sample, with sampling and analysis performed in compliance with MPMS 8.1, 8.2, 9.1, 14.1 and any other applicable chapters.
4. Meter proving, testing and calibration plans as required per MPMS 20.2 §5, §6.5.1, §7.5.1 and §7.5.3 shall be made available to GLO staff for inspection upon request.
5. All lease oil and gas production royalties shall be due based upon the terms in your lease, and royalty payments shall be made per 31 TAC §9.51. Note that royalty is also due on all non-sales hydrocarbon dispositions (e.g. flare, fuel, instrument, lift, and vent gas).
6. Processed gas allocation factors shall be calculated on a mass (molecular) balance basis, i.e. each processed gas component shall be allocated individually in accordance with the requirements in MPMS 20.1 §1.15.3. Non-processed gas allocation factors shall be calculated on an energy balance basis.
7. You shall retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas sample/stream analysis reports, shrinkage/flash calculation reports, and any other documents within the scope of this commingling approval for a period of at least seven (7) years after creation of each document.
8. You shall obtain permission from GLO before making any changes to the flow process or metering scheme, adding leases or wells to the list of those being commingled, or making any other material change to the commingling application as approved by this letter.
9. You shall obtain approval of your pending surface commingling permit application from the Railroad Commission of Texas, if applicable, and provide GLO with a copy within ten days of its approval.
10. You shall calculate all allocation factors on a proportional basis, i.e. gross (metered) lease production divided by gross (metered) commingled production. You shall not allocate by difference. The term production as used in this condition shall be defined as appropriate (i.e. volume, mass, energy) for each allocated phase (e.g. see Condition 6).

11. You shall continuously meter the gas lift supply to each well and the gas that passes through any other gas lift supply and distribution meter.
12. You shall account for the presence of any lift and/or buyback gas that is produced along with in situ reservoir gas at the allocation meters when calculating gas allocation factors: this accounting shall be by mass balance (processed gas components) and by energy balance (non-processed gas) as appropriate (see also Condition 6).
13. You shall sample and analyze, in the manner specified by Condition 3, the flare on each lease for which gas is not being sold through the allocation meter until such time as sufficient gas is being sold through the allocation meter to allow sampling at that location. At that time, the allocation meter analysis may be used for the flare.
14. You shall allocate and pay royalty on hydrocarbon liquids collected at the Lowe Compressor Station ("Lowe liquids") as oil.
15. You shall allocate all buyback, fuel and lift gas in the manner specified by Condition 6. Shrink shall be subtracted from gross energy content before computing residue allocation factors. Total residue to be allocated shall be the quantity reported on the processing plant settlement statement. Buyback allocation factors shall be determined using the quantities and analyses measured at the individual lease meters.

Please be advised that you have an ongoing obligation to maintain compliance with these standards and conditions. GLO staff will verify compliance during periodic financial audits, which will include, but are not limited to, independent allocation verification studies. GLO reserves the right to validate or question your measurement and detailed allocation methodology based on our own analysis.

If you have further questions, please feel free to contact me at tom.ortiz@glo.texas.gov or 512-463-5296.

Sincerely



Thomas Manuel Ortiz, Ph.D., P.E.
Petroleum Engineer

TMO/tmo

cc: Dale Sump, Director of Minerals Audit

File No. MF 117754

Reeves County

Commingling Approval

Date Filed: 5/22/2018

George P. Bush, Commissioner
By Thomas M. Atty

Updated Acreage

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA169009

Unit Number 7735
Operator Name Endurance Resources, LLC
Customer ID C000088611
Unit Name Orbison 28 Unit
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type Permanent
State Net Revenue Interest Oil 0.04684859
State Part in Unit 0.74957743
Unit Depth Allow All Depths
From Depth
To Depth
Effective Date 11/25/2015
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**
Well
Formation
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117756	1	79.853340	638.920000	0.12498175	O/G	0.06250000	0.00781136	No
MF117757	2	313.266250	638.920000	0.49030591	O/G	0.06250000	0.03064412	No
MF117758	3	39.926650	638.920000	0.06249084	O/G	0.06250000	0.00390568	No
MF117755	4	5.873770	638.920000	0.00919328	O/G	0.06250000	0.00057458	No

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF117754	5	40.000000	638.920000	0.06260565	O/G	0.06250000	0.00391285	No

API Number

4238934995

Remarks:

Prepared By:

Prepared Date:

GLO Base Updated By:

GLO Base Date:

RAM Approval By:

_____ *KT* _____

RAM Approval Date:

_____ *7/20/18* _____

GIS By:

GIS Date:

Well Inventory By:

WI Date:

Pooling Committee Report

To: School Land Board

UPA169009

Date of Board Meeting: 01/05/2016

Unit Number: 7735

Effective Date: 11/25/2015

Unit Expiration Date:

Applicant: Endurance Resources Holdings II, LLC

Attorney Rep:

Operator: Endurance Resources LLC,

Unit Name: Orbison 28 Unit

Field Name: FORD, WEST (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF117754	0.06250000	02/09/2014	3 years	40.000000	40.000000	0.00391285
FR	MF117755	0.06250000	08/30/2014	3 years	438.920000	5.873770	0.00057458
FR	MF117756	0.06250000	02/09/2014	3 years	119.780000	79.853340	0.00781136
FR	MF117757	0.06250000	03/03/2014	3 years	319.140000	313.266250	0.03064412
FR	MF117758	0.06250000	04/28/2014	3 years	119.780000	39.926650	0.00390568

Private Acres:	160.000000
State Acres:	478.920000
Total Unit Acres:	638.920000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	74.96%
<u>State Net Revenue Interest:</u>	4.68%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,048 acres for a 4,859 foot lateral (FTP to LTP).

MF#	MF117756	MF117757	MF117758	MF117755	MF117754	
LEASE AC. IN UNIT	79.85334	313.26625	39.92665	5.87377	40	478.92001
TOTAL UNIT AC.	638.92	638.92	638.92	638.92	638.92	
STATE PARTICIPATION	0.12498175	0.49030591	0.06249084	0.00919328	0.06260565	0.74957743
LEASE ROYALTY	0.0625	0.0625	0.0625	0.0625	0.0625	
PART OF UNIT NRI	0.007811359	0.030644119	0.00390568	0.00057458	0.00391285	0.04684859

12.
File No. MF117754
Reeves County
Unit 7135 - Acreage Update
Date Filed: 09/07/2018
By gms George P. Bush, Commissioner



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

February 16, 2024

ATTN: Sherman Young
EOG Resources, Inc.
5509 Champions Dr.
Midland, TX 79706

Re: Production Sharing Agreement – EOG Resources, Inc.
PSA No. 00595, State Leases MF-117755, MF-117757, MF-117754, MF-117758, MF-120457
State Orbison 28-33
Reeves County, Texas

Dear Mr. Young:

The School Land Board of the State of Texas approved your application to have the State enter into the Production Sharing Agreement (“PSA”) for the referenced Leases. Enclosed is a duplicate original of the PSA that has been executed by Dawn Buckingham, M.D., Commissioner of the Texas General Land Office. We have retained the other original of the PSA for our files.

Please provide our office with a recorded certified copy of the PSA, or fully executed copy if it is not going to be recorded as soon as it is available. **After Sharing Well is drilled, please provide a copy of the final, “as-drilled” plat showing the “Productive Drainhole Length/ Allocation Factor” information , and the State tract participation and Net Revenue Interest in the well** so we can get our records set up for the payment of royalties on the well.

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

Sincerely,

Chase Brockman
Energy Resources Division
chase.brockman@glo.texas.gov
(512) 475-1502

enclosures

13

File No. MF 117754

Reeves County

Ltr. to EOG

Date Filed: 2-16-24

Commissioner Dawn Buckingham, M.D.

By: CRB



MEMORANDUM

TEXAS GENERAL LAND OFFICE • COMMISSIONER DAWN BUCKINGHAM, M.D.

DATE: January 30, 2024 **PSA# 00595**

TO: School Land Board

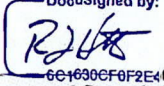
FROM: Pooling Committee

SUBJECT: Request from EOG Resources, Inc. to have the State enter into a Production Sharing Agreement for drilling of one or more allocation wells.

- EOG Resources, Inc. is the operator of GLO Unit 7735, which includes State Free Royalty Leases MF117755, MF117757, MF117754, and MF117758, and State Fee Lease MF120457 in which the State has a royalty interest, and they are requesting that the royalty owners sign a Production Sharing Agreement, which the School Land Board has the authority to approve pursuant to Texas Natural Resources Code §52.154.
- The Production Sharing Agreement will allow the operator to drill one or more allocation well which cross GLO Unit 7735 and State Fee Lease MF120457.
- The State's participation in the sharing wells will be based productive lateral length between the first take point and the last take point.

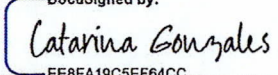
POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the Production Sharing Agreement.

DocuSigned by:

6E1630CF0F2E4B3...
General Land Office

10/30/2023

Date

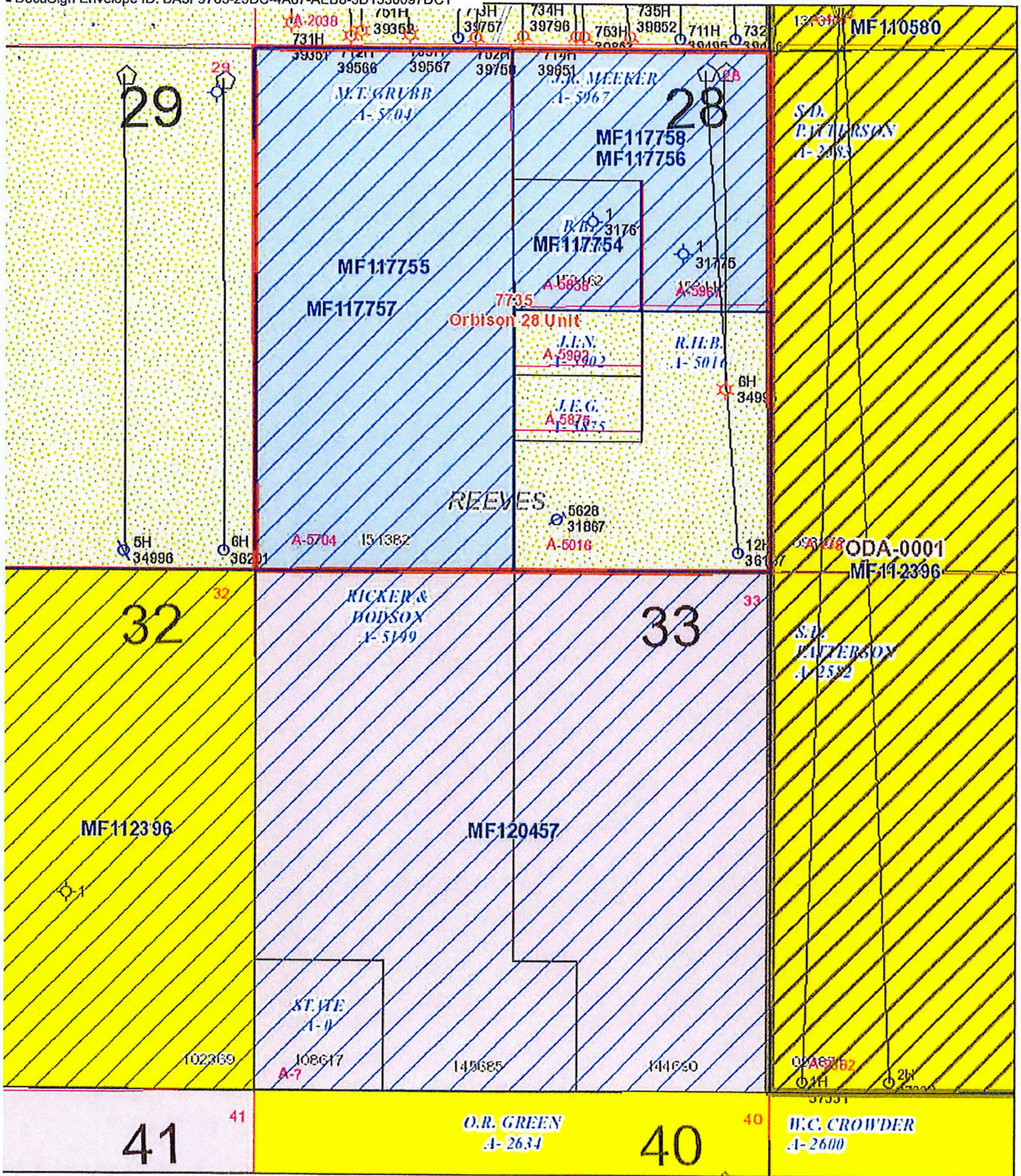
DocuSigned by:

EE8FA19C5EF64CC...
Office of the Governor

11/3/2023

Date

Office of the Governor

Date



GLO Land/Lease Mapping Viewer

Please review all copyright and disclaimer information from our webpage here: <https://www.glo.texas.gov/policy/index.html>. The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map is not suitable for navigational purposes and does not purport to depict boundaries of private and public land.

0 0.13 0.25 0.5 mi



PRODUCTION SHARING AGREEMENT

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF REEVES §

The undersigned party ("Interest Owner") enters into this Production Sharing Agreement ("Agreement") concerning their interest in the oil, gas and mineral leases, minerals, royalties and/or executive rights (collectively "Mineral Interests" or individually a "Mineral Interest") in and under the following lands (the "Subject Lands"):

638.13 acres, more or less, being all of Section 33, Block 56, PSL Land Survey, A-5902, Reeves County, Texas (MF-120457)

646.04 acres, more or less, being all of Section 28, Block 56, PSL Land Survey, Reeves County, Texas. (Orbison 28 Unit, GLO Unit No. 7735)

The Interest Owner wishes to encourage further development of the Subject Lands via the drilling of horizontal oil and/or gas wells in order to:

- (a) prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of hydrocarbons from the Subject Lands; and
- (b) protect the correlative rights of the Interest Owner so that it may receive his or her fair share of the oil and gas produced from the Subject Lands.

The Interest Owner recognizes that it is advantageous for some such horizontal wells to be drilled and completed partially on the Subject Lands and partially on adjoining lands and agree that a basis for allocating production from such horizontal wells should be established.

NOW THEREFORE, the Interest Owner, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, does hereby agree to the following:

- 1. For purposes of this Agreement, the following definitions apply:
 - a. "Field Interval" is the correlative geologic interval which has been defined or recognized by the Railroad Commission of Texas as the interval for the field in which a Horizontal Well has been completed.
 - b. "Horizontal Well" is an oil or gas well with one or more drainholes with a horizontal displacement of at least 100 feet within the Field Interval

- c. "Horizontal Drainhole" is the portion of the Horizontal Well drilled within the Field Interval.
- d. "Take Point" is any point along a Horizontal Drainhole where hydrocarbons can enter the wellbore from the Field Interval and be produced.
- e. "Productive Drainhole Length" is the horizontal length of a Horizontal Drainhole that begins at the first Take Point and runs along the actually surveyed wellbore path to the last Take Point. If a Sharing Well has more than one Horizontal Drainhole, the Productive Drainhole Length shall be the sum of such horizontal lengths of all such Horizontal Drainholes.
- f. "Sharing Well" is a Horizontal Well whose Productive Drainhole Length is located partially on Section 33, Block 56, PSL Land Survey A-5902 Reeves County Texas (M-120457) and partially on Section 28, Block 56, PSL Land Survey, Reeves County, Texas.

2. An Interest Owner shall share in production of oil and gas from a Sharing Well on the basis of his or her retained royalty interest and his or her ownership interest in the Subject Lands. In order to determine the Interest Owner's share in production, the retained royalty interest shall be multiplied by the ownership interest, and then also multiplied by an "Allocation Factor". The Allocation Factor shall be a fraction, the numerator of which is equal to the length of that portion of the Productive Drainhole Length lying within the Subject Lands, and the denominator being the total Productive Drainhole Length. All production so allocated to the Orbison 28 Unit, GLO Unit No. 7735, shall be further allocated to each tract comprising the Unit in accordance with the allocation formula set forth in the Pooling Agreement.

3. Operations on or production from each Sharing Well shall be treated as actual operations on or production from the Subject Lands, provided, however, that production shall be allocated to the Subject Lands in accordance with Paragraph 2, immediately above.

4. EOG Resources, Inc. ("Lessee") shall have the right to make reasonable use of the surface of the Subject Lands for the purpose of exploring, drilling, operating, producing, transporting and marketing oil and gas from any Sharing Well.

5. Production from a Sharing Well shall not create any offset obligation, whether express or implied, and as to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection of the Interest Owner's correlative rights. Interest Owner further agrees that this Agreement affects only production from Sharing Wells and in no way affects ownership under any vertical wells drilled or to be drilled on the Subject Lands. In the event any Sharing Well is plugged back or recompleted in such manner that the well no longer falls within the above definition of a Horizontal Well, such well shall no longer be considered a Sharing Well for purposes of this Agreement.

6. The provisions of the various leases, agreements, assignments, conveyances, pooling agreements and other instruments and agreements covering or affecting the Interest Owner's Mineral Interest within the Subject Lands are hereby amended to the extent necessary to make such instruments and agreements conform to this Agreement, but not otherwise. In the case of conflict between the provisions of this Agreement and the provisions of such other agreements or instruments, the provisions of this Agreement shall control.

7. This Agreement is binding upon the Interest Owner on the date of such Interest Owner's execution but shall not become effective as to the Subject Lands until filed in the Official Public Records of Loving County, Texas. Lessee may terminate this Agreement by filing a notice of termination to that effect in the Official Public Records of Loving County, Texas at any time that there is no Sharing Well on the Subject Lands producing or capable of producing in paying quantities.

8. This instrument may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument. Failure of any Interest Owner to execute a counterpart shall not render this instrument ineffective as to any other Interest Owner who does execute a counterpart thereof, but shall be binding upon each executing Interest Owner and its, his or her heirs, legal representatives, successors and assigns. The executed counterparts may be combined into one or more instruments for recordation, by combining the signature pages and acknowledgments, and the executing parties agree that such instruments shall be treated and given effect for all purposes as a single instrument.

EXECUTED by each party on the date shown for each such party's acknowledgement.

LESSEE:

EOG RESOURCES, INC.

Matthew W. Smith
Agent and Attorney-in-Fact

STATE OF TEXAS §

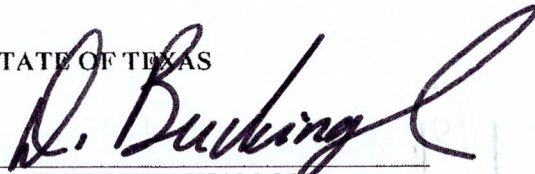
COUNTY OF MIDLAND §

This instrument was acknowledged before me on _____, 2023 by Matthew W. Smith as Agent and Attorney-in-Fact for EOG Resources, Inc., a Delaware corporation on behalf of such corporation.

Notary Public in and for the State of Texas

Date Executed 2-13-24

STATE OF TEXAS



DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Approved:

leas. ^{DS} LB

cont. ^{DS} DBO

legal ^{DS} MO

DLC ^{DS} 22

exec. ^{DS} MAJ

CERTIFICATE

I, Vicki Gonzales, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 30th day of January, 2024, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 13 day of February, 2024.



Secretary of the School Land Board

14

File No. MF117754

Reeves County

PSA#00595

Date Filed: 2-16-24

Commissioner Dawn Buckingham, M.D.

By: CRB

PRODUCTION SHARING AGREEMENT

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
 COUNTY OF REEVES §

The undersigned party ("Interest Owner") enters into this Production Sharing Agreement ("Agreement") concerning their interest in the oil, gas and mineral leases, minerals, royalties and/or executive rights (collectively "Mineral Interests" or individually a "Mineral Interest") in and under the following lands (the "Subject Lands"):

638.13 acres, more or less, being all of Section 33, Block 56, PSL Land Survey, A-5902, Reeves County, Texas (MF-120457)

646.04 acres, more or less, being all of Section 28, Block 56, PSL Land Survey, Reeves County, Texas. (Orbison 28 Unit, GLO Unit No. 7735)

The Interest Owner wishes to encourage further development of the Subject Lands via the drilling of horizontal oil and/or gas wells in order to:

- (a) prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of hydrocarbons from the Subject Lands; and
- (b) protect the correlative rights of the Interest Owner so that it may receive his or her fair share of the oil and gas produced from the Subject Lands.

The Interest Owner recognizes that it is advantageous for some such horizontal wells to be drilled and completed partially on the Subject Lands and partially on adjoining lands and agree that a basis for allocating production from such horizontal wells should be established.

NOW THEREFORE, the Interest Owner, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, does hereby agree to the following:

1. For purposes of this Agreement, the following definitions apply:
 - a. "Field Interval" is the correlative geologic interval which has been defined or recognized by the Railroad Commission of Texas as the interval for the field in which a Horizontal Well has been completed.
 - b. "Horizontal Well" is an oil or gas well with one or more drainholes with a horizontal displacement of at least 100 feet within the Field Interval

- c. "Horizontal Drainhole" is the portion of the Horizontal Well drilled within the Field Interval.
- d. "Take Point" is any point along a Horizontal Drainhole where hydrocarbons can enter the wellbore from the Field Interval and be produced.
- e. "Productive Drainhole Length" is the horizontal length of a Horizontal Drainhole that begins at the first Take Point and runs along the actually surveyed wellbore path to the last Take Point. If a Sharing Well has more than one Horizontal Drainhole, the Productive Drainhole Length shall be the sum of such horizontal lengths of all such Horizontal Drainholes.
- f. "Sharing Well" is a Horizontal Well whose Productive Drainhole Length is located partially on Section 33, Block 56, PSL Land Survey A-5902 Reeves County Texas (M-120457) and partially on Section 28, Block 56, PSL Land Survey, Reeves County, Texas.

2. An Interest Owner shall share in production of oil and gas from a Sharing Well on the basis of his or her retained royalty interest and his or her ownership interest in the Subject Lands. In order to determine the Interest Owner's share in production, the retained royalty interest shall be multiplied by the ownership interest, and then also multiplied by an "Allocation Factor". The Allocation Factor shall be a fraction, the numerator of which is equal to the length of that portion of the Productive Drainhole Length lying within the Subject Lands, and the denominator being the total Productive Drainhole Length. All production so allocated to the Orbison 28 Unit, GLO Unit No. 7735, shall be further allocated to each tract comprising the Unit in accordance with the allocation formula set forth in the Pooling Agreement.

3. Operations on or production from each Sharing Well shall be treated as actual operations on or production from the Subject Lands, provided, however, that production shall be allocated to the Subject Lands in accordance with Paragraph 2, immediately above.

4. EOG Resources, Inc. ("Lessee") shall have the right to make reasonable use of the surface of the Subject Lands for the purpose of exploring, drilling, operating, producing, transporting and marketing oil and gas from any Sharing Well.

5. Production from a Sharing Well shall not create any offset obligation, whether express or implied, and as to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection of the Interest Owner's correlative rights. Interest Owner further agrees that this Agreement affects only production from Sharing Wells and in no way affects ownership under any vertical wells drilled or to be drilled on the Subject Lands. In the event any Sharing Well is plugged back or recompleted in such manner that the well no longer falls within the above definition of a Horizontal Well, such well shall no longer be considered a Sharing Well for purposes of this Agreement.

6. The provisions of the various leases, agreements, assignments, conveyances, pooling agreements and other instruments and agreements covering or affecting the Interest Owner's Mineral Interest within the Subject Lands are hereby amended to the extent necessary to make such instruments and agreements conform to this Agreement, but not otherwise. In the case of conflict between the provisions of this Agreement and the provisions of such other agreements or instruments, the provisions of this Agreement shall control.

7. This Agreement is binding upon the Interest Owner on the date of such Interest Owner's execution but shall not become effective as to the Subject Lands until filed in the Official Public Records of Loving County, Texas. Lessee may terminate this Agreement by filing a notice of termination to that effect in the Official Public Records of Loving County, Texas at any time that there is no Sharing Well on the Subject Lands producing or capable of producing in paying quantities.

8. This instrument may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument. Failure of any Interest Owner to execute a counterpart shall not render this instrument ineffective as to any other Interest Owner who does execute a counterpart thereof, but shall be binding upon each executing Interest Owner and its, his or her heirs, legal representatives, successors and assigns. The executed counterparts may be combined into one or more instruments for recordation, by combining the signature pages and acknowledgments, and the executing parties agree that such instruments shall be treated and given effect for all purposes as a single instrument.

EXECUTED by each party on the date shown for each such party's acknowledgement.

LESSEE:

EOG RESOURCES, INC.



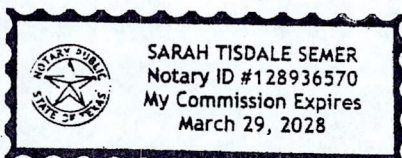
Matthew W. Smith
Agent and Attorney-in-Fact

54

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on May 9, 202~~3~~⁴ by Matthew W. Smith as Agent and Attorney-in-Fact for EOG Resources, Inc., a Delaware corporation on behalf of such corporation.

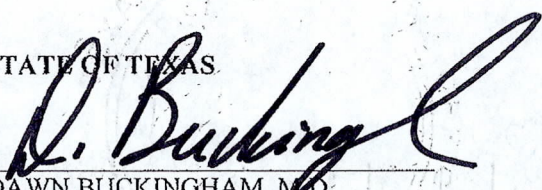


Sarah M. Smith

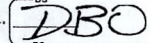
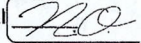
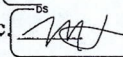
Notary Public in and for the State of Texas

Date Executed 2-13-24

STATE OF TEXAS

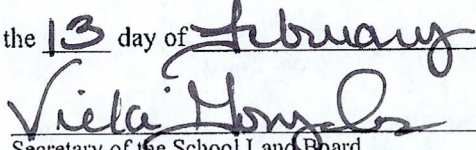

DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Approved:

leas cont. legal DLC exec CERTIFICATE

I, Vicki Gonzales, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 30th day of January, 2024, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 13 day of February, 2024.


Secretary of the School Land Board

15

File No. MF 117754

Reeves

County

Fully executed PSA#00595

Date Filed: 6-21-24

Commissioner Dawn Buckingham, M.D.

By: CRB



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 14090

GENERAL INFORMATION

Name of Well: State Orbison O # 731H API # 42-389-40910
Name of Operator: EOG Resources, Inc. RRC # 08-894982
Operator Contact Person: Sherman Young Phone: 432-848-9097
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Ryty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
FR	7735/MF117754	7540	2398	0.00391285	0.06250000	0.01991091	0.00124443
FR	7735/MF117755	7540	2398	0.00057458	0.06250000	0.00292380	0.00018274
FR	7735/MF117756	7540	2398	0.00781136	0.06250000	0.03974884	0.00248430
FR	7735/MF117757	7540	2398	0.03064412	0.06250000	0.15593549	0.00974597
FR	7735/MF117758	7540	2398	0.00390568	0.06250000	0.01987442	0.00124215
SF	MF120457	7540	5142	0.25000000	0.25000000	0.68196286	0.17049072
Totals:						0.92035633	0.18539031
Effective Date: <u>01/01/2024</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA00595

Comments:

- Final as drilled plat submitted on January 9, 2025 by email from Sherman Young.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

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

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: VD GIS updated by: [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU250001

Unit Number 14090
Operator Name EOG Resources, Inc. **Effective Date** 01/01/2024
Customer ID C000027065 **Unitized For** Oil And Gas
Unit Name State Orbison O # 731H **Unit Term**
County 1 Reeves **RRC District 1** 08 **Old Unit Number** **Inactive Status Date**
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.18539031
State Part in Unit 0.92035633
Unit Depth Specified Depths **Well**
From Depth **Formation**
To Depth **Participation Basis** **Length of Lateral**
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117754		0.000000	0.000000	0.01991091	O/G	0.06250000	0.00124443	No
MF117755		0.000000	0.000000	0.00292380	O/G	0.06250000	0.00018274	No
MF117756		0.000000	0.000000	0.03974884	O/G	0.06250000	0.00248430	No
MF117757		0.000000	0.000000	0.15593549	O/G	0.06250000	0.00974597	No

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF117758		0.000000	0.000000	0.01987442	O/G	0.06250000	0.00124215	No
MF120457		0.000000	0.000000	0.68196286	O/G	0.25000000	0.17049072	No

API Number

4238940910

Remarks:

PSA00595. Final as drilled plat submitted on January 9, 2025.

Prepared By:



Prepared Date:

01/14/2025

GLO Base Updated By:



GLO Base Date:

01/14/2025

RAM Approval By:



RAM Approval Date:

01/14/2025

GIS By:



GIS Date:

02/04/2025

Well Inventory By:



WI Date:

01/14/2025

Pooling Committee Report

To: School Land Board

INU250001

Date of Board Meeting:

Unit Number: 14090

Effective Date: 01/01/2024

Unit Expiration Date:

Applicant: EOG Resources, Inc.

Attorney Rep:

Operator: EOG Resources, Inc.

Unit Name: State Orbison O # 731H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF117754	0.06250000	02/09/2014	3 years	40.000000	0.000000	0.00124443
FR	MF117755	0.06250000	08/30/2014	3 years	438.920000	0.000000	0.00018274
FR	MF117756	0.06250000	02/09/2014	3 years	119.780000	0.000000	0.00248430
FR	MF117757	0.06250000	03/03/2014	3 years	319.140000	0.000000	0.00974597
FR	MF117758	0.06250000	04/28/2014	3 years	119.780000	0.000000	0.00124215
U Fee	MF120457	0.25000000	01/12/2025	3 years	640.000000	0.000000	0.17049072

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

Participation Basis:	Length of Lateral
Surface Acreage	
State Acreage:	92.04%
State Net Revenue Interest:	18.54%

Unit Type:	Unitized for:
iNut	Oil And Gas
Term:	

RRC Rules:	Spacing Acres:
No	



Oil & Gas Data Query

Query Menu Help

Form W-1

Return

To Print Directional or Horizontal Wellbore Information use (View W-1D or W-1H) links.

Status #: 894982 - 99	Operator: 253162 - EOG RESOURCES, INC.	Lease Name: STATE ORBISON O	Filing Purpose: New Drill
API #: 389-40910	Issued: 12/13/2023, Filed: Online	Well #: 731H, District: 08, County: REEVES	Wellbore Profiles: Horizontal
Problems identified with this permit are resolved. (12/12/2023 04:52:22 PM)			

Status: Approved

[View Current W-1](#)[View Current W-1H](#)[View Current Permit](#)[View SWR 13 Formations](#)

Completion Information

Well Status Code	Spud Date	Drilling Completed	Surface Casing Date
Z - Unperfed completion	01/18/2024	02/15/2024	01/19/2024

General / Location Information

Basic Information:

Filing Purpose	Wellbore Profiles	Lease Name	Well #	SWR	Total Depth	Horizontal Wellbore	Stacked Lateral Parent Well DP #
New Drill	Horizontal	STATE ORBISON O	731H	SWR 36, SWR 37 Lease Line	10291	Allocation	

Surface Location Information:

API #	Distance from Nearest Town	Direction from Nearest Town	Nearest Town	Surface Location Type
389-40910	28.5 miles	NW	Pecos	Land

GPS Coordinates - Datum: NAD 27

X = 872571 Y = 706971 State Plane Zone: Central

Survey/Legal Location Information:

Section	Block	Survey	Abstract #	County
28	56	PSL / NOAH, J J	5902	REEVES

Township	League	Labor	Porcion	Share	Tract	Lot

Perpendicular surface location from two nearest designated lines:

Perpendiculars	Distance	Direction	Distance	Direction
Survey Perpendiculars	2314.0 feet	S	1958.0 feet	E

Permit Restrictions:

Code	Description
29	This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.

Fields

District	Field Name	Field #	Completion Depth	Lease Name	Well #	Well Type	Acres	Distance to nearest well	Distance to nearest Lease Line from Surface Location	SWR	Off-lease Surface Location	Off-lease Penetration Point	Pooled/Unitized	Horizontal Ownership Interval																																						
08	PHANTOM (WOLFCAMP) Primary Field	71052900	10291	STATE ORBISON O	731H	Oil or Gas Well	1284.17	800.0 feet	1958 feet	SWR 36, SWR 37 Lease Line	N	N	N																																							
<table><tr><td colspan="3">Perpendiculars</td><td colspan="2">Distance</td><td colspan="2">Direction</td><td colspan="2">Distance</td><td colspan="3">Direction</td></tr><tr><td colspan="3">Surface Lease Lines</td><td colspan="2">3027.0 feet</td><td colspan="2">N</td><td colspan="2">1958.0 feet</td><td colspan="3">E</td></tr></table> Nearest Distance from the First/Last Take Point (Heel/Toe) to a Lease Line: 1 feet Nearest Perpendicular Distance from Any Take Point to a Lease Line: 1258 feet Section: 33 Block: Survey:PSL Abstract #: 5067 County: REEVES <table><tr><th>Name</th><th colspan="2">Profile</th><th>Distance</th><th>Direction</th><th>Distance</th><th>Direction</th></tr><tr><td>TH1</td><td>Terminus Point</td><td>Lease</td><td>50.0 feet</td><td>from the S line and</td><td>1258.0 feet</td><td>from the E line</td></tr></table>															Perpendiculars			Distance		Direction		Distance		Direction			Surface Lease Lines			3027.0 feet		N		1958.0 feet		E			Name	Profile		Distance	Direction	Distance	Direction	TH1	Terminus Point	Lease	50.0 feet	from the S line and	1258.0 feet	from the E line
Perpendiculars			Distance		Direction		Distance		Direction																																											
Surface Lease Lines			3027.0 feet		N		1958.0 feet		E																																											
Name	Profile		Distance	Direction	Distance	Direction																																														
TH1	Terminus Point	Lease	50.0 feet	from the S line and	1258.0 feet	from the E line																																														

		Survey	50.0 feet	from the S line and	1258.0 feet	from the E line
	Penetration Point	Lease	2857.0 feet	from the N line and	1258.0 feet	from the E line
Field Restrictions:						
Code	Description					
02	This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.					

Exceptions

Field	Exception	Historical Docket/Case #	Resolution	CASES #
PHANTOM (WOLFCAMP)	SWR 37 Lease Line	0343461		

Comments

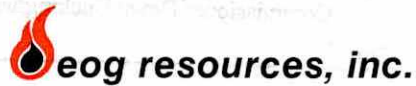
Remark	Date Entered	Entered By
Commission Staff expresses no opinion as to whether a 100% ownership interest in each of the leases alone or in combination with a "production sharing agreement" confers the right to drill across lease/unit lines or whether a pooling agreement is also required. However, until that issue is directly addressed and ruled upon by a Texas court of competent jurisdiction it appears that a 100% interest in each of the leases and a production sharing agreement constitute a sufficient colorable claim to the right to drill a horizontal well as proposed to authorize the removal of the regulatory bar and the issuance of a drilling permit by the Commission, assuming the proposed well is in compliance with all other relevant Commission requirements. Issuance of the permit is not an endorsement or approval of the applicant's stated method of allocating production proceeds among component leases or units. All production must be reported to the Commission as production from the lease or pooled unit on which the wellhead is located and reported production volume must be determined by actual measurement of hydrocarbon volumes prior to leaving that tract and may not be based on allocation or estimation. Payment of royalties is a contractual matter between the lessor and lessee. Interpreting the leases and determining whether the proposed proceeds allocation comports with the relevant leases is not a matter within Commission jurisdiction but a matter for the parties to the lease and, if necessary, a Texas court of competent jurisdiction. The foregoing statements are not, and should not be construed as, a final opinion or decision of the Railroad Commission.	11/01/2023 01:05:10 PM	
Heel/toe distance revised per RRC procedure for allocation wells.	11/03/2023 02:35:11 PM	RRC STAFF
There have been problems identified with this permit (see problem letter attachment). Notification sent.	11/03/2023 02:42:21 PM	RRC STAFF
Problems identified with this permit are resolved.	11/16/2023 12:14:35 PM	RRC STAFF
Revised plat and P16 submitted by Robert Humphreys. The original plat has been re-uploaded as a pooled unit plat, with tract 7 being the second lease on this allocation.	11/16/2023 12:16:42 PM	RRC STAFF
There have been problems identified with this permit (see problem letter attachment). Notification sent.	11/16/2023 03:28:02 PM	RRC STAFF
The revised P16 had the wrong horizontal wellbore profile type listed. The filer has been emailed directly about this issue.	11/17/2023 03:02:07 PM	RRC STAFF
Revised P16 submitted by Robert Humphreys.	11/20/2023 04:00:54 PM	RRC STAFF
Problems identified with this permit are resolved.	12/12/2023 04:52:22 PM	RRC STAFF

Attachments

Attachment Type	File Path	Associated Fields and/or Plats
P-12	Orblson 28 P-12.pdf	
As Submitted W-1	AsSubmittedW1-11-1-2023.pdf	
Permit Problem Letter	problem letter 11-3-2023.pdf	
PLAT #2 (Paper Size: LGL)	894982 Well Plat.pdf	PHANTOM (WOLFCAMP)
PLAT #3 (Paper Size: LGL)	894982 Lease Plat.pdf	PHANTOM (WOLFCAMP)
P-16	894982 P16 Revised2.pdf	
As Approved W-1	AsApprovedW1-12-13-2023.pdf	
As Approved Permit	AsApprovedPermit-12-13-2023.pdf	

Return

[Disclaimer](#) | [RRC Home](#) | [Contact](#)



LEASE NAME & WELL NO.:
STATE ORBISON O 731H "AS-DRILLED"

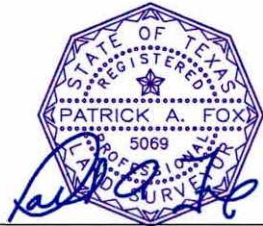
TOPOGRAPHY & VEGETATION:
NATURAL MESQUITE PASTURE

NEAREST TOWN IN COUNTY:
±28.5 MILES NORTHWEST OF PECOS, TEXAS

DESCRIPTION:
SECTION 28, BLOCK 56, PUBLIC SCHOOL LAND SURVEY, A-5902
REEVES COUNTY, TEXAS

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us. This plat does not in any way represent a "Boundary Survey", and does not comply with correct T.B.P.L.S. Minimum Standards of Procedures for Boundary Surveys.

CERTIFICATION:



Texas Reg. No. 5069

I, Patrick A. Fox, a Registered Professional Land Surveyor, and an authorized agent of Topographic, Inc., do hereby certify that the above described well location was surveyed and staked on the ground as shown herein. This plat is for Texas Railroad Commission permitting only.



481 WINSCOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
TEXAS FIRM REGISTRATION NO. 10042504
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
TEXAS FIRM REGISTRATION NO. 10042500
WWW.TOPOGRAPHIC.COM

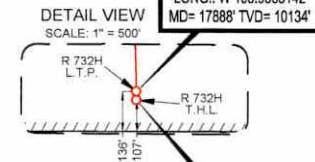
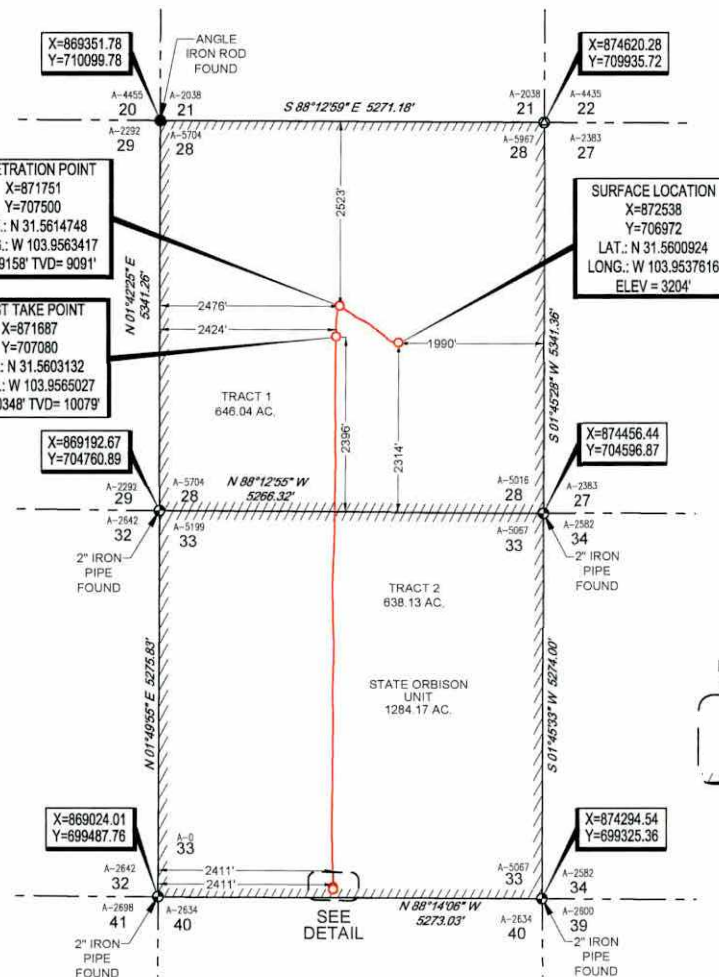
Surface Hole Location:
2314' FSL & 1990' FEL (SEC. 28)
SHL Ground Elevation: 3204'
X=872538 Y=706972
LAT.: N 31.5600924 LONG.: W 103.9537616
Penetration Point:
X=871751 Y=707500
LAT.: N 31.5614748 LONG.: W 103.9563417
First Take Point:
X=871687 Y=707080
LAT.: N 31.5603132 LONG.: W 103.9565027
Last Take Point:
X=871438 Y=699549
LAT.: N 31.5395977 LONG.: W 103.9565142
Terminus Hole Location:
107' FSL & 2411' FWL (SEC. 33)
X=871438 Y=699520
LAT.: N 31.5395180 LONG.: W 103.9565134

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE TEXAS COORDINATE SYSTEM OF 1927, CENTRAL ZONE, U.S. SURVEY FEET.

ORIGINAL DOC. SIZE: 8.5"x14"

SCALE:	1" = 2000'
DATE:	12/30/2024
COGO:	REEVES
AD_STATE_ORBISON_O_731H_LAT_LENGTH	
DRAWN BY:	IMU

REV#-BY	DATE REVISED



TERMINUS LOCATION
X=871438
Y=699520
LAT.: N 31.5395180
LONG.: W 103.9565134
MD= 17917' TVD= 10133'

EFFECTIVE TREATED LATERAL	
TRACT 1	2398'
TRACT 2	5142'
TOTAL	7540'

#		ACREAGE
1	TRACT 1	646.04
2	TRACT 2	638.13
	TOTAL ACREAGE	1284.17

LEGEND:	
	Unit/Lease Boundary
	Section Line
	Iron Rod Found
	Iron Pipe Found
	Calculated Corner

File No. MF117754
Reeves County
iNut 14090 - API 42.389.40910
Date Filed: 01/14/2025
Commissioner Dawn Buckingham, M.D.
By: Jm



Information for processing an Internal Non Unit Transaction (iNut) Length of Lateral

iNut No. 14091

GENERAL INFORMATION

Name of Well: State Orbison R # 732H API # 42-389-40933
Name of Operator: EOG Resources, Inc. RRC # 08-894984
Operator Contact Person: Sherman Young Phone: 432-848-9097
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Ryty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
FR	7735/MF117754	5634	2160	0.00391285	0.06250000	0.02400215	0.00150013
FR	7735/MF117755	5634	2160	0.00057458	0.06250000	0.00352458	0.00022029
FR	7735/MF117756	5634	2160	0.00781136	0.06250000	0.04791633	0.00299477
FR	7735/MF117757	5634	2160	0.03064412	0.06250000	0.18797671	0.01174854
FR	7735/MF117758	5634	2160	0.00390568	0.06250000	0.02395816	0.00149739
SF	MF120457	5634	3474	0.25000000	0.25000000	0.61661342	0.15415335
Totals:						0.90399135	0.17211448
Effective Date: <u>01/01/2024</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA00595

Comments:

- Final as drilled plat submitted on January 9, 2025 by email from Sherman Young.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

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

Prepared by: SM Alamo updated by: SM WI updated by: SM
RAM approval by: SM GIS updated by: SM

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU250001

Unit Number 14091
Operator Name EOG Resources, Inc.
Customer ID C000027065
Unit Name State Orbison R # 732H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.17211448
State Part in Unit 0.90399135
Unit Depth Specified Depths
From Depth
To Depth
Effective Date 01/01/2024
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**
Well
Formation
Participation Basis **Length of Lateral**
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF117754		0.000000	0.000000	0.02400215	O/G	0.06250000	0.00150013	No
MF117755		0.000000	0.000000	0.00352458	O/G	0.06250000	0.00022029	No
MF117756		0.000000	0.000000	0.04791633	O/G	0.06250000	0.00299477	No
MF117757		0.000000	0.000000	0.18797671	O/G	0.06250000	0.01174854	No

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF117758		0.000000	0.000000	0.02395816	O/G	0.06250000	0.00149739	No
MF120457		0.000000	0.000000	0.61661342	O/G	0.25000000	0.15415335	No

API Number

4238940933

Remarks:

PSA00595. Final as drilled plat submitted on January 9, 2025 by email from Sherman Young.

Prepared By:







Prepared Date:

01/14/2025
01/14/2025
01/14/2025
02/04/2025
01/14/2025

GLO Base Updated By:

GLO Base Date:

RAM Approval By:

RAM Approval Date:

GIS By:

GIS Date:

Well Inventory By:

WI Date:

Pooling Committee Report

To: School Land Board

INU250001

Date of Board Meeting:

Unit Number: 14091

Effective Date: 01/01/2024

Unit Expiration Date:

Applicant: EOG Resources, Inc.

Attorney Rep:

Operator: EOG Resources, Inc.

Unit Name: State Orbison R # 732H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF117754	0.06250000	02/09/2014	3 years	40.000000	0.000000	0.00150013
FR	MF117755	0.06250000	08/30/2014	3 years	438.920000	0.000000	0.00022029
FR	MF117756	0.06250000	02/09/2014	3 years	119.780000	0.000000	0.00299477
FR	MF117757	0.06250000	03/03/2014	3 years	319.140000	0.000000	0.01174854
FR	MF117758	0.06250000	04/28/2014	3 years	119.780000	0.000000	0.00149739
U Fee	MF120457	0.25000000	01/12/2025	3 years	640.000000	0.000000	0.15415335

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

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	90.40%
<u>State Net Revenue Interest:</u>	17.21%

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

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

RR ONLINE SYSTEM

Oil & Gas Data Query

Query Menu Help

Form W-1

Return

To Print Directional or Horizontal Wellbore Information use (View W-1D or W-1H) links.

Status #: 894984 - 99	Operator: 253162 - EOG RESOURCES, INC.	Lease Name: STATE ORBISON R	Filing Purpose: New Drill
API #: 389-40933	Issued: 12/13/2023, Filed: Online	Well #: 732H, District: 08, County: REEVES	Wellbore Profiles: Horizontal
Problems identified with this permit are resolved. (12/12/2023 04:53:51 PM)			

Status: Approved

[View Current W-1](#)[View Current W-1H](#)[View Current Permit](#)[View SWR 13 Formations](#)

Completion Information

Well Status Code	Spud Date	Drilling Completed	Surface Casing Date
Z - Unperfed completion	01/16/2024	02/05/2024	01/16/2024

General / Location Information

Basic Information:

Filing Purpose	Wellbore Profiles	Lease Name	Well #	SWR	Total Depth	Horizontal Wellbore	Stacked Lateral Parent Well DP #
New Drill	Horizontal	STATE ORBISON R	732H	SWR 36, SWR 37 Lease Line	10291	Allocation	

Surface Location Information:

API #	Distance from Nearest Town	Direction from Nearest Town	Nearest Town	Surface Location Type
389-40933 	28.5 miles	NW	Pecos	Land

GPS Coordinates - Datum: NAD 27

X = 872538 Y = 706972 State Plane Zone: Central

Survey/Legal Location Information:

Section	Block	Survey	Abstract #	County
28	56	PSL / NOAH, J J	5902	REEVES

Township	League	Labor	Porcion	Share	Tract	Lot

Perpendicular surface location from two nearest designated lines:

Perpendiculars	Distance	Direction	Distance	Direction
Survey Perpendiculars	2314.0 feet	S	1991.0 feet	E

Permit Restrictions:

Code	Description
29	This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.

Fields

District	Field Name	Field #	Completion Depth	Lease Name	Well #	Well Type	Acres	Distance to nearest well	Distance to nearest Lease Line from Surface Location	SWR	Off-lease Surface Location	Off-lease Penetration Point	Pooled/Unitized	Horizontal Ownership Interval
08	PHANTOM (WOLFCAMP) Primary Field	71052900	10291	STATE ORBISON R	732H	Oil or Gas Well	1284.17	1600.0 feet	1991 feet	SWR 36, SWR 37 Lease Line	N	N	N	

Perpendiculars	Distance	Direction	Distance	Direction
Surface Lease Lines	3027.0 feet	N	1991.0 feet	E

Nearest Distance from the First/Last Take Point (Heel/Toe) to a Lease Line: 1 feet
 Nearest Perpendicular Distance from Any Take Point to a Lease Line: 2410 feet
 Section: 33 Block:56 Survey:PSL
 Abstract #: County: REEVES

Name	Profile	Distance	Direction	Distance	Direction
TH1	Terminus Point	Lease	50.0 feet	from the S line and	2415.0 feet from the W line

		Survey	50.0 feet	from the S line and	2415.0 feet	from the W line
	Penetration Point	Lease	2450.0 feet	from the N line and	2410.0 feet	from the W line
Field Restrictions:						
Code	Description					
02	This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.					

Exceptions

Field	Exception	Historical Docket/Case #	Resolution	CASES #
PHANTOM (WOLFCAMP)	SWR 37 Lease Line	0343462		

Comments

Remark	Date Entered	Entered By
Commission Staff expresses no opinion as to whether a 100% ownership interest in each of the leases alone or in combination with a "production sharing agreement" confers the right to drill across lease/unit lines or whether a pooling agreement is also required. However, until that issue is directly addressed and ruled upon by a Texas court of competent jurisdiction it appears that a 100% interest in each of the leases and a production sharing agreement constitute a sufficient colorable claim to the right to drill a horizontal well as proposed to authorize the removal of the regulatory bar and the issuance of a drilling permit by the Commission, assuming the proposed well is in compliance with all other relevant Commission requirements. Issuance of the permit is not an endorsement or approval of the applicant's stated method of allocating production proceeds among component leases or units. All production must be reported to the Commission as production from the lease or pooled unit on which the wellhead is located and reported production volume must be determined by actual measurement of hydrocarbon volumes prior to leaving that tract and may not be based on allocation or estimation. Payment of royalties is a contractual matter between the lessor and lessee. Interpreting the leases and determining whether the proposed proceeds allocation comports with the relevant leases is not a matter within Commission jurisdiction but a matter for the parties to the lease and, if necessary, a Texas court of competent jurisdiction. The foregoing statements are not, and should not be construed as, a final opinion or decision of the Railroad Commission.	11/01/2023 01:37:21 PM	
There have been problems identified with this permit (see problem letter attachment). Notification sent.	11/03/2023 03:06:00 PM	RRC STAFF
Problems identified with this permit are resolved.	11/16/2023 02:09:18 PM	RRC STAFF
Revised plat and P16 submitted by Robert Humphreys. The original plat has been re-uploaded as a pooled unit plat, with tract 7 being the second lease on this allocation.	11/16/2023 02:09:27 PM	RRC STAFF
Nearest Distance from the First/Last Take Point (Heel/Toe) to a Lease Line corrected to 1 ft per allocation filing procedures.	11/16/2023 03:22:29 PM	RRC STAFF
There have been problems identified with this permit (see problem letter attachment). Notification sent.	11/16/2023 03:28:20 PM	RRC STAFF
The revised P16 had the wrong horizontal wellbore profile type listed. The filer has been emailed directly about this issue.	11/17/2023 03:03:47 PM	RRC STAFF
Revised P16 submitted by Robert Humphreys.	11/20/2023 04:10:58 PM	RRC STAFF
Problems identified with this permit are resolved.	12/12/2023 04:53:51 PM	RRC STAFF

Attachments

Attachment Type	File Path	Associated Fields and/or Plats
P-12	Orbison 28 P-12.pdf	State Orbison R #732H Plat.pdf
As Submitted W-1	AsSubmittedW1-11-1-2023.pdf	
Permit Problem Letter	problem letter 11-3-2023.pdf	
PLAT #2 (Paper Size: LGL)	894984 Well Plat.pdf	PHANTOM (WOLFCAMP)
PLAT #3 (Paper Size: LGL)	894984 Lease Plat.pdf	PHANTOM (WOLFCAMP)
P-16	894984 P16 Revised2.pdf	
As Approved W-1	AsApprovedW1-12-13-2023.pdf	
As Approved Permit	AsApprovedPermit-12-13-2023.pdf	

Return

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LEASE NAME & WELL NO.:
STATE ORBISON R 732H "AS-DRILLED"

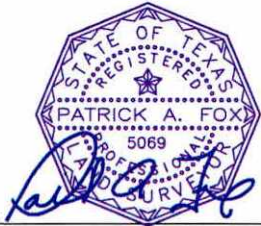
TOPOGRAPHY & VEGETATION:
NATURAL MESQUITE PASTURE

NEAREST TOWN IN COUNTY:
±28.5 MILES NORTHWEST OF PECOS, TEXAS

DESCRIPTION:
SECTION 28, BLOCK 56, PUBLIC SCHOOL LAND SURVEY, A-5902
REEVES COUNTY, TEXAS

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us. This plat does not in any way represent a "Boundary Survey", and does not comply with correct T.B.P.L.S. Minimum Standards of Procedures for Boundary Surveys.

CERTIFICATION:

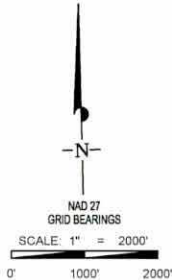


Texas Reg. No. 5069

I, Patrick A. Fox, a Registered Professional Land Surveyor, and an authorized agent of Topographic, Inc., do hereby certify that the above described well location was surveyed and staked on the ground as shown herein. This plat is for Texas Railroad Commission permitting only.



481 WINSBOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
TEXAS FIRM REGISTRATION NO. 10042504
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
TEXAS FIRM REGISTRATION NO. 10042500
WWW.TOPOGRAPHIC.COM



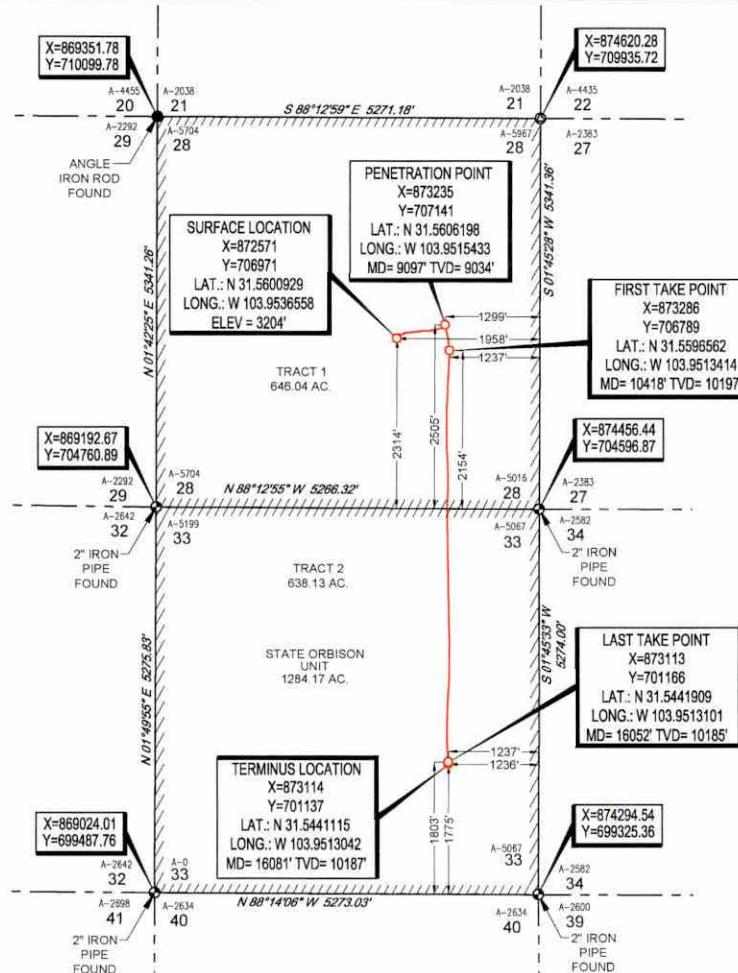
Surface Hole Location:
2314' FSL & 1958' FEL (SEC. 28)
SHL Ground Elevation: 3204'
X=872571 Y=706971
LAT.: N 31.5600929 LONG.: W 103.9536558
Penetration Point:
X=873235 Y=707141
LAT.: N 31.5606198 LONG.: W 103.9515433
First Take Point:
X=873286 Y=706789
LAT.: N 31.5596562 LONG.: W 103.9513414
Last Take Point:
X=873113 Y=701166
LAT.: N 31.5441909 LONG.: W 103.9513101
Terminus Hole Location:
1775' FSL & 1236' FEL (SEC. 33)
X=873114 Y=701137
LAT.: N 31.5441115 LONG.: W 103.9513042

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE TEXAS COORDINATE SYSTEM OF 1927, CENTRAL ZONE, U.S. SURVEY FEET

ORIGINAL DOC. SIZE: 8.5"x14"

SCALE:	1" = 2000'
DATE:	12/30/2024
COGO:	REEVES
AD_STATE_ORBISON_R_732H_LAT_LENGTH	
DRAWN BY:	IMU

REV#-BY	DATE REVISED



LEGEND:	
	Unit Boundary
	Survey Line
	Iron Rod Found
	Iron Pipe Found
	Calculated Corner

EFFECTIVE TREATED LATERAL	

#		ACREAGE
1	TRACT 1	648.04
2	TRACT 2	638.13
	TOTAL ACREAGE	1284.17

File No. MF117754
Reeves County
iNut14091 - API 42.389.40933
Date Filed: 01/14/2025
Commissioner Dawn Buckingham, M.D.
By: Jm